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Abstract

Strategic formulation involves senior managers evaluating the interaction between strategic factors and making strategic choices that guide managers to meet the organization's goals. Some strategies are formulated at the corporate, business and specific functional levels. The term 'strategic choice' raises the question of who makes decisions and why they are made. The notion of strategic choice also draws attention to strategic management as a 'political process' whereby decisions and actions on issues are taken by a 'power-dominant' group of managers within the organization. Strategy implementation is an area of activity that focuses on the techniques used by managers to implement their strategies. Strategic human resource management involves a future-oriented process of developing and implementing HR programs that address and solve business problems and directly contribute to major long-term business objectives. HR management was once largely an administrative function focused on day-to-day responsibilities such as employee recruiting and selection and managing employee benefits. Changes in Japan's overall alignment policy – both the recalibration of its US-alliance relationship and its diversified strategic partnerships – cannot be separated from the larger question of foreign and security policy adaptation which has occurred since the end of the Cold War

Keywords: *Human, Resource, Strategic, Strategies, Realization, Fit*

Background

Whenever strategy formulation process is focused, it is seen that it is influenced by a number of external and internal factors (Haessler, 2020). Fombrun (2019) recognizes technological, economical, socio-cultural and political environment as interconnected external factors that have impact on the strategy formulation of organizations. The variations in these factors that are established through better information processing, automation, variations in the economic growth or growth in specific sectors, variations in the demographics of work force and political influences

effect the strategic direction of the organizations and thus create the need for alignment of human resource management to these changes. Lengnick-Hall and Lengnick-Hall (2020) classify the external environment factors into those that affect the competitive strategy formulation and those that specifically affect the human resource strategy. Competitive strategy is influenced by economic conditions, industry structure, competitive advantage, product/market scope and the distinct competence.

Strategic human resource management involves a future-oriented process of developing and implementing HR programs that address and solve business problems and directly contribute to major long-term business objectives (Hamid, Muzamil & Shah, 2020). HR management was once largely an administrative function focused on day-to-day responsibilities such as employee recruiting and selection and managing employee benefits. Changing labor market conditions and new business thinking call for HR business strategies that include recruiting and retaining the right people, as well as providing ethical and cultural leadership. Strategic planning presents great challenges and opportunities for HR professionals. Nearly all HR leaders in the largest global companies are involved in strategic decision-making and participate on the organization's strategy team, and a majority of HR professionals report that strategic planning is part of their function. In contrast, HR professionals in many medium and small organizations are not often involved in organizational or functional strategic planning. Consequently, to achieve long-term strategic HR objectives and to be a key player in the organization's strategic planning process, some HR departments may need to convince senior management of the value and contribution HR can provide.

The closer the alignment between HR and an organization's overall business strategy, the better the company's ability to anticipate and respond to customer needs and to maintain competitive advantage. Rigorous research, planning and development involving workforce culture, behaviors and competencies promote the successful execution of business strategy. Being a strategic business partner means carrying out HR activities with the long-range goals of the organization in mind. To do this, HR professionals must do the following: Understand how the various organizational components interact and recognize the long-term implications of HR decisions. The impact of HR decisions must be thoroughly researched and analyzed *before* changes are implemented. Have a firm grounding in business basics, including finance, marketing, sales, operations and IT. These skills help with budgeting and with maintaining a workforce with the correct mix of skills.

The characteristics of the industry in which the organizations are to be analyzed and its competitive advantage need to be determined for developing an HR strategy. Human resources management is essential, even crucial for the functioning of your organization. Any viable business needs human resources, or talent, to move forward the enterprise mission, values and principles. And of course, to do the work. Strategic human resource management enables alignment between the HR or HR function and your company's business goals. Human resource strategy differs from traditional HR in a couple of important ways. HR strategy is long-term and focuses on workforce planning as well as development from a forward-thinking viewpoint. Traditional HR, or personnel as it was once referred to as, is focused more on the transactional nature of Human resources, such as reviewing applications, maintaining a census of FTEs (full-time equivalents) and signing up talent for insurance benefits. Strategic human resource management, on the other hand, focuses on aligning employee qualifications with the organization's workforce needs. This type of HR management

provides employee training and development to prepare the workforce for company expansion, as well as the employee's professional growth.

