2.4. HUMAN RESOURCE MANAGEMENT STRATEGY

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Abstract. *In modern organizations, environmental changes require various reactions from organizational employees trying to achieve their strategic goals. A sceptical attitude of employees towards strategic change management can destroy effective strategic plans, and only a clear strategic change process can reduce resistance by developing human resource management strategies that focus on solving current problems. Therefore, this chapter presents the concept of human resource management strategy, debatable aspects of its connection with strategic management, the significance of human resource management policy, and the necessity and possibilities of its development and implementation. The purpose of the chapter: to reveal the concept of human resource management strategy and debatable issues in the development and implementation of human resource management policy, presenting the assumptions for the implementation of human resource management strategic decisions in the organization, taking into account their impact on society and the environment.*

Keywords: *human resource management strategy, human resource management policy, strategic decisions.*

Introduction

Strategic human resource management involves integrating human resource strategies with business strategies, ensuring that human resource management contributes positively to the achievement of business objectives. This integration requires a deep understanding of the business, its market dynamics, and the competitive environment. The role of human resources in this context is not only to provide support services, but also to design and implement practices of human resources that foster talent development, increase employee engagement, and create a culture that aligns with business goals.

The concept of human resource management belongs to the field of strategic management and occupies a clearly defined integrated position in business management. It is important to understand that this makes the role of managers unclear. On the one hand, the human resources manager acts as a strategic partner in the management of the company, and on the other hand, they must fight for the company's employees. It is these managers who are considered by employees as channels of communication with the company's authorities (Ulrich, 2014; Armstrong, 2014, 2023; Bakanauskienė, 2015).

As the rapid development of the economic, political, social, and technological environment increases the complexity and uncertainty of activities in both the public and private sectors, it raises new requirements for human resource management. Any organization is a social entity where people play a key role in determining and implementing the organization's strategic development direction. The success of the organization will depend on whether it can gather competent and innovative employees and retain them. In recent years, organizations have faced challenges such as:

- an aging population requiring organizations to pay more attention to employees' physical and mental health to ensure a longer working age and employee productivity; an extending working age leading to different career expectations, working habits, life goals, and attitudes.
- the globalization of the labour market, which implies the appreciation of cultural diversity by considering the expectations and needs of individual groups of workers, conditioned by cultural peculiarities;
- technological innovations that affect employment relationships and organizational culture emphasize aspects related to ethics and data protection, using artificial intelligence and other technologies with potential for intervention.

Human resources occupy an important place in strategic management, where a company creates value. In addition, it is important to determine exactly which positions or people in the company contribute the most to creating value. Finally, it is crucial to gain priority in consulting and implementing the organization's strategy. This can only be achieved when everyone, including staff of human resources, understands the expectations of the company's customers. Ulrich (2014) states that it is the human resources department that can help optimize human capital through workforce planning and analysis. In order to optimize human capital, it is first necessary to define the technical and social skills of employees for the future of the company. The next step is to create a motivating employee value proposition and give employees a sense of purpose and usefulness.

Strategic human resource management can be defined as a development process within an organization that promotes proactive planning of both current human resources and future changes in them. Strategic human resource management can also be simply defined as a proactive approach to providing the right human skills for the right positions, for the right duration, and at the right cost to ensure the successful achievement of corporate goals (Bakanauskiene, 2008; 2015).

Every organization is different in its structure and dynamics. For this reason, strategic human resource management should be developed differently in each company. Strategic human resource management is organized so that the organization can avoid unforeseen events related to changes in human resource needs in the future. This depends on how human resource management policy is perceived, and what principles are used in its development and implementation. Therefore, this chapter focuses on the understanding of human resource management strategy, its integration with the organization's strategic goals, factors influencing the implementation of this strategy, and human resource management policies.

The Concept of Human Resource Management Strategy and its Relationship to the Strategic Goals of the Organization

Strategic human resource management is the process that organizations use to manage their employees. As a way to ensure that an organization's human resources are used in a way that helps achieve the organization's goals, it acts as a bridge connecting human resources and company goals. Through human resource management strategies, companies can more effectively manage employee performance and development, as well as create programmes and policies that support the company's overall strategy.

