Strategic Human Resource Management (SHRM): A Paradigm Shift for Achieving Sustained Competitive Advantage in Organization

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Abstract
The human resource of an organization offered the potential synergy for sustained competitive advantage, when properly deployed, maintained and utilized. From the onset, the traditional HRM, the formal system for managing people in organization, concerned itself essentially with transactional and administrative support services. The emergence of SHRM, concerned with the relationship between HRM and strategic management of the organization, was a paradigm shift. The strategic business partner model emphasized the proper integration or fit of HR practices with the business strategies of the organization, to generate a competitive advantage. To perform successfully, the roles of business partner and change agent under SHRM, the HR practitioner must be highly knowledgeable, multi-skilled and acquire core competencies like business knowledge, strategic visioning and global operating skills, credibility and integrity, internal consulting skills, among others.

Keywords: Strategic human resource management, human resource management, competitive advantage, fit, integration, business strategy, strategic business partner.

1. Introduction
An organization requires the utilization of a complex array of resources to grow, survive and achieve the ultimate mission or objectives that informed its existence or creation. The mobilization and deployment of these resources – human, financial and material – in the right resource-mix, gives the organization leverage toward the desired end. Of these resources, the human resource is the most potent and central, contributing significantly to corporate bottom line and competitiveness. The organization therefore gains sustained competitive advantage through people, the organization workforce. Competitive advantage is simply defined as anything that gives an organization an edge over the competitors in its market. According to Porter (1985), the unique talents among employees, including flexibility, innovation, superior performance, high productivity and personal customer service are ways employees provide a critical ingredient in developing a firm’s competitive position. Similarly, Chiavenato (2001) notes that employees are purveyors of activities and knowledge whose most important contributions in the organization are their intelligence and individual talents. There is a
growing consensus that effective management of human capital is critical to an organization’s success (Barney & Wright, 1998; Jackson, Hitt & DeNisi, 2003; Akhtar, Ding & Ge, 2008).

Managing the human resources in the organization is the traditional responsibility of the personnel manager, a precursor to human resource management (HRM). Some scholars however equate HRM with personnel management, concerned with providing staff support in the organization (e.g. Guest, 1989). Other scholars consider HRM as a natural development of personnel management practices in the face of changing economic and business environment (Armstrong, 1989 & 2004; and Fajana, 2002). The people-management discipline is undergoing continuous metamorphosis, with the recent emergence of strategic human resource management (SHRM) in organization and management literature. In a recent review covering 30 years, Lengnick-Hall, Lengnick-Hall, Andrade & Drake (2009) present an evolutionary and chronological perspective on the development of SHRM. The authors identify the following seven themes which influenced the development of the field of SHRM: (1) explaining contingency perspective and fit, (2) shifting from a focus on managing people to creating strategic contributions, (3) elaborating HR system components and structure, (4) expanding the scope of SHRM, (5) achieving HR implementation and execution, (6) measuring outcomes of SHRM, and (7) evaluating methodological issues. SHRM is evolving as a new approach to the management of people, and specifically focusing on integrating the human capital to business strategy to enhance organizational competitiveness. According to Aswathappa (2004:39), “the advent of SHRM has brought forward the issues of linkages between the employer-employee relationships and wider organizational strategies and corporate objectives”.

“The field of strategic human resources management has enjoyed a remarkable ascendance during the past two decades, as both an academic literature and focus on management practice” (Becker & Huselid, 2006:898). The transition from the older HR practice with focus on staff matter to a subject of re-birth which focuses on linking people as organizational asset with the business strategy of the firm (Niehaus, 1995) means that the HR professional is performing a new and more challenging responsibility that requires new competencies and skills. He has to think outside the traditional organizational box of HR – and develop a radically different approach to manage the human capital and create a fit between HR architecture and business strategy formulation and implementation in the firm. The HR architecture, according to (Becker & Huselid, 2006:899) “is composed of the systems, practices, competencies, and employee performance behaviors that reflect the development and management of the firm’s strategic human capital”.