Businesses that focus solely on the transactional nature of human resources, such as payroll processing, record keeping and administering sick leave policies may find themselves scrambling to prepare for future growth. You need human resource strategy to stay on par with your competitors and ultimately to exceed those competitors' capabilities if you want to become best-in-class in the industry or in your market. Because human resource strategy focuses on individual and organizational growth, you also need a strategic plan for sustaining job satisfaction and engagement throughout your workforce. The key to making your human resource strategy better is to be proactive, not reactive. And when you grow your human resource strategy, document it. But don't let that strategic plan just sit on the back-burner. Include your human resources staff members in the development of a strategy. Both HR management and staff members should be involved in communication about strategic moves since everyone in the department will have valuable input. While the HR manager or director will be the person in high-level discussions with executive leadership, they should present ideas from all people involved in the communication. The manager should also give credit where credit is due, especially if HR staff contribute ideas that work to the company's advantage.

The realization of strategic fit within the business architecture is an important challenge for organizations. Research in the field of enterprise modeling has resulted in the development of a wide range of modeling techniques that provide visual representations to improve the understanding and communication about the business architecture. As these techniques only provide partial solutions for the issue of realizing strategic fit, the Process-Goal Alignment technique is presented in this paper. This technique combines the visual expressiveness of heat mapping techniques with the analytical capabilities of performance measurement and Strategic Management frameworks to provide a comprehensible and well-informed modeling language for the realization of strategic fit within an organization's business architecture. Organizational behavior and its impact on success is determined by the strategy with which it manages to balance and drive the available resources efficiently during strategy implementation. The desired outcomes from a strategy are subjected to the degree of synchronization of organizational environment to the requirements of strategy's implementation. Intentional layout for each strategy differs with the purpose for which it is formulated and conditions for its implementation. Thus, the projection of strategy's outcome may become different in each exclusive situation.

Strategy visualization & formulation, and its execution assisted with strategic fit encounter some challenges creating a gap between. It is an important aspect to introspect beforehand to ensure rise in organizational performance. Monitoring the weaknesses and threats during strategic execution and considering the strengths and opportunities identified during strategy formulation may result in a successful and well managed strategic fit. Porter claims that a fit drives both, competitive advantages and sustainability. Anticipation to find a strategy implemented as congruent with its visualization & formulation is driven by few mandates. The individual oriented rationale of strategy formulation is affected by the surroundings in which strategy is visualized. The situations during strategy formulation may change during strategy implementation due to organizational and environmental contingencies. The core challenge in such circumstances is managing a panorama of uncertainty underlying each step of strategy implementation and addressing the objectives to meet the organizational goal. Proposing a strategic fit to address this gap requires a mix of

organizational values, negotiation power and behavioral forecasting for short-term goals and the patience to implement it.

Aspects of Human Resource Strategies

Strategic human resource management is the foundation of a strong business because, when properly applied, it ensures that the company as a whole is working together to reach its goals. This gives the business a greater chance to succeed. Effective strategic human resource management can take on these record low engagement levels with clever initiatives. Software Company Intuit, for example, launched its Spotlight program which shines a light on employees who have stood out for some reason performance, dedication, innovation. The employee is rewarded through gift cards or charitable donations in their name. Notably, a study conducted by the Stanford Graduate School of Business showed that 93% of employees felt that receiving Spotlight awards helped to motivate them to maintain a high level of performance. In many ways, strategic human resource management can deliver a significant competitive advantage to an organization. Demand-driven recruitment, a gender-balanced workplace, high employee motivation, and a strong leadership team all combine to create an organization that's ready to embrace change.

