BOOK REVIEW
STRATEGIC HUMAN RESOURCE DEVELOPMENT:
A JOURNEY IN EIGHT STAGES

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Abstract
Strategic Human Resource Development: A Journey in Eight Stages is a book, which talks about the logical trajectory of gaining sustainable competitive advantage by aligning an organization's human resources (HR) development strategy with its strategic goals. Written originally in German, now translated in English, the book sheds light on the process, challenges of strategic HR development, and attempts to establish strategic HR development as a distinct field. It offers tactical insights for HR practitioners and scholars with respect to modern trends and approaches in the field of human resource development.

Key words: strategy, human resources, development, organization, management.

JEL classification: M12

OVERVIEW OF THE BOOK

Strategic Human Resource Development: A Journey in Eight Stages is a collection of the most influential essays written by leading scholars and practitioners on the process and issues of strategic HR development. This book attempts to create alignment between an organization's strategy and different HR development tools. Originally, this book was written and published in German with an English-language translation following on its initial success. This book is divided into four sections. The first section explains the conceptual boundaries and foundations of strategic HR development along with a contemporary understanding of HR development in an organization's strategic context. The second part, which is the essence of this book, delineates the eight-stage process of effective implementation of HR development strategy with respect to the functional and strategic needs of the business. The third section sheds light on the different challenges that organizations face while developing, aligning, and implementing their strategic HR development strategies. The final section discusses the prospects of strategic HR development as the prime engine of organization success.

WHAT IS STRATEGIC HR DEVELOPMENT?

The book starts with the explanation of HR development in the strategic context and how a strategic orientation helps organizations grow and attain sustainable competitiveness. According to the authors, organizations have been more focused on the traditional strategy and strategic management process and have overlooked the role HR can play in helping organizations identify, develop, and sustain their competitive advantage. Although some progressive organizations have linked their strategy development process with HR practices, this orientation does not seem to help organizations successfully navigate the challenges of competitiveness. There is a need to develop a strategy-oriented understanding of HR, which links with the organization's strategy as a whole. This is the first step in integrating HR into strategic planning and contributing to the value creation process of the organization.

In order to meet challenges of competition, organizations need their human resource departments to master certain competencies: building and nurturing relationships; understanding culture and change; organizational development; effective communication; receptiveness to technology; the art of crafting and executing strategies; business literacy; and HR operational excellence, among others. The major contribution of HR development is to identify the key competencies across multiple organizational levels with regard to organization's strategic context and enhance these competencies through multiple HR policies and practices. Despite increasing popularity of strategy, strategic management, and strategic HR, organizations tend to rely more on intuitive decision making rather than adopting strategic HR practices.

STRATEGIC HR DEVELOPMENT IN EIGHT STAGES

This section is the major contribution of the book and discusses the implementation process, the challenges of strategic HR development, and ways to overcome these challenges. The eight-stage model identifies the distinct but highly interdependent and interrelated activities of strategic HR development and describes the logical step-by-step process of effective implementation. The model is not to provide an instructional manual but instead presents a conceptual roadmap for decision makers to design and implement an HR development plan more strategically. The model systematically describes the procedural and structural layout of HR development to attain required strategic qualifications and competencies of the individuals.

STAGE 1: STRATEGIES FOR HR DEVELOPMENT

HR development strategies are meant to define the collective organizational efforts towards attainment of specific qualifications and competencies. Environment, competition, business strategy, business model, structure, governance, HR demand and supply are among the key factors that can potentially influence an organization's performance and thus be essentially considered while developing an HR strategy. However, top management commitment, availability of requisite resources, institutional capacity, and clarity about the required outcomes are few critical factors that can undermine the effective implementation of HR development strategy if missing.

STAGE 2: CONTROLLING HR DEVELOPMENT

After deciding on any focused HR development strategy, the next important step is to design a value-adding HR control mechanism to monitor the development progress by mapping out the previous as well as current qualifications and competencies. Portfolio management and diversity management become major issues to be addressed during this controlling phase. Key performance indicators correspond with the overall workforce strength, output of HR functional unit in terms of human capital development, and tangible contribution of HR to organizational strategic goals achievement.

STAGE 3: COMPETENCE MANAGEMENT

This stage addresses the behavioral component of strategic HR development by identifying and linking HR competencies with individuals' behaviors. This strategic orientation of competence management helps organizations achieve an optimum fit between the prevailing competencies of employees and the organization-specific requirements of human capital.