This paper discusses the emergence of SHRM as a paradigm shift and the pertinent issues raised or implied in this transition. It further presents the resource-based view (RBV) of integrating SHRM with business strategy. The organizational implications of the strategic business partner model for corporate competitiveness, and the strategic skills and core competencies required of the HR practitioner are finally discussed.

2. Literature Review: Traditional HRM versus SHRM

In their seminal thesis on the development of HR function, Jamrog & Overholt (2004:1) declare that “over the past 100 years the HRM professional has been continuously evolving and changing, adding more and different responsibilities”. The authors’ account shows that the HRM function has evolved through many stages, from the medieval time through the industrial revolution, the scientific management, the human relations movement, etc., to the present strategic business partner model. For most of its history, HR has mainly focused on the administrative aspects of HRM, except recently, with the strident call for HRM to become a strategic business partner (Ulrich, 1997; Brockbank 1999; Lawler III & Mohrman, 2000; and Lawler III & Mohrman, 2003).
Some scholars therefore, are wont to differentiate between the traditional HRM and SHRM. Traditional HRM is transactional in nature, concerned essentially with providing administrative support in terms of staffing, recruitment, compensation and benefits (Rowden, 1999; and Wei, 2006). Ulrich (1997) argues that the HR function has been an administrative function headed by personnel whose roles are essentially focused on cost control and administrative activities. Managing people is therefore the responsibility of HR manager. HRM is then a “formal system for the management of people within the organization” (Bateman & Zeithaml, 1993:346). For Inyang (2001:8), HRM is simply “organization’s activities, which are directed at attracting, developing and maintaining an effective workforce”. The many transactional or administrative activities involved in managing the human resources of an organization – training and development, staff motivation, compensation, staff commitment, quality performance, etc. are meant to be carried out effectively to influence the achievement of corporate objectives (Inyang, 2008a).

The paradigm shift from the administrative aspects of HRM led to the emergence of SHRM as a new generation of value-added core responsibility or function of HRM. The emphasis of SHRM is that of a strategic business partner. It now supports the company’s competitive advantage by providing high quality people and by helping business managers strategically plan the functions of the human capital within the organizations (Rowden, 1999). SHRM strongly believes that critical organizational capabilities or performance behaviors are sine qua non, for the attainment of a particular business strategy or goal. Unlike the traditional HRM which covers a wide range of employment practices, including recruitment, selection, performance appraisal, training and development and administration of compensation and benefits, SHRM reflects a more flexible arrangement and utilization of human resources to achieve organizational goals, and accordingly helps organizations gain competitive advantage (Wei, 2006). For Becker & Huselid (2006:899) the traditional HRM differs from SHRM in two important ways: “First, SHRM focuses on organizational performance rather than individual performance. Second, it also emphasizes the role of HR management systems as solutions to business problems (including positive and negative complementarities) rather than individual HR management practices in isolation”. This therefore reflects a shift of emphasis from operating efficiency of individual employees to managerial efficiency of the entire organization.

The distinction presented in this review shows SHRM as a more systematic approach, which extends beyond the management of human capital and people – management activity to involve the integration of human factors to strategic business goals of the organization. The strategic business partner focus of SHRM helps to add value to the organization – by contributing to the bottom line and competitive advantage.

