

# *Research on Strategic Human Resource Management and Its Issues and Challenges*

Chun Hu<sup>1,a,\*</sup>, Chuanjian Wu<sup>2,b</sup>, Le Yu<sup>3,c</sup>

<sup>1</sup>*School of Digital Economics and Management, Chengdu Textile College, Chengdu, China*

<sup>2</sup>*Further Education Centre, Chengdu Textile College, Chengdu, China*

<sup>3</sup>*School of Hospitality Management, Guangdong Engineering, Polytechnic, Qingyuan, China*

<sup>a</sup>2979978711@qq.com, <sup>b</sup>409944734@qq.com, <sup>c</sup>523247419@qq.com

\*Corresponding author

**Keywords:** Strategic Human Resource Management, Theoretical Foundation, Problems and Challenges

**Abstract:** Strategic human resource management in enterprises refers to the management method that combines human resource management with strategic management in the formulation and implementation of strategies in order to achieve the strategic objectives of enterprises. This paper discusses the concept, theoretical foundation, and problems and challenges faced by strategic Human Resource Management (HRM) in enterprises by reviewing related literature. In terms of theory, human resource management theory and strategic management theory are introduced respectively to explain the theoretical basis of strategic HRM in enterprises. However, strategic HRM of enterprises also faces some problems and challenges. This paper points out the integration of HRM, the interface between strategy and implementation, the problem of talent loss and retention, and the integration of technology and HRM. In summary, enterprise strategic human resource management is a management method that combines human resource management with strategic management. By studying the concept, theory and practice of enterprise strategic human resource management, we aim to provide theoretical support and methodological guidance for the practice of enterprise strategic human resource management, and provide reference for enterprises to enhance their competitiveness and sustainable development.

## 1. Introduction

With the rapid development of the global economy and the intensification of market competition, enterprise strategic human resource management, as an important management style, has gradually received extensive attention and research. With the constant changes in the market environment and the intensification of competition, enterprises are becoming more and more aware of the importance of human resources in the process of formulating and implementing strategies. Human resource is one of the most important resources for enterprises, which is crucial for the development and competitiveness of enterprises. The traditional human resource management model can no longer meet the needs of enterprises and needs to be transformed into strategic human resource management to adapt to the new market environment and competitive pressure. The study of

strategic human resource management of enterprises is of great significance to improve the competitiveness and sustainable development of enterprises. Through scientific management tools and strategies, enterprises can better utilise and develop human resources, improve the work efficiency and satisfaction of employees, and enhance their sense of belonging and loyalty. At the same time, enterprise strategic human resource management can also promote organisational innovation and change, and improve the flexibility and adaptability of enterprises. Therefore, it is of great theoretical and practical significance to study the theory and practice related to enterprise strategic human resource management.

Enterprise strategic human resource management is a hot issue in the current field of enterprise management, which is of great significance for improving the competitiveness and sustainable development of enterprises. This paper will review the conceptual and theoretical foundations, key elements, problems and challenges, aiming to provide theoretical support and methodological guidance for the practice of enterprise strategic human resource management, and provide reference for the development and success of enterprises.

## 2. Relevant Concepts

Enterprise strategic human resource management refers to the management process of enterprises to improve organisational performance and competitiveness through rational allocation, development and management of human resources in formulating and implementing strategic objectives. It emphasizes human resources as an important part of enterprise strategy and integrates human resource management with the formulation and implementation of enterprise strategy.

The definition of enterprise strategic human resource management includes several key elements:

Firstly, it emphasises strategy. Enterprise strategic human resource management closely links human resource management with the long-term goals and strategic development of the enterprise, and regards human resources as an important resource for achieving strategic goals. It requires enterprises to take the demand, configuration and development of human resources into consideration when formulating strategies, and to ensure the effective support and co-operation of human resources.