The goal of strategic human resource management is to create policies and programmes that align with the company's business strategy. The main difference between human resources and strategic human resources is that human resources focus on the day-to-day management of employees, while strategic human resources focuses on how employees can achieve the overall goals of the company. This means that strategic human resource management must first understand the company's business goals and then develop programmes and policies that support those goals. Examples of such strategic human resource management programmes and policies may include: *performance management (developing systems to monitor and improve employee performance); training and development (identifying employee development needs and providing training and resources that help them develop); compensation and benefits (developing compensation and benefits programmes that attract and retain employees); employee relations (managing employee relations to create a positive work environment).* These are just a few examples of the types of programmes and policies that can be part of human resource management strategies. Depending on the organization's goals and employee needs, specific programmes and policies may vary.

Strategic human resource management is important because it helps companies achieve their goals. By aligning human resource programmes and policies with a company's business strategy, strategic human resource management can help companies improve employee performance, develop employees, and create a positive work environment. It can also help companies save money by reducing employee turnover and increasing productivity. Human resource management strategies can: *improve employee performance (this can help companies improve employee performance by creating systems to monitor and improve performance); develop employees (this can help companies develop employees by identifying employee development needs and providing training and resources to help them improve); reduce employee turnover (this can help companies create a positive work environment by managing employee relations); increase productivity (this can help companies improve employee performance and create a positive work environment).* Thus, human resources are considered the main strategic asset, providing unique capabilities that enhance competitive advantage. This perspective encourages organizations to invest in their workforce through training, development, and robust human resource practices that increase productivity and innovation.

The Concept of Human Resource Management Strategy

Traditionally, human resource management strategy is understood as a functional-level strategy, the same as marketing, finance, etc. All of these strategies define intentions and plans that are relevant and important to the entire organization. Human resource strategy includes specific aspects: staffing, training, compensation, etc. (Armstrong, 2016). It unifies and integrates all human resources activities aimed at achieving the organization's strategic goals and also influences the formulation and conversion of human resources philosophy into policy and specific programmes. The main goal of the human resources strategy is to support the overall strategy of the organization, to integrate it, and to form a coherent whole with it and other functional strategies.

It is more appropriate to use the synonymous term human resource strategy, as it more clearly reveals the purpose: to provide the organization with human resources that meet its overall strategy in the future - in the required quantity and composition (not only by jobs/responsibilities, but also by competence and personal qualities) (Price, 2007; Girdauskiene, 2022).

The broader concept of human resources strategy sets the task of ensuring the organization's strategy through appropriate employee behaviour. This would mean analyzing what employee behaviour would be required to follow the organization's strategy, and how to implement a personnel policy that would encourage and guarantee positive behaviour. An example of an organization's strategy and requirements for employee behaviour is presented in Table 1, "The relationship between organization's strategy and requirements for employee behaviour." It shows the demands placed on employee behaviour by, for example, Porter's strategies (Torrington, 2008; Armstrong, 2016).

Other approaches to human resource management strategies include not only changes in employee behaviour, but also go further: changing the organizational culture, employee beliefs, and values. In this case, models are created that attempt to define the relationship between organizational culture, organizational climate, and employee values with the organization's human resource management and the effectiveness of the organization's operations.

Table 1. The Relationship between Organization's Strategy and Requirements for Employee Behaviour

Strategy type	Requirements for employee behaviour
1. Innovation	Great creativity Long-term orientation Relatively high degree of cooperation Aiming for average quality Aiming for average quantity Equal focus on processes and results Higher degree of risk level Tolerance for ambiguity and unpredictability
2. Quality improvement	Relatively repetitive and predictable behaviour Prevailing long-term or medium orientation Low cooperativity, interdependence Great attention to quality Moderate focus on the quantity of results Strong focus on processes Low risk activities Commitment to organizational goals
3. Cost reduction	Relatively repetitive and predictable behaviour Most common short-term orientation Preference for autonomous or individual activity Moderate approach to quality The prevailing aiming for product quantity The prevailing aiming for results Low risk activities Relatively strong correlation between comfort and stability

Adapted from: Torrington D. (2013); Armstrong, M. (2016)

Summarizing the opinions presented in the human resource management literature, the following traditional and new areas of human resource strategy can be distinguished: providing the necessary human resources; anticipating employee transfers or layoffs; developing new skills needed for new products or equipment; organizational culture and formation of employees' cultural values necessary to achieve business goals; reward management; continuous employee development; talent management; knowledge management; employee relations; loyalty and employee engagement; employee well-being management; organizational resilience; work-life balance; sustainability and ethical human resource management.

