

FORMULATING A COMPANY'S HR STRATEGIC DIRECTION

Setting a company hr strategic direction is an approach to leadership that involves clearly articulating a company's overall HR vision and mission, and then setting a series of HR strategic objectives, or quantifiable HR goals, to chart progress. Success is measured in reference to these HR strategic objectives, which can be re-evaluated over time as unforeseen circumstances and opportunities arrive.

The process of strategic HR planning requires top HR managers in consultation with other concerned stakeholders to define the future direction of the company's HR function. This comes by way of agreeing on the HR vision, mission, goals, objectives and shared values.

The HR strategic direction emphasizes the need for HR professionals to reflect on the overall business strategy and come-up with a coherent HR Vision, Mission, Goals, Objectives and Core Values that will guide and facilitating day-to-day HR decisions and activities.

Company HR Vision Statement

The HR vision statement identifies where the HR function aspires/wishes or intends to be in future or where it should be in order to make the 'best' contribution to the success of the company and its stakeholders. It describes the HR dreams and aspirations in the defined far future. The HR vision statement is crafted directly from the company's vision statement.

For instance:

Company	Vision statement	Crafted HR vision statement
MTN	<i>Ensuring widespread access to the benefits of a modern connected life.</i>	<i>Empowering our people to thrive in a digitally connected world.</i>
Centenary Bank	<i>To be the preferred provider of innovative financial solutions, especially microfinance.</i>	<i>Cultivate a dynamic and inclusive workforce dedicated to driving financial innovation and excellence</i>
MUBS	<i>The benchmark for Business and Management Education, Research and Training in the region</i>	<i>To attract, develop, and retain top talent committed to excellence in business and management education, research, and training in the region.</i>

The HR vision enables managers and staff to view things ahead of themselves. It answers the question “**where we want the HR function to be**”. It gives stakeholders a reminder about what HR professionals are attempting to develop for the company. A vision statement is for the organization and its members, unlike the mission statement which is for the customers/clients. The HR vision guides HR decision making as well as planning. It incorporates a shared understanding about the nature and aim of the HR function and utilizes this understanding to direct and guide the HR department towards a better purpose.

An effective HR vision statement must have following features-

- a) *Clarity*: It should be simple and easy to understand, free of jargon, so all stakeholders can grasp the long-term HR goal.
- b) *Inspirational*: An HR vision statement should inspire and motivate employees toward the envisaged future.
- c) *Future-oriented*: It should focus on the long-term future and reflect where the HR function wishes to go, not where it is currently.
- d) *Challenging yet achievable*: While ambitious, an HR vision should remain attainable, pushing the HR department to strive for excellence without being unrealistic.
- e) *Purpose-driven*: It should clearly express the deeper purpose of the HR department beyond task performance, connecting with broader goals like social responsibility or innovation.
- f) *Memorable*: An HR vision statement should be concise (brief) and memorable, so it can be easily recalled and shared by all members of the organization.
- g) *Aligned with core values*: It should reflect the core values of the organization, ensuring consistency in actions and decisions.
- h) *Forward-Looking*: A good vision statement anticipates change and prepares the organization for future challenges, signaling growth and adaptability.
- i) *Employee-centered*: It should reflect how the organization intends to impact or improve the lives of its employees.

These features together ensure that a vision statement serves as a meaningful and effective guide for organizational growth.

In order to realize the set HR vision, it must be deeply instilled in the organization, being owned and shared by everyone involved in the organization. Accordingly, Strategic HRM bases day-to-day decisions on the big-picture articulated in the HR vision.

Company HR Mission Statement

Mission statements always exist at top level of an organization, but may also be made for various organizational levels. For instance, an HR mission statement differentiates the HR function from other organisational/business functions by clarifying what the HR function stands for, its broad scope of activities, services, and systems. The HR mission guides on what is to be done in order to achieve the set HR vision. HR Directors play a significant role in the formulation of an HR mission statement.

The mission statement describes why the HR department exists (purpose) and thus provides a framework within which HR strategies are formulated. It describes what the HR function does (i.e., present capabilities), who all it serves (i.e., employees) and what makes it unique (i.e., competitiveness).

