

**Pragmatic Suggestions for improving the Practice of Strategic
Human Resource Management: Perceptions from Top Management
of Sri Lankan Listed Companies**

T. L. Sajeevanie
*Senior Lecturer,
Department of Human Resource Management,
Faculty of Management Studies and Commerce,
University of Sri Jayewardenepura,
Sri Lanka.
tllasanthi@gmail.com*

H.H.D.N.P. Opatha
*Senior Professor,
Department of Human Resource Management,
Faculty of Management Studies and Commerce,
University of Sri Jayewardenepura,
Sri Lanka.
hopatha@yahoo.com*

K. Dissanayeka
*Senior Lecturer,
Department of Management & Organizational Studies,
Faculty of Management & Finance,
University of Colombo,
Sri Lanka.
K_dis@hotmail.com*

Practice of Strategic Human Resource Management (SHRM) is critical for the achievement of organizational objectives. There are several internal and external factors influencing the practice of SHRM. The purpose of this study is to present some suggestions for improving the practice of SHRM as per the perception of Chief Executive Officers (CEOs) and Heads of Human Resource (HR) of Sri Lankan Listed Companies. The CEOs and Heads of HR for this study were drawn from a sample of 20 listed companies which were selected in order to represent each industry from a population of 288 listed companies of Sri Lanka across various industry sectors. Qualitative data was collected through semi - structured interviews and data analysis was done through thematic analysis. The results of the thematic analysis reveal that there are several factors to improve the practice of SHRM in Sri Lanka. Four clusters of themes have been emerged in the analysis, namely, competency of Head of HR, positive top management attitude and support, support from the external parties, and positive internal system. These findings help to enhance the understanding of SHRM

and can be applied to strengthen the practice of SHRM in Sri Lanka. These are original contributions to the Sri Lankan SHRM literature. The findings of the study support to fill the existing gap identified and provide some practical implications to professionals regarding practice of SHRM in the Sri Lankan context. Hence, this research may help policy makers of Listed Companies as well as other companies in Sri Lanka to identify ways in which they can improve the practice of SHRM.

Key Words: Suggestions, Practice of SHRM, Top Management, Sri Lanka, Listed Companies

1. Introduction

Jain (2005) has mentioned that SHRM includes comprehensive concerns about structures, values, cultures, quality commitment of the human resource through whom the goals of an organization are accomplished. Not only Jain but also many other researchers like Karami, Analoui and Cusworth, (2004) have emphasized that HR must not only focus on business level outcomes rather than HR level inputs but also it must become a strategic core competency rather than a market follower. Having identified several definitions, it can be explained that the SHRM perspective considers employees as strategic resources and implies that people are a critical investment in a firm's performance. In essence SHRM requires a holistic approach, with not only an internal integration between personnel systems (recruitment, selection, reward mechanisms, appraisal performance management), but also an integration between those systems-summarized in an HR strategy and the organization's strategy overall. According to the findings of Sajeevanie and Opatha's (2007) study "relationship between HRM-related factors and Practice of SHRM in Sri Lankan Listed firms" competency, education, experience and hierarchical level of the Head of HRM of a firm positively and significantly related to the practice of SHRM of the firm. Also they have found, in the Sri Lankan context there are less number of organizations practicing SHRM.

Unfortunately, little attention has been paid to studying SHRM practices in Sri Lanka, even though a number of scholars had studied SHRM in other developing countries. The research gap identified here is the intellectual puzzle on "how to improve the Practice of SHRM in Sri Lanka". Hence, this study aims at investigating SHRM practice within Sri Lanka and to present some pragmatic suggestions for improving the Practice of Strategic Human Resource Management as per the perception of CEOs and Heads of HR of Sri Lankan Listed Companies.

2. Methodology

In order to achieve the objective of the present study, i.e. to derive some pragmatic suggestions for improving Practice of Strategic Human Resource Management as per the perception of CEOs and Heads of HR of Sri Lankan Listed Companies, a qualitative approach was used.

2.1. Population and sample

The researcher approached the Sri Lankan Listed Companies as the targeted population. These companies are the top performing companies in Sri Lanka. Since, industry sectors represented by these organizations were 20 it ensured a broad spectrum of industries. For the collection of data for this study 20 CEOs and Heads of HR were selected conveniently representing at least one from each industry.

2.2 Data collection and analysis

Qualitative data and in particular semi structured interviews were conducted to explore existing uncovered realities. Except 5 members all others were interviewed using a tape recorder for responses. Their comments were identified as SLCR1 to SLCR20 respondent wise without any sequence.

There are different methods to analyze the research findings in qualitative research. Thematic analysis is a commonly used approach in data analysis of qualitative research. Thematic analysis was chosen because it is a flexible, uncomplicated technique that allowed for the study to be informed and to generate new insights. Thematic analysis is a method for systematically identifying, organizing, and offering insight into patterns of meaning (themes) across a data set (Braun & Clarke, 2013).

3. Findings

The question related to how to improve the practice of SHRM in Sri Lanka, one Head of HR explained; "I think the most important part is to hire the right people for the right place. Specially Head of the HR should be a correct person having required skills. Also top managers should value Human Resources and Human Resource Management. And they need to allocate sufficient resources then only the HR department can think beyond its day today administrative works".

Another CEO from Sri Lankan Listed Companies expressed his views on how to improve practice of SHRM in Sri Lanka as ;

"I am so much happy to know, about conducting SHRM research in Sri Lanka. Because some people still think about personnel management. But now we

should think beyond even from traditional HRM. I can't say there is up to 100% level practice of SHRM in our company. We would like to encourage other organizations by showing the benefits of SHRM for our organization".

One of the Sri Lankan Listed companies' Head of HR explained as: "Since we are a medium sized organization we can't practice SHRM as large organizations".