The main approaches to defining the concept of human resource management strategy are: a plan for achieving strategic goals; a set of actions carried out by the organization's managers who make decisions related to employees; a set of rules and principles for working with people (Korsakienė, 2011).

Thus, a human resource management strategy is a comprehensive plan that helps ensure the implementation of organization's mission and strategic goals based on human resource utilization strategy. Developed and adjusted by the company's board and human resources manager, it is related to the organization's strategy and can be described as the overall direction of working with people to ensure the long-term functioning of the organization.

When explaining the concept of human resource management strategy, its purpose in the organization, and the tasks it poses, it is necessary to examine in more detail the possible relationship between human resource management and organizational strategy.

The Relationship between Human Resource Management Strategy and Organizational Strategy

The degree of integration between organizational strategy and human resource management strategy varies across organizations. The most common view (Armstrong, 2016) is that human resources strategy must be vertically integrated into business strategy. Even better, it should be an integral part of the business strategy, integrated into the business planning process when necessary. Vertical integration is needed to ensure alignment between business and human resources strategies so that the latter helps implement and, of course, formulate the former.

A comprehensive list of possible relationship options, distinguishing five degrees of integration between organizational strategy and human resource management strategy, is presented in Figure 1 (Armstrong, 2023). Several models can be distinguished:

- *Option A – separation model.* There are human resource management and organizational strategies in the organization, but there is no connection between these strategies. They are formulated and implemented separately.
- *Option B – compliance model.* The human resource management strategy must meet the requirements of the organizational strategy. This model shows organizations in which operational goals are formulated by top-level managers, and then they are "driven down" through functions, departments, etc. Thus, the human resource management function, along with other functions, depending on the organizational strategy, must adopt and implement a strategy that meets the needs of the organization.
- *Option C – dialogue model.* The formulation of organizational and human resource strategies recognizes the need for two-way communication and discussion. This means that not always what is planned in the organization's strategy can be implemented, so additional alternatives provided by human resource management need to be considered.
- *Option D – holistic model.* An organization's employees are recognized as the basis of competitive advantage, not just a means to implement the chosen organizational strategy. Therefore, organizational and human resource management strategies are formulated together.
- *Option E – a human resources-based model.* The human resource management strategy is put at the top of the list. The argument is as follows: if employees are considered the most important competitive advantage, then their strengths need to be built upon. Here, human resources are understood not as a means of implementing strategy, but as a key force in developing organizational strategy.

In other cases, the relationship between organizational and human resource management strategies is defined through proactive and reactive behaviour or by examining the relationships between the environment, human resource management, and operational strategies (Armstrong, 2023).

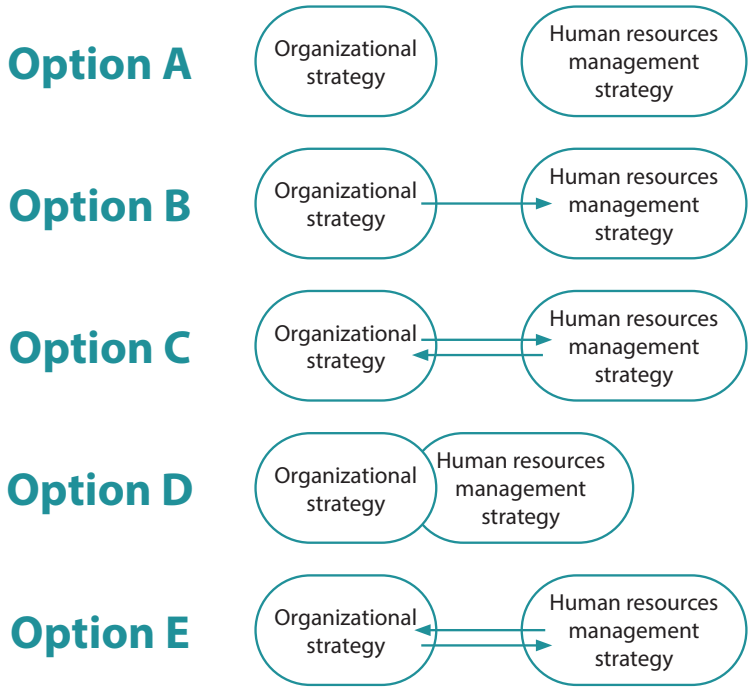


Figure 1. Possible Connections between Organizational and Human Resource Management Strategies

