

Strategic Human Resource Management is Critical to the Financial Sustainability in a Publicly Funded Higher Education Institution

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The management of human resources in navigating the complexities of the 21st century has become critical in higher education institutions (HEIs). The shift in government funding from education as a 'national good' to the recipients funding their education, increases the financial instability of publicly funded HEIs. Historically, HR departments in HEIs were often restricted to administrative activities to include submissions to enable payroll processing, employee benefits administration and labour law compliance. While these activities are unquestionably important, they represent only a small portion of the HR's role and do not allow HEIs to benefit from a more strategic HR approach.

The transformative approach of strategic HR promotes an alignment of institutional priorities and makes provision for funding required to facilitate academic and staff development, talent acquisition and retention, strong brand recognition, refining and maintenance of strong institutional culture promoting a healthy social and intellectual community which are essential elements in the financial sustainability of HEIs.

To determine whether the staff of a publicly funded HEI believe that SHRM plays a crucial role in facilitating the institution's financial sustainability and how their perceptions support their behaviour in facilitating institutional financial sustainability through cost management. This research seeks to explore whether employees appreciate that their perceptions which dictate their actions will affect the institution's financial sustainability.

This is not a traditional exploration of financing strategies since it explores a human resource response to the subtheme of Cost Management: Implementing efficient practices to reduce operational costs without compromising quality. SHRM is a critical element in the successful implementation of the institution's cost management strategies.

Where employees have a general understanding that a shift has taken place in the funding model of publicly funded HEIs, however, there is little internalization that this funding shift requires a significant repositioning of human resource management to the strategic and away from its traditional administrative role. HEIs will be able to use the conclusions of this research in planning effective strategies in countering/encouraging the perceptions of its employees which can affect the achievement of their strategic processes impacting target attainment.