Once the HR mission statement is formulated, it serves the organization in long run, but it may become ambiguous with organizational growth and innovations. In today's dynamic and competitive environment, mission may need to be redefined. However, care must be taken to ensure that the redefined HR mission statement meets the features stated below.

Features of a good HR Mission statement

- a) *Purpose-driven:* It clearly defines why the HR function exists, highlighting the core purpose and the value it provides to employees and the entire organisation.
- b) *Concise and clear:* The mission should be straightforward and concise, using simple language that is easily understood by all stakeholders.
- c) *Action-oriented:* A good mission statement focuses on what the HR function does and the actions it takes to achieve its purpose. It emphasizes the HR function's core activities and how it fulfills its objectives.
- d) *Specific:* It should be specific to the HR function, reflecting its unique services. Generic or vague mission statements lack impact.
- e) *Employee centered:* It should reflect the HR function's commitment to meeting employee needs and delivering value.
- f) *Aligned with core values:* An HR mission statement should embody the company's core values and principles, serving as a guide for ethical behavior and decision-making.
- g) *Inspiring:* A mission statement should inspire employees, encouraging them to support the company's goals.
- h) *Long-term focus:* Though it focuses on the present activities, a mission statement should also reflect a long-term vision and be durable over time, guiding the HR function's future strategies.
- i) *Inclusive:* It should recognise all categories of employees regardless of their differences.
- j) *Measurable Impact:* A strong mission often hints at the outcomes the company seeks to achieve, whether improving lives, solving problems, or delivering quality products.

For instance:

Company	Mission statement	Crafted HR mission statement
MTN	<i>To drive leading digital solutions for Africa's progress</i>	<i>To cultivate a dynamic and inclusive workplace that empowers employees to innovate and drive impactful digital solutions for Africa's progress.</i>
Centenary Bank	<i>To transform lives through inclusive and innovative financial solutions especially in rural areas sustainably</i>	<i>To empower and support a diverse workforce committed to delivering innovative and sustainable financial solutions.</i>
MUBS	<i>To enable the future of clients through creation and provision of knowledge</i>	<i>To build a knowledgeable, innovative, and future-ready workforce that is empowered to create and share business and management expertise.</i>

A well-crafted company HR mission statement serves as a north star for the organization, aligning HR activities with the overall vision of the company and fostering a shared sense of purpose.

Strategic importance of the HR Vision and Mission statements

One of the first things that any observer of management thought and practice asks is whether a particular organization has a vision and mission statement. In addition, one of the first things that one learns in a business school is the importance of vision and mission statements.

It has been found in studies that organizations that have lucid, coherent, and meaningful vision and mission statements return more than double the numbers in shareholder benefits when compared to the organizations that do not have vision and mission statements. Indeed, the importance of vision and mission statements is such that it is the first thing that is discussed in management textbooks on strategy.

Specifically, having an HR vision and mission statement is associated with the benefits discussed below: -

- Above everything else, vision and mission statements provide *unity of purpose* to organizations and instill in the employees with *a sense of belonging and identity*. Indeed, vision and mission statements are embodiments of organizational identity and carry the organizations creed and motto. For this purpose, they are also called as statements of creed.
- Vision and mission statements spell out the *context* in which the HR function operates and provides the employees with a tone that is to be followed in the *organizational climate*. Since they define the reason for existence of the HR function, they are *indicators of the direction* in which the HR function must move to actualize the goals in the vision and mission statements.
- The vision and mission statements serve as focal points for individuals to identify themselves with the organizational processes and to give them *a sense of direction* while at the same time *detering those who do not wish to follow them from participating in the organization's activities*.

- The vision and mission statements help to *translate the objectives of the HR function into work structures* and to *assign tasks to the elements* in the HR function that are responsible for actualizing them in practice.
- To specify the core structure on which the HR function edifice stands and to help in the translation of objectives into *actionable cost, performance, and time related measures*.
- Finally, vision and mission statements provide *a philosophy of existence to the employees*, which is very crucial because as humans, we need meaning from the work to do and the vision and mission statements provide the necessary meaning for working in a particular organization.

As can be seen from the above, an articulate, coherent, and meaningful vision/ mission statement goes a long way in setting the base performance and actionable parameters and embody the spirit of the HR function. In other words, vision, and mission statements are as important as the various identities that individuals have in their everyday lives.