Secondly, it emphasizes the holistic nature. Enterprise strategic human resource management regards human resource management as a whole and emphasizes the coordination and consistency between various human resource management links. It requires enterprises to carry out unified management and decision-making in human resources planning, recruitment and selection, training and development, performance management and compensation management to ensure the effective configuration and utilisation of human resources.

Again, it emphasized performance orientation. Enterprise strategic human resource management focuses on improving organisational performance and competitiveness through effective management and development of human resources. It requires enterprises to pay attention to the performance of employees in the process of human resource management, through performance evaluation, rewards and punishments incentives and other means to stimulate the work of employees' motivation and creativity, to achieve the common development of the organisation and individuals.

Finally, it emphasizes adaptability and flexibility. Enterprise strategic human resource management requires enterprises to be able to flexibly adjust and optimise human resource management strategies and measures in the face of changing external environments and internal demands. It requires enterprises to have the ability to respond and adapt to changes quickly to ensure the effective articulation and synergy between human resource management and enterprise strategy <sup>[1]</sup>.

In summary, enterprise strategic human resource management is a management concept and practice that combines human resource management with enterprise strategy to achieve the improvement of organisational performance and competitiveness through rational allocation, development and management of human resources. It emphasises strategic, holistic, performance-oriented and adaptive, and is of great significance to the long-term development of enterprises.

### **3. Theoretical Foundation**

#### **3.1 Human Resource Management Theory**

Human resource management theory refers to the disciplinary system of theoretical research and summary of human resource management activities<sup>[2]</sup>. It is formed on the basis of continuous accumulation and development in practice, aiming to improve organisational performance and employee satisfaction.

Human resource management theory mainly includes five aspects: human resource planning, recruitment and selection, training and development, performance management, and compensation management.

**Human Resource Planning.** Human resource planning refers to the formulation of a reasonable human resource allocation plan through the analysis and forecasting of human resource supply and demand according to the strategic objectives and development needs of the organisation. It includes human resource demand forecast, human resource supply analysis and human resource gap analysis.

**Recruitment and Selection.** Recruitment and selection refers to attracting and screening talents suitable for the organisation's needs through various channels and methods. It includes the formulation of recruitment strategy, the design of recruitment process and the selection of selection methods. Effective recruitment and selection can improve the quality and competitiveness of the organisation's talent.

**Training and Development.** Training and development refers to the improvement of employees' work ability and professional quality through various training and development activities. It includes training needs analysis, training design and implementation, and development plan and evaluation. Good training and development can improve the efficiency and satisfaction of employees<sup>[3]</sup>.

**Performance Management.** Performance management refers to the evaluation and feedback of employees' performance by setting clear objectives and targets, and rewarding and motivating them according to the performance results. It includes goal setting and performance evaluation, performance feedback and rewards and punishments. Effective performance management can improve employee motivation and organisational performance.

**Compensation Management.** Compensation management refers to the development of a reasonable compensation system, pay incentives based on the employee's work contribution and market value<sup>[4]</sup>. It includes pay system design, pay incentive mechanism and so on. Reasonable compensation management can improve employees' work motivation and satisfaction.

The continuous development and application of human resource management theories are of great significance in guiding the practice of human resource management in enterprises. By applying these theories, enterprises can better plan and manage human resources, improve the work efficiency of employees and the competitiveness of enterprises.

#### **3.2 Strategic Management Theory**

Strategic management theory is one of the important theories in the field of enterprise management, which aims to help enterprises achieve long-term goals and gain competitive

advantages in the highly competitive market environment <sup>[5]</sup>. Strategic management theory emphasizes that enterprises should analyse the external environment and formulate appropriate strategies to cope with the challenges according to the changes in the environment.

Strategic management theory includes the following four main aspects.

Firstly, strategic management theory emphasizes the need for enterprises to conduct a comprehensive analysis of the external environment. The external environment faced by the enterprise includes the market environment, competitive environment, laws and regulations, and so on. By analysing the external environment, enterprises can understand the market demand, competitors' strengths and weaknesses and other information, which provides the basis for the formulation of strategy.