Despite its current popularity among academics and HR professionals, SHRM is still experiencing problems of status identity and precise definition (McMahan, Virick & Wright, 1999: 101). Dyer & Kochan (1994) note the problem of status identity as affecting the development of a systematic theory of SHRM. Even the definitions of SHRM vary in emphasis among scholars: Wright & McMahan (1992); and Lundy (1994) emphasize the elements of HR planning; Hendry & Pettigrew (1990, 1992) stress the management of organizational change; Watson (1986) defines it as co-ordination mechanism of the organization; Beer (1984), Guest (1987), Dyer & Holders (1988), Lengnick-Hall & Lengnick-Hall (1990); Schuler, Dowling & De Cieri (1993), Truss & Gratton (1994); Ulrich (1997), Boxall (1999); Brand & Bax (2002) highlight HR policies as a tool for business strategy. Despite the differences in definition, a common thread that is emerging in the literature is that which stresses the relationship between business strategy and HR practices as the core of SHRM. What has also emerged from the literature is the broad agreement of the basic function of SHRM, which is concerned with designing and implementing a set of internally consistent policies and practices that ensure the human capital of an organization contributes to the achievement of its business objectives (Schuler & MacMillan, 1984), Baird & Meshoulam, 1988; Jackson & Schuler, 1995). On his part, Armstrong (2004:105) states that SHRM is essentially “concerned with the relationship between human resource management and strategic management of the firm”. Following from this, he defines
SHRM as “the overall direction the organization wishes to pursue in order to achieve its goals through people” (p.105).

SHRM is a strategic approach to manage human resource of an organization. It concerns all organizational activities which affect the behavior of individuals in their effort to formulate and implement planned strategies that will help organization achieve the business objectives. According to the Gomez-Mejia, Balkin, & Cardy (1995), SHRM implies a managerial orientation that ensures that human resources are employed in a manner conducive to the achievement of organizational goals and missions. SHRM must give careful consideration to the organizational import of all human resource decisions and to their links with the external environment and the organization’s competitive strategy (Beaumont, 1993).

In their own contribution, Boxall & Purcell (2003) argue that SHRM is concerned with explaining how HRM influences organizational performance. It is obvious from this point that SHRM is based on the principles incorporating, the concept of strategy. Therefore, if HRM is a coherent approach to the management of people, then SHRM implies that this approach is done on a planned way that integrates organizational goals with policies and action sequences (CIPD, 2007).

3. SHRM and Business Strategy Fit or Integration

The new business context, which is characterized by increasing globalization, greater organizational complexity, market competitiveness and cutting-edge information communication technology, is prompting organization executives to take more interest in the deployment and utilization of their human resources. The HR function is therefore playing a far more strategic role in the business or corporate strategic planning process in the organization. The emergence of SHRM is increasingly adding more value to the organization.

Thus, SHRM is based on HRM principles, which integrate the concept of business strategy. Strategy here refers to “the pattern of organizational moves and managerial techniques or approaches used to attain organization objectives and to pursue the organization’s mission” (Inyang, 2004:20). Strategy is also considered as “the process by which the basic mission and objectives of the organization are set, and the process by which the organization uses its resources to achieve these objectives” (Tichy, Fombrun, & Devanna, 1982:47). Organizations must choose and follow the diverse approaches in order to achieve success or gain competitive advantage.

Scholarly advocacy as already noted has consistently emphasized the need for HRM to become a strategic business partner. That means that SHRM has to be integrated with business strategy. This is also the issue of fit. Integration or fit refers to the involvement of SHRM in the formulation and implementation of organizational strategies and the alignment of SHRM with the strategic needs of an organization (e.g. Buyens & De Vos 1999; Schuler & Jackson, 1999). To become strategic business partner means that the HR managers should participate in strategic decision-making alongside other senior managers in the organization. This, according to Ulrich (1997), would provide greater opportunity to align HR goals, strategies, philosophies and practices with corporate objectives and the implementation of business strategies.

The involvement of HR managers would be to become members of senior or top management in the organization (Budhwar, 2000; Teo, 2000). Membership at this level in the organizational hierarchy offers opportunity for SHRM to represent its concerns and influence the direction of business strategy from the onset of the decision making process. This involvement from the crafting stage of strategy decision-making will enhance commitment on the part of the HR managers during implementation stage of such business strategy. Inyang (2008b) argues for the co-optation of the HR manager to business policy formulation as a business partner, to help drive policy implementation to success and attain competitive advantage. There is research evidence that integration tends to result in enhanced competence, congruence and cost effectiveness (Black & Boal, 1994; Teece, Pisano & Shuen, 1997).
There is increasing attention being focused on SHRM discourse about congruence or fit or integration between HR practice and business strategy (Baird & Meshoulam, 1988; Wright & McMahan, 1992; and Wei, 2006). The underlying assertion in the fit analyses is that the employment of effective HR practices and the design of an HR system compatible with the firm strategy are sine qua non for the successful implementation of the organization’s business strategies (Lengnick-Hall & Lengnick-Hall, 1988).