Strategic implementation is concerned with aligning the organization structure, systems and processes with the chosen strategy. It involves making decisions with regard to matching strategy and organizational structure and providing organizational leadership pertinent to the strategy and monitoring the effectiveness of the strategy in achieving the organization's objectives. Strategic management is the process of formulating, implementing and evaluating business strategies to achieve organizational objectives. Cunningham' has defined strategic management as a manner by which organizations plan to deal with the various aspects of management like problem perception, divergent thinking, substantial resources, decisions making, innovations, taking risks and facing uncertainty. According to Bourgeois strategic management is a means by which management in an organization establishes purpose and pursues that purpose through the co-alignment of organizational resources with environmental opportunities and constraints. Now that the terms strategy and strategic management are already defined, we are ready to define the term 'Strategic Human Resource Management. Strategic human resource management is to ensure that human resource management is fully integrated into strategic planning, that HRM policies cohere both across policy areas and across hierarchies and that HRM policies are accepted and used by line managers as part of their everyday work, opines Guest.

The success of an organization depends on the people therein. This means how they are acquired, developed, motivated and retained in the organization play an important role in the organizational success. Then this presupposes an integral approach toward human resource functions and overall business functions of an organization. Thus, strategic HRM means a strategic look at HR functions in line with the business functions of an organization. We have already mentioned that strategic business plan is formulated to achieve competitive advantage. From this specific strategy for each functional area viz., marketing, finance, production operations and human resources need to be drawn in alignment with strategic business plan to carry out the organizational plan. In other words, the formulation of organizational strategy is integrative with the formulation of functional strategies. Here, human resource strategy assumes more importance because it provides human resources for other functional areas also.

Strategic formulation involves senior managers evaluating the interaction between strategic factors and making strategic choices that guide managers to meet the organization's goals. Some strategies are formulated at the corporate, business and specific functional levels. The term 'strategic choice' raises the question of who makes decisions and why they are made (McLoughlin & Clark, 2018). The notion of strategic choice also draws attention to strategic management as a 'political process' whereby decisions and actions on issues are taken by a 'power-dominant' group of managers within the organization. Strategy implementation is an area of activity that focuses on the techniques used by managers to implement their strategies. In particular, it refers to activities that deal with leadership style, the structure of the organization, the information and control systems, and the management of human resources. Influential management consultants and academics (for example Champy, 2016; Kotter, 2016) emphasize that leadership is the most important and difficult part of the strategic implementation process. Strategy evaluation is an activity that determines to what extent the actual change and performance match the desired change and performance. The strategic management model depicts the five major activities as forming a rational and linear process. It is, however, important to note that it is a normative model, that is, it shows how strategic management should be done rather than describing what is actually done by senior managers (Wheelen & Hunger, 1995). As we have already noted, the notion that strategic decision-making is a political process implies a potential gap between the theoretical model and reality.

Aspects of Strategic Fit

Japan has been in economic decline since the late 1980's. They are experiencing a shrinking economy, falling stocks, rising unemployment, and job cuts. Without reforms, the economy is only predicted to grow at only 0.8% annually from 2006 to 2010 according to country advisors Lorange & Turpin (2014). Legendary business strategy professor and consultant Michael Porter contends Japanese business strategy has been at least partially responsible for the inability of Japan to regain their position of global business dominance experienced in the early 1980's (Porter & Takeuchi, 2019). Porter contends his generic strategies of cost leadership, differentiation and focus should be used if organizations expect to gain a competitive advantage and ultimately compete in the global economy. Ultimately, Porter believes national policy should facilitate the use of the generic strategies in order to gain and maintain a competitive economic advantage. Accordingly, the Japanese government has instituted the Porter Prize to encourage Japanese businesses to make a transition to the generic strategies espoused by Porter.

Porter's generic strategy of cost leadership focuses on gaining competitive advantage by having the lowest costs and cost structure in the industry. To achieve a low-cost advantage, an organization must have a low-cost leadership mindset, low-cost manufacturing with rapid distribution and replenishment, and a workforce committed to the low-cost strategy. The organization must be willing to discontinue any activities in which they do not have a cost advantage and may outsource activities to other organizations having a cost advantage. There are many ways organizations achieve cost leadership including mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials. Cost leaders work to have the lowest product or service unit costs and can withstand competition with their lower cost structure.