Torrington D. (2013); Armstrong, M., Taylor, S. (2023)

By acting proactively, human resource management professionals help formulate organizational strategies, thus, there is a two-way relationship between human resources and organizational strategies. The opposite is reactive behaviour, where the human resource management function is understood as supporting the organization's strategy. If the organization's strategy is formulated without the participation of human resource management specialists, then there is a strictly one-way relationship: human resource management policies and practices implement the organization's strategy. In such a case, four levels are distinguished, assessing the strategic aspect of the human resource management function, where organizations are 1) operationally reactive, 2) operationally proactive, 3) strategically reactive and, rarely, 4) strategically proactive.

Strategic Role of Human Resource Management

The presented options for the relationship between human resource management strategy and organizational strategy show that they determine the role, development, and objectives of human resource activities in the organization. The place and role of human resources specialists or services in the organization also depend on them. Factors that influence the role of human resource management in an organization's strategy can be distinguished:

The position of the head of the human resources department in the organization. It is stated that the relationship of human resource management to strategy depends on the position of the human resources manager in the organization. Their membership on the board often helps with integration into the organization's strategy, as top-level managers perceive human resource management as an integrated part of the organizational strategy.

Organizational culture and employee engagement. These are inseparable components of strategic human resource management that have a significant impact on the organization's ability to achieve its strategic goals. These elements not only define the work environment but also directly affect employee productivity, retention, and the overall functioning of the organization. Employee engagement reflects the level of an employee's commitment and connection to the organization. Engaged employees are more productive, show greater loyalty, and are more likely to contribute to positive business outcomes. Organizations characterized by high engagement benefit from lower employee turnover, higher customer satisfaction, and better financial results. Therefore, strategic human resource management focuses primarily on engagement as a key area by implementing policies and practices aimed at increasing job satisfaction and motivating employees. Organizational culture refers to the collective values, beliefs, and principles of an organization's members. It acts as a powerful force shaping employees' perceptions, behaviours, and understanding of the organization's goals. A positive and strong culture increases employee morale and productivity and closely aligns with strategic objectives. It is important how the organization values employees, how they are understood: as an expense or as an investment. Thus, human resource policy is influenced by the prevailing corporate philosophy, which reveals the aspirations of the company's management, and by the company's culture. If employees are not included in the process of developing common goals and operational strategies, contradictions emerge, since the company's philosophy and human resources policy express aspirations that are unacceptable to the company's culture.

Talent management as a strategic function in the organization. Talent management is an important part of human resource management strategy, encompassing various processes aimed at attracting, developing, retaining, and utilizing employees in a way that maximizes the value of human resources. This approach is focused on aligning talent management strategies with the organization's goals to ensure that the workforce not only meets current operational needs but also fosters future growth and innovation.

Sustainable human resource management. This approach is related to issues such as: ensuring the supply of qualified and motivated human resources in the future through human resource development, creating reward systems, and integrating sustainability into the organization's goals; the organizations themselves, employees, and society are responsible for sustainable activities; it should be noted that responsibility extends to employees' personal accountability for themselves and their careers; ensuring the prevention of negative impacts on human resource management through voluntarily expressed socially responsible employee behaviour and their participation in decision-making (Stankevičiūtė, 2018). Sustainable human resource management practices contribute to these positive internal and external outcomes: collaboration-based human resource development; establishing an organizational structure that facilitates employee participation and direct communication with employees; evaluating work roles and activities, promoting employee strengths and more favourable outcomes; leadership development, employee engagement, talent and change management, value creation and consolidation, employee health and safety, sustainable competitive advantage.

Organization's environment. A volatile, complex and dynamic environment forces the inclusion of human resource management in the organization's strategy. If an organization operates in a stable environment, there is no need for a change, a new way of thinking and acting.

In the special literature on the topic of strategic management (Černiauskienė, 2013), cognitive-based theories are distinguished, which are based on the assumption that the development of people's commitment to the strategy plays an important role in the organization, and it is proposed to involve employees in the strategic decision-making process and give

them more authority. These theories also emphasize the importance of developing employee competencies. The activities of human resources departments are also expanded, as they become responsible for employee participation in this process.