Fit is therefore a fundamental feature of SHRM, which connotes the utilization of human resources to enhance the attainment of organizational goals. According to Wright & McMahan (1992:298), fit means “… the pattern of planned human resource deployment and activities to enable a firm to achieve its goal”. Scholars of SHRM identify two kinds of fit: horizontal fit and vertical fit. Horizontal fit refers to the congruence among various HRM practices (Baird & Meshoulam, 1998), and vertical fit refers to the alignment of HRM practice with strategic management process of the firm (Schuler & Jackson, 1987). Generally, vertical fit or integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former, and helps to define it. Horizontal fit or integration with other aspects of the HR strategy is required so that its different elements fit together. The aim is to achieve a coherent approach to managing human resources, in a manner in which the various practices are mutually supportive. Both types of fit contribute significantly to the competitiveness of an organization and it is important for organization to arrange a variety of HR practices in a systematic way. According to Pfeffer (1994), a set of properly arranged HR practices can have a positive impact on a firm performance when they are properly implemented. Creating a proper fit or integration is the key issue in SHRM and it is this congruence in organization’s HR practices that impact on the bottom line. Figure 1 below illustrates these concepts and their impact on the organization.

**Figure 1: Two Types of Fit**

SHRM is essentially about integration – integrating HR practices with the business strategy of the organization. Both the vertical and horizontal fits create the congruence between business strategy and human resource policies which jointly enhance the attainment of bottom line, competitiveness and performance. Thus SHRM helps the organization to achieve strategic fit with its market environment. One of the key policy goals of SHRM according to Guest (1989) is to ensure that HR is integrated into strategic planning so that HRM policies cohere both across policy areas and across hierarchies and HRM practices are used by line managers as part of their everyday work. Walker (1992) points out that the HR strategies are functional strategies like marketing, production or IT strategies, but they are different in the sense that they are intertwined with all other strategies in the organization. Managing the human resource is a very unique function in the organization, and the human capital provides the
resources for implementing all business strategies. Therefore, HR planning should be an integral part of all other strategy formulations in the organization.

4. SHRM and the Resource Based View (RBV) of the Firm

The RBV of the firm is based on the ideas of Penrose (1959), who sees the firm as “an administrative organization and a collection of productive resources”. A firm that obtains and develops the human resource can achieve competitive advantage (Hamel & Prahalad 1989). Other researchers have similarly advocated the need to align HR systems with the firm’s strategy to create competitive advantage (Barney, 1986, 1991; and Wright & McMahan, 1992).

The underlying assumption of the RBV of the firm is resource heterogeneity. This means that the resources that different firms own are unlikely to be identical. Accordingly, these resources owned by the firm that help it achieve sustained competitive advantage must meet four requirements. The resources must be (i) valuable, (2) rare, (3) inimitable, and (4) non-substitutable. This follows therefore that if the resources a firm employs cannot be easily imitated by another firm or substituted by similar resources another firm employs the firm can easily take advantage of this to gain competitiveness not simultaneously pursued by other firms. Snell, Youndt & Wright (1996) argue that human resources meet these four requirements. Others have equally shown that the linkage of organizational resources and firm strategy cannot be easily identified and imitated by other firms due to the social complexity and causal ambiguity (Barney, 1991, Boxxall, 1998). Thus, the integration of human resource practices and policies with the appropriate strategy can generate a sustained competitive advantage for the firm (Wei, 2006).