STAGE 4: PERFORMANCE MANAGEMENT

This stage focuses on the design of an effective performance management. This system should look beyond traditional remuneration to encompass multiple aspects of individual and organizational performance across various hierarchical. The primary challenge in this stage is to align performance indicators with the HR development controlling mechanism, culture, leadership, structure, and technologies.

STAGE 5: TALENT MANAGEMENT

Talent management is a vigorous task that includes multiple integrated HR activities to attract, develop and retain strategic human capital with the required qualifications, competencies, and behaviors. Since talent management corresponds with all aspects of individual and organization development, the major challenge in this stage is to accurately forecast developmental needs and to develop mechanisms to measure complicated quantitative and qualitative aspects of development (i.e., succession planning).

STAGE 6: QUALIFICATION MANAGEMENT

This stage captures the importance of developing individuals' knowledge, skills, abilities, and capacity to fulfill organization's current and future competence needs. An effective qualification management system ensures acquisition and development of strategic competencies though training, networking, and fostering the culture of continuous learning and adaptability.

STAGE 7: RETENTION MANAGEMENT

The major challenge for an organization in implementing strategic HR development process is to retain its developed workforce. Although the development and diversity of the workforce carries substantial benefits, it also poses challenges of retention. Employees' decision to stay with an organization can be effectively influenced by creating a culture of mutual trust, belongingness, and affective commitment.

STAGE 8: CULTURE MANAGEMENT

Culture is the most important, yet less attended, factor for the effective implementation of strategic HR development. Corporate culture encompasses the shared values, norms, beliefs, and behaviors of organization members. Since strategic HR development counts on employees' learning and adaptability, unforeseen cultural barriers can make this development processes even more complex. Apart from deploying the procedural layout of HR development framework and controlling mechanisms, the congruence between employees' and the organization's values system plays a pivotal role in effective strategy implementation. Using a cultural inventory and devising a strategy in light of common values can potentially enhance employees' efforts and commitment.

THE CHALLENGES OF HR DEVELOPMENT

In the third part of the book, challenges of strategic HR development and key questions are described. The relevant essays highlighted the need of developing organizational and process management capabilities with respect to cost, quality, strategy, reporting mechanisms ("controlling how?") and combining these processes to develop an aligned organizational culture. There is also a need to implement HR in new and creative ways within the organization ("persuading how?"). One of the other important challenges for HR development is to measure outcomes ("comparing what?") not just activities. This section also stresses the need for strong managerial acumen and leadership potential to cope with the economic and market uncertainties as a response to challenges of strategic HR development.

PROSPECTS FOR STRATEGIC HR DEVELOPMENT

At the end, the book sheds light on the future of strategic HR development by introducing a new concept called 'organizational energy'. By organizational energy, the authors refer to an organization's ability to take advantage of its collective emotional, cognitive, and behavioral potential to achieve its strategic ambitions. An organization's strategy exclusively focused on "organization's energy development and management" can provide a unique source of sustainable competitive advantage.

LIMITATIONS OF THE BOOK

The concept of strategy-oriented HR development and its role in helping organizations find unique ways of developing and sustaining competitive position indeed seems novel and important. The authors have convincingly presented their arguments, pragmatic frameworks, and tools to achieve the organization's strategic goals. This argument, however, is not without limitations. For instance, it is not clear, if the strategic HR development is distinct from strategic HRM or if it will work within the broader framework of strategic HRM. Another concern, which editor has also admitted, is the absence of any concrete instructional framework/manual for the implementation of strategic HR development in eight stages. Although book has suggested an eight-step hierarchical implementation model, some stages in the model seem to work instantaneously and in a reciprocal manner. Since, this book has been complied by using German-oriented literature; there is a concern of generalizability of most of the concepts in non-German contexts. Internal and external contexts of public, private, production and service oriented organizations are highly heterogeneous; hence the relevance and applicability of this book's concepts and frameworks in diverse organizational settings seems problematic.

WOULD WE RECOMMEND THE BOOK?

Regardless of the limitations, questions of relevance, and applicability of the concepts in diverse contexts, this book has explored novel and important aspects of HR development. The eight-step implementation model provides a systematic path to develop HR with respect to the strategic needs of the organization. The concept of 'organizational energy' and 'energy mobilization strategy' is a significant contribution and can be used to develop a unique source of sustainable competitive advantage. Therefore, we strongly recommend this book to the HR practitioners, scholars, and students who want to enrich the strategic role of HR development in organizational competitiveness and success.