CHAPTER 2

Using a Strategic HRM Balanced Scorecard as a Strategic Framework

# Suggestions for reading this chapter

**Readings:**

***‘Using a SHRM Balanced Scorecard as a strategic framework’*** inCunningham, J.B. (2016). SHRM in the public arena: A managerial perspective. Palgrave-MacMillan, Chapter 2, pp. 25-46.

# Introduction to Strategic HRM – BSC

The Balanced Scorecard is a useful conceptual framework for understanding organizations in recognizing the need to balance different perspectives: (i) customer or clients, (ii) internal business process, (iii) financial, and (iv) learning and growth to guide the implementation process. (See also EL 1, EL 2 and EL 4 in the chapter 2 website material).

After reviewing the perspectives in the BSC, it is useful to recognize that these perspectives are a way of categorizing different types of objectives, initiatives and measures which are important in implementing a strategy theme.

The Cool Aid case at the end of chapter 2 and the strategy map in figure 2.5 provides illustration of these perspectives. The case in the text asks you to address two issues: (i) illustrate the link between strategic objectives each theme area and (ii) identify examples of initiatives and measures for C1, C2, L3, and P4.

It is useful to review the website for chapter 2 and EL 1 and different strategy maps which show the arrows connecting the various objectives within a strategic theme. EL 1 also provides examples of initiatives and measures for C1, C2, L3, and P4. Strategy maps are a useful tool to pictorially illustrate the relationship of different objectives and initiatives to the strategic themes an organization is pursuing.

# Illustrating the use of the SHRM -BSC in implementing an organization’s strategies

The SHRM-BSC uses strategy maps to illustrate how HR objectives and initiatives can be aligned within the organization’s strategic themes. That is, it also encourages HR managers to play a facilitative role in assisting managers in line departments strategically focus their initiatives and activities in meeting the needs of external clients or customers. (see EL 2)

It is useful to recognize the connections between perspectives and the failure to carry out objectives and initiatives in one area (perspective) can affect another area. That is, the objectives within each perspective are linked in a semi-causal way in relationship to the strategic theme.

You might ask what HR processes are most critical? Answers to this include recruitment, selection, retention and developing a positive working culture.

In developing HR objectives, it is useful for managers to discuss certain policy questions defining their HR philosophy and values relating to motivation, retention and training. EL 4 summarizes a list of questions that can be useful in developing HR policies for defining this philosophy of values.