The firm’s HR policies, practices and strategies are a unique blend of process, procedures, personalities, styles, capabilities and organizational culture, which are difficult to imitate. As Purcell, Kinnie, Hutchinson, Rayton & Swart (2003) point out, the values and HR policies of an organization constitute important non-imitable resources, as long as they are enacted and implemented effectively. One of the most important factors of competitive advantage is the ability to differentiate what a business supplies to its customers from what is supplied by its competitors. Purcell et al (2003) maintain that such differentiation can be achieved by having HR strategies, policies and practices which ensure that:

1. The firm has higher quality people than its competitors.
2. The unique intellectual capital possessed by the business is developed and nurtured.
3. Organizational learning is encouraged, and
4. Organizational specific values and a culture exist that ‘bind the organization together [and] give it focus’.

The RBV of the firm is concerned with developing strategic capacity, making adequate investment in the organization’s human capital to add more value to the firm. According to Armstrong (2004:108), the aim of RBV “is to improve resource capability - achieving strategic fit between resources and opportunities, and obtaining added value from the effective deployment of resources”.

It is generally acknowledged that the human resource is an organizational asset, and when it is adequately trained and effectively deployed can contribute immensely to the bottom line. Aligning the HR systems with business strategy is therefore a *sine qua non* for organizational competitiveness. Business strategies designed to achieve organizational objectives are not likely to succeed when HRM is not involved in both strategy formulation and implementation. Organizations must create the conducive environment for integrating HRM with business strategy since the HR supplies the energies for driving organization strategies. Wei (2006) notes that the HR system and practices are crucial in facilitating the achievement of business strategy through the management of people.

Several studies have shown that a firm’s HR creates value in the organization in different ways. The impact of SHRM on organizational performance is quite obvious. SHRM has positive effect on business performance (Martell & Carrol, 1995); SHRM can help an organization to allocate its human
resources more effectively, promote operating efficiency, and encourage creativity and innovation (Dyer, 1983; Walker, 1980); it enables the firm cope more effectively with the challenges of environmental change (Cook & Ferris, 1986; Tichy & Barnett, 1985); encourages a more proactive management style, transmits organizational goals clearly and motivates greater involvement by line managers in HRM concerns (Gomez-Mejia, Balkin & Cardy, 1995); enhances organizational morale, financial performance, and overall organizational performance (Huang, 1998; Anderson, Cooper & Zhu, 2007); brings about commitment, customer satisfaction and innovation (Pfeffer, 1994; Chew & Chong, 1999; Bowen, Galang & Pillai, 2000; Wright & Kehoe, 2008); enhances market value per employee (Becker & Huselid, 1998); creates value for customers and stakeholders (Ramlall, 2006); and brings about return on equity (Delery & Doty, 1996). Garavan (2007:11) sees strategic human resource development as contributing “to the creation of firm-specific knowledge and skill when it is aligned with the strategic goals of the organization”. Increased productivity has also been noted in small enterprises that align or integrate their formal and informal HR practices and strategies with the business strategies of the organization (Singh & Vohra, 2005).

5. The Roles of SHRM Professional

The HR professional has more challenging roles to perform under SHRM – the emergent business partner model. Unlike the traditional HRM, which is transactional in nature and is concerned with administrative activities, SHRM is a value-added core responsibility that aligns the HR system, policies and practices with business strategy to gain sustained competitive advantage for the firm. In performing the new challenging roles, the HR professional must think outside the traditional organizational box of HRM and develop a more systematic and radically different approach to manage the human element to effectively support the firm’s business strategy formulation and implementation. For successful implementation of the business partner role, the HR manager needs to understand the company’s business direction and its competitive position in the market place. Apart from this, to become a successful strategic partner, the HR manager must have competencies that have to do with the business issues involved in strategy and strategy development, and ability to contribute to organizational design and change management (Lawler, III and Mohrman, 2003).

The HR function, according to Rowden (1999) must change from a staff function that delivers prepackaged HR services to a service that helps managers create customized strategic plans to influence the effectiveness of company performance. The HR manager can play an important role in the formulation of strategy and providing the human resource required to support various strategies and strategic initiatives in the organization. He provides the leadership role in developing the human capital and the necessary capabilities to enact the strategy and drive the implementation and change management processes to success (Lawler III & Mohrman, 2003). Good human capital management is a prerequisite for successful execution of business strategies.