Secondly, strategic management theory emphasizes that enterprises need to clarify their core competitiveness. Core competitiveness is the ability of an enterprise to gain a lasting competitive advantage in competition, which can be technological advantage, brand advantage, cost advantage and so on. Enterprises should identify their core competencies by analysing their own resources and capabilities and transform them into strategic actions<sup>[6]</sup>.

Again, strategic management theory emphasizes the need for enterprises to formulate clear strategic objectives and plans. Strategic objectives are the goals to be achieved by the enterprise in the process of long-term development, which can include market share growth, profit increase and so on. Strategic plans, on the other hand, are the specific action steps to be taken to achieve the strategic objectives, including marketing strategies, human resource allocation, etc.

Finally, strategic management theory emphasizes the implementation and monitoring of strategy. Formulating a strategy is only the first step, companies also need to translate the strategy into concrete actions and monitor and adjust its implementation process. This can be achieved by establishing a performance evaluation system, developing performance indicators and so on.

In conclusion, strategic management theory provides the theoretical basis for enterprises to formulate and implement strategies, and helps them to gain competitive advantages in the highly competitive market environment. Enterprise strategic human resource management should be combined with strategic management theory to support the realisation of the enterprise's strategic objectives through rational allocation of human resources.

## **4. Issues and Challenges**

### **4.1 Integration of Human Resource Management**

The integrality of human resource management is an important issue in the strategic human resource management of enterprises. In modern enterprises, human resource management is no longer an independent department, but is closely integrated with corporate strategy and becomes an important part of the whole organisation<sup>[7]</sup>. However, due to the different division of labour and responsibilities between different departments, it often leads to the dispersion and fragmentation of human resource management, which lacks wholeness and strategy.

Firstly, the integrative nature of HRM needs to be carried out at the organisational level. Enterprises need to integrate HRM into their overall strategic planning and manage it as a strategic resource. This requires coordination and cooperation between various departments to jointly formulate HRM objectives and strategies and align them with the organisation's strategic objectives.

Secondly, the integrative nature of HRM needs to be carried out between the various HRM functions. For example, the functions of human resource planning, recruitment, training, performance management and compensation management should be connected and coordinated with each other to form a complete human resource management system. Effective allocation and management of human resources can only be achieved with synergy between the various functions.

In addition, the integration of human resource management needs to be reflected in the shaping of organisational culture and values. Enterprises should establish a cultural atmosphere that focuses on human resource management so that employees can understand and accept the importance of human resource management and integrate it into their daily work. The integrality of HRM can only be realised if the culture and values of the enterprise are consistent with the philosophy of HRM.

However, realising the integrality of HRM is not an easy task and enterprises need to face a series of challenges. For example, problems such as conflict of interest between different departments, information asymmetry and miscommunication may affect the integrality of HRM<sup>[8]</sup>. Therefore, enterprises need to actively solve these problems and promote the integrality of HRM by establishing effective communication and coordination mechanisms.

In summary, the integrality of human resource management is an important issue in the strategic human resource management of enterprises. Only through integration at the organisational level, inter-functional coordination and culture shaping can enterprises achieve the integrality of human resource management, thus providing strong support for the development of the organisation.

## 4.2 Strategy-implementation Interface Issues

The interface between strategy and implementation is an important challenge in strategic human resource management in enterprises. Strategy is the guideline for the long-term development of enterprises, while implementation is the process of transforming strategy into concrete actions. In human resource management, the interface between strategy and implementation is mainly reflected in the following aspects.

Firstly, there is the problem of poor information transfer between strategy and implementation. There are often communication barriers between strategy makers and implementers, resulting in the inability to accurately convey strategic objectives to the implementation level, thus affecting the actual operation of human resource management. To solve this problem, enterprises need to establish a good communication mechanism to ensure that strategic objectives can be clearly communicated to managers and employees at all levels<sup>[9]</sup>.

