The Public Arena and Strategic Human Resource Management

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# Session 2: Suggestions for making the connection to public organizations and the strategic focus (Drawing the material in the Preface and Chapter 1)

This part of the class introduces you to the strategic approach to HR and the perspectives of the SHRM Balanced Scorecard. My class outline includes:

* Illustrating the uniqueness and importance of SHRM in public organizations (See Preface)
* Illustrating the importance of HRM in Strategy Implementation in public organizations (See Preface and Chapter 1)
* Introducing the BSC framework for SHRM in aiding the implementation process (preface, chapter 1 and website case)

- To provide an example of applying the BSC framework in identifying objectives and initiatives, and

- To illustrate HR’s connection to the strategic process.

**Readings:**

***‘Preface’ and Human Resource Management’s strategic pressures’*** inCunningham, J.B. (2016). SHRM in the public arena: A managerial perspective. Palgrave-MacMillan, Preface and Chapter 1; pp. xii-xxi, 1-24.

# Uniqueness of public organizations

This section encourages you to recognize the uniqueness of public organizations and the fact that most organizations can be arranged on a continuum describing their degree of publicness. You might review beliefs or stereotypes of public and private sector workers and then review the experiences they have had with people in public sector organizations (See EL 1b in the Preface).

 You could summarize some of the popular impression of public sector workers, for example, impressions that they don’t work as hard and are not as productive. While it is easy to point to examples of public sector workers who do not seem to work as hard, the instructor might also point to private sector organizations where workers don’t seem to work as hard. It is also possible to have a debate on the differences of public and private organizations. We might summarize that discussion by pointing out that there is little support for some of the impressions of lower productivity in the public sector. Also, it is difficult to make broad statement defining public or private sector organizations or workers.

 The uniqueness of organizations in public arena and strategic human resource management illustrate unique motivations, environments, goals and financing. Other key differences identified include:

* Public organizations exist in a political vs. market system
* Raison d’être of a public organization is different
* Special value creating role of public organization
* One of the prime purposes is to provide a direction for society
* They provide a system of human rights, education and social justice and security
* People have different values
* Prominence of public sector unions

# Implementation

 I like to highlight my assumption that HRM is where the ‘rubber meets the road’ in implementation. For example,

* In changing the strategic direction, HR has a role in recruiting and selecting key talent
* In improving team relationships, HR’s role is adjusting the jobs and job descriptions to recognize this
	+ - * In almost every change there is a need to redesign jobs, focus performance, or develop a more positive labour climate

 SHRM has a special role to play in the public arena and the general challenge is to help line managers in implementing strategies and introducing change. There is a short quiz I ask people to take which highlights the difficulties of implementing change generally given that public sector goals are more complex and often less specific. This quiz highlights the implementation challenge generally. Implementation is much more difficult in the public sector because problems are more complex and goals are less specific. A small group problem solving exercise can be helpful in highlighting some of examples of implementation problems class members have experienced.

The importance of SHRM related factors and other intangibles can be underlined by the Brookings study of the increase in the value of tangible assets over the years. We can point to the Hay/Fortune annual survey which most often points to SHR factors as being highly valued. In the 2016 survey, ‘ability to attract and retain talented people’ and ‘quality of management’ were top. We might then comment about the importance of the intangibles in public organizations and the framework proposed by Carmeli, A., & Tishler, A. (2004).[[1]](#endnote-1)

# Introduction to Strategic HR (See: Preface and Chapter 1)

It is useful to introduce the general Balanced Scorecard and its general purpose by illustrating the importance of the using the BSC’s four perspectives: (i) customer or clients, (ii) internal business process, (iii) financial, and (iv) learning and growth, to guide the implementation process (See EL 3 in the chapter 1 website).

 This exercise asks people to review the objectives of a Housing Department in a community development agency concerned with increasing the number of housing units for homeless people. There are two strategic sub-themes related to (i) increasing the number and range of housing units and (ii) demonstrating community living. I ask people to review the strategy maps for each sub-themes. Then, people are asked to comment on how SHR objectives can be used to assist managers in implementing the strategic themes.

 There are two parts this case: (i) adapting the objectives and defining possible initiatives and measures, and (ii) encouraging participants to identify HR objectives and initiatives to assist line managers. In the first part of the exercise, participants are asked to review the case and complete the worksheet in: tightening each objective, brainstorming initiatives for each objective, and brainstorming measures. This should take 15-20 minutes and people gain a general understanding of each perspective and questions to ask in defining objectives and measures. I emphasize the importance of this exercise in illustrating how the failure to carry out objectives and initiatives in one area (perspective) can affect another area. So, there is a semi-causal link between each perspective. The case is an introduction to the use of the BSC and I like to emphasize its general overall relevance and avoid getting too specific at this stage.

 The second part of the exercise asks people to review the experience and comment on the importance of different perspectives and the advantages and disadvantages of focusing on only one perspective. Then, I ask people to indicate SHR’s role in assisting manager implement these strategic objectives. What SHR processes are most critical? Answers to this include recruitment, selection, retention and developing a positive working culture.

1. Carmeli, A., & Tishler, A. (2004).The relationship between intangible organizational elements and organizational performance. *Strategic Management Journal*, 25: 1257-1278. [↑](#endnote-ref-1)