According to Ulrich (1998), the modern HR professional must perform four complementary roles. The first role, administrative excellence, is important because it is an immediate way of contributing to the overall efficiency of the organization. As administration expert, he must rethink how work is done throughout the organization. The second role HR professionals must realize is that of employee champion. The HR manager must play the crucial role of employee advocate. He should be the employee’s voice in management discussion, offer employee opportunities for personal and professional growth; and provide resources that employees need to meet the demands put on them. The new role might also involve suggesting, that employees be given more control over their own work schedules. This is the issue of employee empowerment.

Two additional roles the modern HR professional must realize are those of strategic partner and change agent. Being a strategic partner calls for an on going evaluation of the alignment between current HR practices and the business objectives of the firm, and a continuing effort to design policies and practices that maximize this alignment. HR practitioner should be held responsible for defining an
organizational architecture – that is, identifying the organization’s way of doing business. Such framework as looking at the organizational components – strategy, structure, rewards, processes, people, style and shared values may be adopted. This new knowledge will allow HR to add value to the executive team with confidence. Being a change agent the HR manager must play a key role in implementing and managing organization change, assessing potential, sources of resistance to change, and collaborating with line managers to overcome these barriers. The HR professional’s role as a change agent is to replace resistance with resolve, planning with results and fear of change with excitement about its possibilities. These last two roles - strategic partner and change agent - are of particular interest to us because they represent the emerging strategic dimension of HR function - SHRM.

In addition to the above roles the HR practitioner needs to be a model and take on the specific role of integrating people strategies with business strategies in a way that advances the bottom line. Metzler (1998) adds that: the HR manager must play an active and guiding role in enabling the organization to choose its human resources well, invest in these people, support that growth and respect their needs, while fostering innovations needed to achieve the strategic business objectives.

The HR professional operating under the SHRM system must chart roles that include early and active involvement in key strategic business choices. He must become the partner of decision makers in the organization, and sharing accountability for organizing and performing work. He must carry out effective monitoring to see that everyone in the organization, and at every organizational hierarchy, stay focused on share strategic priorities. He must challenge old ways and constantly promote innovation to enhance corporate performance and the firm’s competitiveness.

6. Requisite Strategic Skill Development and Competencies
To function as a strategic business partner and successfully execute the new critical and challenging responsibilities, to bring about the bottom line, the HR professional needs to possess the relevant strategic skills or core competencies. Ismail & Long (2009: 118) define competency in general term “as a personnel related concept referring to a set of behavioral dimensions of one’s effective performance work”. Inyang (2009:65) considers competencies as constituting “a cluster of related knowledge, attitudes, and skills, which an individual acquires and uses together, to produce outstanding performance in any given area of responsibility”. A lack of certain competencies may affect the HR professional in the performance of the strategic role in the organization (Aitchison, 2007). Zigarelli (1997) identifies seven strategic skills that can help the manager develop effective strategic plans to handle the emerging challenges in the organization:

1. **Global operating skills**: These skills enable him to understand the issues of globalization and how to do business with individuals of diverse background or nationalities.
2. **Business and financial savvy**: He needs to understand financial reports, business goals, and possess the business acumen necessary to understand and support the function.
3. **Strategic visioning, critical thinking and problem solving skills**: As a strategic business partner, he needs the skills to take the lead in contributing to strategy, vision, and critical thinking to gain credibility for the HR function.
4. **Ability to use information technology**: The HR professional must be well grounded in information communication technology (ICT) and leverage this for business results. ICT is the engine that drives the modern organizations to business success and offers them sustained competitive advantage.
5. **Deep HR knowledge**: He needs to be well grounded in the theoretical and practical fundamentals of HR to adequately articulate HR practices. He needs to invest more time and resources for training and development.
6. **Change management skills**: He needs these skills to move the organization to new and more efficient ways of doing business. He needs to show commitment to change management in the organization.