The scientific literature also highlights human resource analysis and its importance. Human resources are identified as one of the success factors of strategic changes. Human resource analysis is understood as the initial step of strategic analysis. Strategic analysis distinguishes three components of organization's resource potential: human, financial, and operational resources. The goal of strategic resource analysis is not only to describe the structure and composition of organization's resource potential, but also to clarify and understand the role of resource potential and its components in ensuring the organization's successful strategy implementation (Bakanauskiene, 2008; 2015).

Human resource analysis (also known as an organizational human resource audit) is important before starting to develop a strategy and cannot be carried out after the strategy has been approved. First, the composition of human resources, professional qualifications, competence and mutual relationships are assessed; then the general culture of the organization (to highlight the style and methods that dominate the organization's human relations); the ability to manage strategic changes (which will manifest themselves in the implementation of a new strategy); and the organization's politics (because it affects the process of developing and implementing the strategy).

There are two main objectives for a human resources audit. The first is to gather information about the organization's employees and policies. These would be: the number of employees and turnover in the organization; the distribution of employees in the organizational structure; organizational structures controlling employee activities; the use of special purpose teams in the organization; the educational and professional qualifications of the organization's employees and methods of promoting them; interpersonal relations between employees and relations with the organization's leaders and managers at various levels; employee selection, adaptation and competence development in the organization; principles and methods of controlling and promoting work quality and efficiency; investments in the organization's human resources. The second objective is to assess the role and contribution of human resources strategy in developing and implementing the overall strategy of the organization: the relationship with the overall strategy of the organization; the characteristics of human resources strategy; the adaptation of human resources strategy to changes in the organization's overall strategy and the external environment; the influence of human resources strategy on the organization's most important strategic changes; control of human resources strategy.

Human Resource Management Policy

Concept of Human Resource Management Policy

Human resource management policy can be understood as the declared stable and unchanging provisions, values, and frameworks on the basis of which the organization's strategy is implemented and procedures are defined. It is like a kind of organizational code that guides employees' actions, common guidelines, ensures the constancy of goals, and prevents decisions that are not in line with the objectives. Human resources policy is an integral part of the organization's policy. At the same time, it is a tool for implementing human resources strategy. Human resource management policy can be defined as a part of the organization's policy that includes the main goals, purpose, norms of behaviour towards employees, and the organization's obligations to its employees. The requirements for human resource activities, their implementation and development depend on the human resource management policy. Human resource management policy, in turn, depends on the organization's philosophy and organizational culture, and it embodies the aspirations of the organization's management.

Thus, human resource management policy primarily reflects the subjective attitude of the organization's managers towards employees, and the importance they place on them. This can be explained through the general concept of politics as a group of individuals existing in an organization who implement certain of their interests through strategic changes. It is becoming clear that the views of individuals and their groups shape organizational policy, and that organizational leaders have the greatest opportunity to do this.

The human resource management policy explains strategic human resource management decisions to the organization's employees and ensures their consistent implementation. Properly chosen, it helps retain desired employees, attract new ones, improves relations between the employer and employees, and suppresses conflicts within the team.

Types of Human Resource Management Policies

Passive policy. The organization's leaders do not have a clear action plan for planning, training, or evaluating human resources, and efforts are made to eliminate the negative consequences of employee selection or behaviour. Such an organization cannot forecast human resource needs and does not have selection and assessment methods. It only reacts to emerging conflict situations and tries to eliminate them.

Reactive policy. It is carried out to control negative phenomena in human resource management. In this case, problems of stable work efficiency are solved without a clear concept of employee motivation. Therefore, we only have to eliminate crises by rapidly taking measures to promote human resources. In such organizations, human resources departments have crisis diagnosis and appropriate emergency assistance tools only for the near future.

Preventive policy. The organization's management has made verified predictions of critical situations but does not have the means to influence them. In such organizations, human resources departments not only use human resources diagnostic tools but are also able to predict the situation in the near future, the need for employees and the necessity of training. The problem is the inability to create targeted human resource management policy programmes.