From the interview data, the study has identified four themes under the research question of "How to improve Strategic Human Resource Management Practice in Sri Lanka". They are; Improve competency of Head of HR, Positive top management attitude and support, Support from the external parties, and Create a positive internal system.

The objective of this study is to present some pragmatic suggestions for improving Practice of Strategic Human Resource Management as per the perception of CEOs and Heads of HR of Sri Lankan Listed Companies. As explained above there are several factors to improve the practice of SHRM in Sri Lanka. According to the answers from the Heads of HR and CEOs of the Sri Lankan Listed companies, those factors can be categorized under four themes: competency of Head of HR, Positive top management attitude and support, Support from the external parties, and positive internal system. Thus, improving competency of Head of HR was found as one of the main factors to improve practice of SHRM in Sri Lanka. Furthermore, positive top management attitude and support is vital for this. Similarly, a positive internal system helps to improve the practice of SHRM in an organization. Moreover, the study found that support from some external parties also was critical in order to improve the practice of SHRM in the Sri Lankan context.

4. Discussion and Conclusion

This finding is aligned with the previous literature, as such HR managers need to improve their knowledge of core markets, competitors, cost, products and stakeholders in order to integrate SHRM with corporate strategy (Ayanda & Sani, 2010). Dharmasiri (2009) has explained that to be a strategic partner; the Head of HR has to acquire business mastery, and a path that would lead him/her to greater interactions with the top team. Furthermore, these results are well supported by the results of the survey done by Ayanda et al. (2010). They explained that government should consider the practice of SHRM and reduce the unfavorable influence on HR matters. Thus, this finding is aligned with the previous literature, and they are confirmed in the Sri Lankan context.

Qualitative analysis was done by using thematic analysis. The Qualitative analysis revealed pragmatic suggestions for improving the practice of SHRM in Sri Lanka as per the perception of CEOs and Heads of the HR from Sri Lankan Listed companies. Thus, improving competency of Head of HR, positive top management attitude, positive internal system, support from some external parties were their suggestions to improve practice of SHRM in the Sri Lankan context. These findings are original contributions to this area. Human resources are the most important resources in an organization. As resource base theory explains HR can be used as sources of competitive advantage. Hence practice of SHRM is critical for the achievement of organizational objectives.

5. Implications

The findings of the study support to fill the existing gap identified and provide significant implications to HR professionals and Top Management in Sri Lankan Listed companies and policy makers and the government of Sri Lanka. Hence, the study suggests several ways to increase the practice of SHRM in the Sri Lankan context. Another important implication of the findings of the study are that a firm, that wants to establish a serious Practice of SHRM, should hire and retain a person as the Head of HRM who should possess a high competence of HRM, higher formal education on HRM and more experiences in HRM. Further, Sri Lankan organizations need to improve competencies of their Head of HR, develop positive top management attitudes and support. And it is very critical to create a positive internal system towards practice of SHRM within the organization. As a country policy makers and government can support to improve the practice of SHRM in Sri Lanka. The practice of SHRM should be further popularized in Sri Lanka. It is possible for the relevant academics of government universities and other educational institutions to engage in empirical studies in order to explore specific cultural, economic and other barriers for the practice of SHRM and to find specific solutions to establish and enhance the practice of SHRM. Also it is possible for them to publish learning materials useful for Training and Development of practitioners. Hence, this research may help policy makers in Sri Lankan Listed companies and other companies in Sri Lanka to identify ways in which they can improve the practice of SHRM.

References

Armstrong, M. (2011). *Armstrong's Hand book of Strategic Human Resource Management*. London: Kogan Page Publisher.

- Ayanda, O. J., & Sani, A.D. (2010). Strategic Human Resource Management and Organizational Effectiveness in the public sector: Some Evidence from Niger state. *International Bulletin of Business Administration*, 9, 141-156.
- Baird, L., & Messhoulam, I. (1984). Strategic human resource management: Implications for training human resource professionals. *Training and Development Journal*, 38(1), 76-87.
- Boyatzis, R. (1998). *Transforming Qualitative Information: Thematic Analysis and code Development*. London: Sage publications.
- Braun V., & Clarke V. (2013). *Successful qualitative Research: a practical guide for beginners* (1st ed.). London: Sage publications.
- Datta, S. (2010). *Strategic Management*. New Delhi: Pashupati Printers (P) Ltd.
- Dharmasiri, A. S. (2009). Strategic Orientation of HR Managers in Commercial Banks in south Asia. *International Review of Business Research papers*, 5(6), 1-21.
- Dharmasiri, A. (2012). Strategic Orientation of HR Professionals: Competencies and opportunities. *Management Digest*, 20 – 24.
- Jain, P. (2005). A comparative analysis of strategic human resource management (SHRM) issues in an organizational context. *Library Review*, 54, (3), 166-179.
- Karami, A., Analoui, F., & Cusworth, J. (2004). Strategic Human Resource Management and Resource – base approach: The Evidence from the British Manufacturing Industry. *Management Research News*, 27, 50-68.
- Mello, J.A. (2006). *Strategic Human Resource Management*, (2nd ed.). Ohio: Thomoson South- Western Ltd.
- Opatha, H.H.D.N.P. (2008). Competences as Human Assets: A Perspective. *Sri Lankan Journal of Human Resource Management* 2(1), 62-73.
- Perry, J. L. (2010). A Strategic Agenda for Public Human Resource Management Research. *Review of Public Personnel Administration*, 30(1), 20-43.
- Sajeevanie, T.L., & Opatha, H.H.D.N.P. (2007). Relationship between Human Resource Manager related factors and practice of Strategic Human Resource Management in Sri Lankan Listed Firms. *Sri Lankan Journal of Human Resource Management*, 1, 71-87.