7. **Organizational effectiveness skills**: These skills enable him to diagnose the effectiveness of the organization as accurately as possible to portray the current and future state of the organization. He can then monitor and correct inefficiencies.

Yeung, Wolcock & Sullivan (1996) identify the following core competencies that effective HR professionals should develop:

1. **Business knowledge**: Capacity to understand competitive issues impacting the business (e.g., market, products, technology, processes) and to understand how business can create profit and value.
2. **Customer orientation**: Ability to viewing issues from the perspective of customers.
3. **Effective communication**: The ability to provide both verbal and written information clearly, consistently and persuasively.
4. **Credibility and integrity**: To walk what you talk, act with integrity in all business transactions and honor personal commitments.
5. **Systemic perspective**: The ability to view problems and issues in the context of the bigger picture and understand the inter-relationships among sub-components.
6. **Negotiation and conflict resolution skills**: The capacity to reach agreements and consensus in spite of different goals and priorities.

Similarly, Ismail & Long (2009) examine six competencies – business knowledge, strategic contributions, HR delivery, personal credibility, HR technology and internal consultation, which HR professional needs to possess in order to function in his strategic partnership role and to excel in the current competitive environment. These competencies are based on Human Resource Competency Study (HRCS) under the initiative of the University of Michigan in the year 2003 (Brockbank & Ulrich, 2003), except internal consultation. The HR practitioner must acquire consulting skills which constitute a combination of diagnostic and behavioral skills that enable the professional, who is in support function in the organization to collaborate with the line managers to develop strategic solutions to business performance problems. As an internal consultant therefore, the HR manager is in a better position to contribute significantly to the functioning of other departments, solving problems, and delivering enhanced performance (Ismail & Long, 2009).

The rapidly changing global business environment calls for high knowledgeability on the part of the human resource managers, to function effectively as strategic business partners. According to Inyang (2008a: 61), “Human resources practitioners need to broaden their horizons, seek more knowledge and information to manage the intellectual capital effectively. This requires people who are multi-skilled, self-responsible, visionary and able to learn, to handle, to lead the organization to success”. The HR practitioner is also expected to develop a new mindset, as he becomes a strategic partner. In fact, to be a strategic partner, “the HR function must go beyond delivering services, maintaining records, and auditing. It needs to spend time being a member of the management team, doing strategic HR planning and making contributions to organizational design, strategy development, and strategic change” (Lawler III & Mohrman, 2003:4).
7. Conclusion
The traditional HRM practices, which are concerned with the management of people in an organization, have contributed significantly to organization bottom line. HRM offers traditional and administrative support services in the organization, in terms of staffing, recruitment, training and development, compensation and benefits. It generally concerned itself with attracting, developing and maintaining effective workforce.

The emergence of SHRM as a paradigm shift generated more value-added core responsibility, and emphasized the need to integrate HR practices with business strategy. SHRM is a strategic business partner model, which strongly believes that critical organizational capabilities or performance behaviors are necessary for the attainment of a particular business strategy or goal. SHRM is a more radical and systematic approach to the management of human capital, placing more emphasis on organizational performance rather than individual performance. It is this approach that helps to create a fit or congruence or integration of HR practices with business strategies that enables the organization to achieve sustained competitive advantage.

The RBV of the firm highlights the strategic position of the human capital, as an organizational asset, that contributes significantly to the overall performance of the organization, when adequate investment is made on the human resources. The HR practices must be properly aligned with the strategic goals of the organization.

To function as a strategic business partner and a change agent, to successfully handle the emerging challenges of SHRM, the HR practitioner must possess the requisite strategic skills and core competencies. The skills and competencies required include among others, being highly knowledgeable about business and its environment, developing a strategic vision, global operating skills, understanding and applying the ICT regime, organizational effectiveness skills, change management skills and ability to understand and manage conflict as well as possess internal consulting skills.

References