Active policy is implemented when management has the tools and methods to develop human resources policy. In such organizations, human resources departments must develop anti-crisis programmes and conduct constant monitoring of the human resources situation. Then it can be recognized that the organization has an active human resources management policy. There are two types of active human resource policies:

- rational policy – allows management to have both a qualitative and a calculated forecast of the development of the situation. In such organizations, human resources departments can act on the situation both in the distant and near future, developing programmes that allow them to adjust work with employees according to changes in the situation.
- adventurous policy does not rely on qualitative predictions based on analysis of the situation but seeks and tries to influence it. In such organizations, human resources departments usually do not have the means to predict or act on the human resources assessment situation.

Open policy. It is characterized by openness and transparency at all levels for both existing and potential human resources. You can come to such an organization and start working even without the appropriate qualifications or experience, because it has a clear tendency to hire people because it does not have established human resources concepts and implements an aggressive policy of conquering markets.

Closed policy focuses on selecting and hiring human resources to work only for a specific job, with substitution or replacement functions performed only by individuals who have worked in the organization for a longer period of time. Such a policy is typical for organizations that have a specific corporate culture and atmosphere or are focused on it, when creating human resource loyalty development programmes or working in conditions of human resource shortage.

Another factor that determines the existence of even a human resource management policy is the size of the organization. In organizations with human resources departments/services, a more general human resources policy is developed, covering hiring, training, etc., a standard employee compensation and safety system. For smaller organizations, where there are no human resource management specialists, these things are not as relevant. One organization's human resource management policy differs from another, primarily because organizations have different hiring policies.

Hiring Policy

Recruitment policy is a fundamental component of human resource management strategy, playing a crucial role in aligning human resource capabilities with the organization's strategic objectives. This process involves thorough forecasting of human resource needs, developing talent management strategies, and ensuring that human resource policy and practice effectively support the broader organizational goals. This process primarily depends on the recruitment policy. If an organization has been successful in recruiting and selecting employees in the past, many managers believe that one of the best ways to find an employee is through people already working in the organization. The advantage is a lower probability of making the wrong decision. It is determined by the clear and sufficiently well-known positive and negative characteristics of people already working, more accurate data and a larger amount of it than about candidates from outside. In addition, such organizational policies and awareness motivate employees to strive to perform better. By moving one of the existing employees to a higher or different position, the organization would benefit from its investment in employee training. Disadvantages of recruiting within an organization include excessive competition for promotion, resulting in internal tension and a negative atmosphere, preventing new ideas or the application of new working methods.

If the decision is made to use external recruitment sources for the search, the company has a much larger selection of candidates, and in some cases, it is much cheaper to hire an employee who already has certain skills than to train those working in the organization, especially when a good employee is needed today. Another advantage is that new employees may bring a completely new perspective or new ideas when they join the company. Disadvantages of using external recruitment sources: recruiting candidates is more complicated, new employee adaptation is necessary, i.e., additional time is needed for employees to adapt to the new environment - to get acquainted with people, procedures, and all organizational policies.

There is still debate about who is better to hire: young people or mature people, experienced or employees of different generations. Replacing or re-forming an entire team of employees is only possible when creating a new small company. In a large company, such aspirations fail because they encounter various difficulties. Selecting employees solely based on age is highly questionable. Better may not be younger, but older, and vice versa. A mature, experienced, well-connected, and proactive employee who is willing to learn may be more valuable than a young, inexperienced employee. Every transformation in human resource management can lead to resistance from employees who perceive risks to themselves. The impact of the economic situation is very controversial. The better the company's economic situation, the greater the opportunities to motivate employees by providing them with better working and social conditions. A high-performing company can do much better at building the right human resources team by using the right motivation methods.

The organization's human resources management policy also provides for general principles of career planning, remuneration for work, employee safety, and development of their competence. This means that all employees of the organization are subject to the same career planning criteria, equal remuneration for work, and employee safety methods. However, people differ in their nature. They pursue different goals, they are motivated, inspired, and encouraged by completely different things. When an organization tends to have fewer, but versatile, employees with diverse work experience, who are able to think globally and implement various tasks, then in order to utilize the true potential of these people, it is necessary to create a more individualized human resources management system that allows for individual assessment and promotion of employees. The tasks of implementing such a system are usually based on the direct work, communication, and attitude of the manager and employee.