Second, there is the problem of goal inconsistency between strategy and implementation. There may be differences in goal setting between strategy makers and implementers, resulting in strategic goals not being effectively implemented. To solve this problem, companies need to ensure the operability and measurability of strategic objectives, and at the same time, they need to fully communicate and consult with managers and employees at all levels to ensure that they understand and agree with the strategic objectives.

Again, there is a problem of misallocation of resources between strategy and implementation. Strategy makers may not have fully considered the resource needs at the implementation level when formulating strategy, leading to insufficient or wasted resources during implementation. In order to solve this problem, enterprises need to fully consider the feasibility and availability of resources when formulating strategy, and ensure that the implementation level can be supported by sufficient resources.

Finally, there is the problem of insufficient implementation between strategy and implementation. Strategy makers may be overly idealistic in formulating strategy, and managers and employees at the implementation level may lack the ability and motivation to execute the strategy. To solve this problem, companies need to strengthen the training and development of managers and employees to enhance their ability to implement strategy and establish incentive mechanisms to motivate them to actively participate in strategy implementation.

In summary, the problem of the interface between strategy and implementation is an important challenge in the strategic human resource management of enterprises. By establishing a good

communication mechanism, ensuring the consistency of goals, rational allocation of resources and improving implementation, enterprises can effectively solve this problem, realise the organic connection between strategy and human resource management and promote the long-term development of enterprises.

### **4.3 Talent Loss and Retention Problems**

The problem of talent loss and retention is an important challenge in strategic human resource management. With the intensification of market competition and the growth of talent demand, enterprises are facing increasing pressure of talent loss. Talent loss not only leads to the instability of the enterprise's human resources, but also results in a waste of manpower costs and training investment. Therefore, how to effectively retain key talent has become a key issue in the strategic human resource management of enterprises.

To solve the problem of talent loss and retention, enterprises need to take a series of measures. Firstly, enterprises should establish a favourable working environment and corporate culture, and provide competitive remuneration packages and development opportunities to attract and retain talents. Secondly, enterprises should pay attention to the career development and growth of employees, provide training and promotion opportunities for employees, so that employees can feel their value and achievements. In addition, enterprises should also focus on the research of employees' job satisfaction and motivation to leave, and find and solve employees' dissatisfaction and problems in time.

In addition to the above measures, enterprises can also adopt some innovative methods to retain talents. For example, enterprises can meet the individual needs of employees through flexible work arrangements and welfare systems to improve employee job satisfaction. In addition, companies can strengthen communication and relationship building with employees to increase their sense of belonging and loyalty. In addition, enterprises can also establish a good employee care mechanism, pay attention to the work and life needs of employees, provide help and support, and enhance the adhesion and loyalty of employees.

In conclusion, the problem of talent loss and retention is an important challenge in the strategic human resource management of enterprises. Enterprises should take effective measures to attract and retain talents, establish a good working environment and corporate culture, provide competitive salary and benefits and development opportunities, focus on the career development and growth of employees, strengthen the communication and relationship building with employees, and establish a good employee care mechanism, etc., so as to effectively solve the problem of talent loss and retention, and provide manpower security for the sustainable development of the enterprise.

### **4.4 Integration Problem of Technology and Human Resource Management**

The integration problem of technology and human resource management is of great significance in the strategic human resource management of enterprises. With the rapid development and application of information technology, enterprises have gradually introduced a variety of technological means in human resource management to improve efficiency and management level. However, the integration of technology and human resource management is not smooth, and there are some problems and challenges.

Firstly, the application of technology may bring about certain changes in human resource management. For example, the introduction of HRMS may change the original HRM processes and methods, and employees need to adapt to the use and operation of the new system. This requires enterprises to conduct adequate training and communication before the application of technology to ensure that employees can smoothly transition and adapt to the new management style.