It is for this reason that HR professionals spend a lot of time in defining their vision and mission statements and ensure that they come up with statements that provide meaning instead of being mere sentences that are devoid of any meaning.

Company HR Goals

A goal is a desired future state that an organization tries to achieve in the medium-term future. HR Goals specify in particular what must be done in relation to HRM if an organization is to attain its set mission or vision. Goals make mission more prominent and concrete. They co-ordinate and integrate various functional and departmental areas in an organization.

Examples of Company HR Goals: -

- a) Attract and retain top talent.
- b) Build a learning organization
- c) Foster a diverse and inclusive workplace
- d) Improve employee engagement and satisfaction
- e) Align individual performance with company goals
- f) Strengthen leadership capabilities
- g) Leverage technology to streamline HR processes and improve efficiency.
- h) Utilize HR analytics to make informed decisions

Well-crafted HR strategic goals have following features: -

- a. Precise and action-orientated,
- b. Crafted in line with critical and significant HR issues,
- c. Challenging but realistic,
- d. These must be achieved within a specific time frame i.e time-bound, and.
- e. Include both financial as well as non-financial HR components.

Company HR Objectives

HR objectives are defined as specific targets that an HR department wishes to achieve over a period of time. These are the foundation of planning. HR policies are developed in an organization so as to achieve the set HR objectives. Formulation of objectives is the task of top-level HR management.

Examples of Company HR Objectives relevant to the above HR goals:

- a) Reduce employee turnover by 10% within the next two years
- b) Increase employee participation in training programs by 30% within the next year.
- c) Increase representation of underrepresented groups by 15% in leadership roles within the next three years
- d) Achieve a 20% improvement in employee satisfaction scores within the next two years.
- e) Implement a new performance appraisal system within the next year.
- f) identify and develop future leaders, with a target of promoting 30% of leadership positions internally over the next three years.
- g) Implement a new Human Resource Information System (HRIS) within 18 months.
- h) Implement a data-driven approach to workforce management within 12 months.

Effective objectives have following features: -

- a. SMART-Specific, Measurable, Attainable, Realistic and Time-bound,
- b. Multiple rather than a single objective,
- c. Both short-term as well as long-term,
- d. Coherent with the set broad goals,
- e. Flexible in order to fit in the changing environment, and
- f. Operationalized into specific actions/activities.

HR strategic objectives provide concrete milestones for evaluating progress. They should be based on careful research about opportunities and possibilities, and they should be both challenging and achievable. "To grow substantially over the next year" is not a measurable objective, but "To grow 20 percent over the next year by opening six new accounts" is specific and quantified. The latter will enable a company to effectively determine whether it has achieved its strategic objective.

HR Philosophy

An HR philosophy is a set of guiding principles that shape how an organization manages its human resources, defining the approach to employee management, development, and relations. It reflects the organization's core values, beliefs, and priorities in dealing with its workforce.

For example:

UHTTI HR Philosophy states that:

“...We are committed to creating an inclusive and supportive work environment where every employee has the opportunity to thrive, contribute meaningfully, and achieve their full potential...”

HR Core Values

HR core values are the fundamental principles that guide how the Human Resources department operates and interacts with employees, management, and other stakeholders. HR core values help to shape the organization's culture and serve as the foundation for all HR policies and practices.

Examples of common HR core values:

- *Integrity*: upholding the character of honesty, transparency, and ethical practices in all HR interactions and decision-making processes.
- *Respect*: treating all employees with dignity, valuing their contributions, and fostering a respectful and inclusive workplace.
- *Diversity and inclusion*: committing to creating a diverse workforce and an inclusive environment where every employee feels valued and has equal opportunities to succeed.
- *Teamwork/Collaboration*: working together across departments and functions to achieve common organizational goals, emphasizing teamwork and cooperation.
- *Innovation*: fostering a culture of continuous learning, adaptability, and innovative thinking to enhance employee performance and organizational success.
- *Empowerment*: encouraging employees to take initiative, make decisions, and contribute to the company's success.
- *Sustainability*: promoting long-term, sustainable HR practices that benefit both the organization and society, ensuring a positive impact on the community and the environment
- etc

HR core values help define the HR department's approach to managing people and creating a strong, values-driven organizational culture