Human Resource Development Policy

Each organization, taking into account environmental conditions and its internal actions, creates an individual human resource development strategy. In this case, the organization may have the following human resource management policy: provide only the competence necessary for the work/responsibilities performed by the employee, and update it; provide the employee with the competence necessary for the work/responsibilities expected to be performed in the future, and update it; provide employees with training benefits. In addition, policies can be formulated regarding the teaching methods to be used, etc. J. Bengtsson (2017) distinguishes human resource training (learning) strategies that describe in detail the provisions of this activity.

1. Intensive strategy. Following this, the organization mobilizes employees with appropriate education, takes care of their intensive training and development of competencies in the workplace, which are also constantly changed in order to better utilize the qualification and competency opportunities provided by the workplace. A prerequisite is a well-developed basic training system and a labour market that provides organizations with the necessary number of employees with the necessary qualifications and competencies.

2. Dual, or polarization, strategy. In this case, the potential of the workforce must be increased by better utilizing the talents and aspirations of employees. Priority is given to employee responsibility for the growth of their own competence. This strategy is very attractive, but quite risky, as it creates a significant group of people who may be laid off because they are unable to improve their qualifications. Therefore, there is a possibility of abuse. This strategy is recommended for organizations where there is a perceived lack of coordination between basic (general education and vocational training) training and the professional qualifications needed by economic entities. The problems of the majority of employees' unpreparedness to work in market conditions should be solved by motivating and encouraging employees to improve their qualifications. This strategy creates opportunities for employees to develop and does not require large financial resources.

3. Mobility strategy. It allows the organization to highlight the importance of higher (university) education, regardless of how many such people are actually needed. Much attention is given to learning within the organization itself. This approach ensures a very high mobility of available human resources when new needs arise, since employees with higher education have greater opportunities to retrain and adapt to new work requirements. Such a strategy is proposed in high-tech organizations, where the development of technological progress is a key feature that promotes rapid changes in qualification requirements. Organizations that apply this strategy create appropriate conditions for their future development. Technologies have fundamentally changed the operational processes of organizations, providing previously unimaginable efficiency and opportunities for growth. From the emergence of simple systems to the use of artificial intelligence and digital learning, technologies have transformed talent management, development, and other aspects of human resource management.

The success of human resources, integrating into a multicultural labour market with different education and training systems and diverse traditions in the field of human resource management, primarily depends on the strategic competencies of the individual, which shape a unified approach to human resource management, encompassing the resolution of strategic tasks, achievement of results, quality assurance, and so on. It is associated with an effective employee selection

and career system, transparency in institutional operations, enhancing the quality of employee performance, and the implementation of human resource management elements within the organization.

In scientific literature, these research directions are often limited to the issues of developing employee competencies in the context of organizational needs, leaving the development needs of individual competencies as a secondary role (Adamonienė, 2020; 2022). Attention is directed to the individual who is developing strategic competencies that enable successful integration into future work activities. Therefore, organizations consider not only the needs of the organization but also the needs of the individual. The development of an individual's strategic competencies is not so much a matter of a regulated system as it is a matter of perspective. Successful development of an individual's strategic competencies is based on fundamental principles that harmoniously align the individual's understanding of their need for personal competency development, strong internal motivation to self-improve, and readiness to change.

Development and Implementation of Human Resource Management Policy

Human resource management policies in organizations are primarily developed to help achieve the most important strategic human resource management goals. A policy is truly beneficial to an organization when it is appropriate, well-designed, and easy to implement. Furthermore, as a management tool, it must be constantly updated and supported. Therefore, when developing a human resource management policy, it is important to answer several questions.

Who should develop human resource management policies? Two factors are decisive: the size of the organization and the leadership style. A small, growing company may not have a policy in place until there is a need. As a company grows, there is a need to have a formal policy, as it helps ensure consistency and fairness for all employees. Leadership style usually determines who develops the policy. In companies where management is decentralized, policy development is usually delegated. The board of directors develops policies for top-level managers, who then develop accordingly for their subordinates. As structures have flattened in recent years, employees have been increasingly involved in the policy-making process. Sometimes ideas are collected from all employees, sometimes policy development is delegated to a team of employees.

How should a human resource management policy be developed? One of the most important requirements is that the policy must be clear to everyone who uses it. Consequently, all policy statements must be clear, concise, and highly precise. The editors must use words that the reader will understand (sometimes it is even suggested to provide a glossary of terms as an appendix in the text). Statements of claim must set forth reasonable and beneficial practices for matters such as hiring, firing, compensation, and benefits. The policy must include provisions on discrimination issues.