Second, the integration of technology and human resource management also faces the problem of information security and privacy protection. With the advent of the big data era, enterprises collect, store and analyse a large amount of employee information in human resource management. The security and privacy protection of this information has become an important issue. Enterprises need to formulate strict information security policies and measures to ensure that employees' personal information is not leaked or misused<sup>[10]</sup>.

In addition, the application of technology may raise some moral and ethical issues. For example, the application of face recognition technology may raise privacy concerns among employees, and organisations need to balance the privacy rights of employees and management needs when using such technology. At the same time, the application of technology may also create some unfair treatment issues, for example, algorithm-based recruitment systems may carry the risk of discrimination on the basis of gender and race. Therefore, companies need to be fair and transparent in the application of technology to avoid unfair impact on employees.

In summary, the integration of technology and human resource management brings both opportunities and challenges. Enterprises need to balance the needs of employees and the management needs of the enterprise in the application of technology, while paying attention to information security and privacy protection and following moral and ethical principles. Only by finding a balance in the integration of technology and human resource management can enterprises better utilise the role of technology and improve the efficiency and quality of human resource management.

## 5. Conclusion

This study provides an overview of strategic human resource management in companies, analysing its concepts, theoretical foundations, problems and challenges. Through a comprehensive study of the literature, the following conclusions can be drawn.

Firstly, enterprise strategic human resource management is a management method that combines human resource management with strategic management. It emphasizes the strategic status of human resources, closely integrates human resource management with the strategic objectives of the organisation, and achieves effective allocation and utilisation of human resources.

Secondly, strategic human resource management in enterprises also faces some problems and challenges. For example, the lack of integration of human resource management leads to poor coordination between various management activities; the interface between strategy and implementation makes it difficult to land the strategic objectives of the enterprise; the problem of talent loss and retention brings uncertainty to the stable development of the enterprise.

In conclusion, enterprise strategic human resource management is an important means to achieve the strategic objectives of the organisation, and through the scientific management and effective allocation of human resources, it can improve the competitiveness and innovation ability of enterprises. However, in practice, it also faces some problems and challenges, which need to be constantly explored and improved. Only through continuous improvement and innovation can it better adapt to the changes in the market and the development needs of enterprises.

## References

- [1] Luo Dong (2023). *Functional optimisation of human resource management in enterprise strategic change [J].* *Mall Modernisation*, (16):68-70.
- [2] Liu Chang (2023). *Research on Strategic Human Resource Management Strategy of State-owned Financial Enterprises in Transition [J].* *Shanghai Business*, (08):204-206.
- [3] Zhu Dongyang (2023). *Exploration on the construction of incentive mechanism of human resource management in property enterprises [J].* *Urban Development*, (08):101-103.

- [4] Yang Yang (2023). *The relationship between metallurgical enterprise development and human resource management* [J]. *Metallurgical Management* (15):4-6.
- [5] Zou Yan, Fu Xiaoyu (2023). *Analysis of Campus Recruitment Requirements of Enterprises under the Perspective of Strategic Human Resource Management* [J]. *Modern marketing (upper ten)*, (08):150-152.
- [6] Shen Qiang (2023). *The impact and strategy of strategic human resource management on enterprise performance* [J]. *Business News*, (15):183-186.
- [7] Liu YT (2023). *Research on the practice of enterprise human resource management based on strategic orientation* [J]. *Commercial Exhibition Economy*, (14):157-160.
- [8] Ding Na (2023). *Research on strategic management of small and medium-sized enterprises under the new situation* [N]. *Shanxi Science and Technology News*, -06-20(A06).
- [9] Wang Yong (2023). *Effective integration of enterprise political work and human resource management* [J]. *Modern enterprise culture*, (16):125-128.
- [10] Li Yaohu (2023). *Analysis of the Role of Refined Human Resource Management on the Sustainable Development of Group Enterprises* [J]. *Modern Enterprise Culture*, (13):116-119.