Japan utilizes this strategy much less frequently than other countries. Only 7.6% of the companies surveyed had strategies resembling Porter's differentiation strategy. Horiba's Engine Measurement Instruments and Systems division, otherwise known as the Engine Division, is a good example of a Japanese company using the differentiation strategy to gain a competitive advantage. This division provides analyzers and turnkey systems for engine development, emissions certifications, and research and development. Although there are a variety of different products sold in this field, the Engine Division's primary product is exhaust gas analyzers, which represent 90% of division sales (Porter Prize Organizing Committee, 2015). These analyzers are unique because they comply with clean air regulations and their competitors' products do not. Their products are also indispensable to automakers developing fuel-efficient hybrids and diesels.

The increasing globalization of markets and industries has radically changed firms' competitive conditions. It has stepped up foreign competition and the number of relationships between firms in different nations (Wiersema and Bowen, 2018), forming international and global networks of strategic linkages. Note that networks of linkages are henceforth called simply networks. By linkages, we mean alliances, mergers and acquisitions, agreements and contracts (Nohria and Garcia-Pont, 2019).

Literature Review

The changing organizational environment lays a difficult platform for any strategy to be executed as expected from its aspects of formulation. One of the major reasons for such difficulties is the multidimensional nature of strategic fit. Traditional approaches of strategy formulation prevent the strategists from conceptualizing the strategic fit accurately. Environmental and organizational contingencies affect the course of strategic fit's implementation. Thus, the projected behavior of a strategic fit deviates and fails to deliver on the notes of its unique competencies. Basing themselves on empirical investigations of several other scholars in this field, Gulati, Nohria and Zaheer (2000) provided additional characteristics for the dimensions at issue and showed how they have strategic implications, creating opportunities and threats at industry level, and strengths and weaknesses at corporate level. They also implicitly suggested that network management could be considered another key dimension, at the corporate level. Partner fit (strategic, cultural and organizational), especially in terms of compatibility and complementarity, was identified as a highly relevant construct in this dimension. They also stressed the dynamic nature of most networks, especially in the current context of constant change, showing just how crucial it is to view strategic fit, in terms of what Zajac, Kraatz and Bresser (2018) called "dynamic" fit, when adopting a relational perspective.

For operationalizing strategic network analysis, Knoke's (2016) concept of egocentric network inspired the concept of firm 'ego net': network formed by the focal firm and its main strategic partners and relationships within the context of its value net. Brandenburger and Nalebuff (2017) define the latter as a network that includes all strategic actors both partners and non-partners in its competitive arena, and their interdependencies, that contribute to capturing and creating value that is significant for the competitive advantage of the focal firm. Where relational analytical frameworks were concerned, only a few proposals were found in the literature, notably those developed by Contractor, Wasserman and Faust (2006), Gnyawali and Madhavan (2001), Madhavan, Koka and Prescott (2018) and McEvily and Zaheer (2019).

Faced with an uncertain strategic landscape abroad and serious economic and political constraints at home, Japan is undergoing a protracted process of ‘adaptation’ in order to pursue its foreign policy objectives effectively (Berger et al., 2017). This adaptation has involved a more comprehensive approach toward security and defense relationships throughout the region. In order to ‘shape’ the regional security environment in a way that is congenial to its own national interests, Tokyo has begun to enunciate a more ‘active’ or assertive foreign policy agenda. Changes in Japan's overall alignment policy – both the recalibration of its US-alliance relationship and its diversified strategic partnerships – cannot be separated from the larger question of foreign and security policy adaptation which has occurred since the end of the Cold War (Berger et al., 2017). While analysts are divided over whether to characterize this shift in Japan's international posture as ‘normalizing’ (Oros, 2008), or ‘remilitarizing’ (Tanter, 2019), what unites the debate is the recognition of a concrete revolution in the ideational and material dimensions of Tokyo's new national image. It is important to briefly outline the basic contours of Japan's international agenda, since Tokyo's activist foreign policy is tightly interwoven both as a function of, and as a reflection of, its allied relationships.

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