What technological tools help create and disseminate human resource management policies? The intranet can easily collect suggestions for policy development, disseminate information for evaluation and comments. Many companies now publish their policies on the intranet so that the provisions are accessible conveniently and promptly.

Use of human resources policy. An important point is the periodic review and adjustment of the policy. The need for adjustment is determined by constant requests for clarification of a provision, statement; complaints, dissatisfaction with a provision; changes in the external and internal environment: changes in work, social issues, business decisions, technological changes, changes in laws, changes in health and safety management, moral and ethical norms.

Principles of developing and implementing human resources policy. The following principles of policy development should be distinguished: the philosophy, culture and human resources policy of the organization must be harmonized; human resources policy should not provide solutions to specific tasks, but only establish principles for solutions and formulate rules of conduct; human resources policy emphasizes the following factors: ensuring safe work and social conditions, harmony between different groups of employees (managers, specialists, workers); harmonizing the interests of owners and human resources; optimizing the potential of human resources by emphasizing the interests of employees; ensuring the productivity and efficiency of human resources activities.

The following phases of human resource management policy development and implementation and recommendations for their implementation can be distinguished:

- *Human resource management policy development phase.* It is recommended to: 1) involve employees – all employees must participate; 2) clarify the task – participants need to be explained what is wanted to be achieved in any area of human resource management; 3) assess the current situation – explain what principles are currently followed, what is being done, identify what is not suitable; 4) formulate and discuss theses – the desired principles and the current situation must be combined, and training methods are planned; 5) ensure that the policy provisions are adopted – it is necessary to overcome employee resistance, carry out explanatory work, and discuss in groups; 6) ensure the approval of the trade union, other organizations and stakeholders.
- *Human resource management policy implementation phase.* It is recommended to: 1) specify the participants, measures and deadlines for implementing the human resources policy; 2) select the right people and interest them in

taking responsibility for the measures being implemented; 3) change the behaviour of participants, basing the new human resources policy on new relationships, which must be nurtured with special attention; 4) organize employee training, understand, develop and implement the principles of human resources policy.

Publication of the Human Resources Management Policy

The human resource management policy must be a written document declared not only internally, but also externally. The most popular way to publicize a human resource management policy is to declare its main principles on the organization's website and/or intranet so it is accessible to all current and potential employees. In addition, the human resources management policy presented online becomes a means of creating a positive image of the organization. This helps attract potential employees and encourages pride in an organization.

Analysis of organizations' websites shows that they actively publish human resource management policies, employment opportunities, activities and principles related to employee well-being. Official company documents can also be found on websites, which declare the principles and methods on which human resources activities are based. In their declared human resources policy, organizations emphasize that employees are respected and trusted, and that efforts are made to create the safest and most attractive working atmosphere possible. Separate sections discuss the principles of employee development, career opportunities, and human resources recruitment and selection. It emphasizes that organizations strive to attract the most creative and talented candidates, who are carefully selected by the human resources department, that they speak out against racial, religious, and ethnic discrimination, and that they value and adhere to human rights, health, and labour protection laws. In addition, the websites of many organizations provide information about remuneration for work and motivation systems, naming both common and original measures: career opportunities, flexible work schedules, remuneration directly dependent on work results, internal communication system, open communication, feedback, sustainability, and other options.

Human resource management strategy is considered an important part of organizations' human resource direction. As the population grows, competition for qualified professionals also grows. For this reason, organizations are encouraged to actively seek professionals in academic institutions, and to constantly innovate both technologically and ethically. It is important for organizations to pay attention to the diversity of their employees and include the implementation of those differences in their plans. This can be achieved by aligning human resource management strategy policies with organizational strategy.

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Mykolas Romeris University

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Collective monograph

Vilnius, 2026

Reviewed:
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Prof. dr. Darja Legeza (Dmytro Motornyi Tavria State Agrotechnological University)

Editor-in-chief:
Prof. habil. dr. Žaneta Simanavičienė

Approved for publication by the Council of the Public Security Academy of Mykolas Romeris University, at the sitting on 10 December 2025.
Resolution No. 10-541 (1.15 E-20601).

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ISBN 978-609-488-139-8 (El. - PDF)
DOI 10.13165/9786094881398
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