

Human Resources Management at Patties Company

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1.0 Introduction:

Human resource management (HRM) refers to a set of unique processes and activities aimed to attract, direct and maintain an organisation's human workforces Bratton and Gold (2017). According to DeCenzo et al. (2016), human resource management entails the effective management of individuals to achieve organisational objectives. Therefore, it implies that the management of staff actions inconsistent with the organisational norms, procedures, rules and regulations are subjected to ethical concerns. However, HRM practices may differ across organisations like the case of Patties Co. and Sukies Co. which operates in different continents. Therefore, this report explores the rationale for the differences in the way HR is practiced between Sukies Co. and Patties Co. Furthermore, the paper presents a business case in support of the introduction of ethically sound HR Strategies, policies and procedures across Patties Co. operations.

2.0 The Rationale for The Differences in The Way HR Is Practiced Between Sukies Co. And Patties Co.

In the contemporary businesses, innovation acts as the main reliable source used by firms in obtaining a competitive advantage in the market Pudelko & Carr (2015). Usually, human resources in organisations are willing to revolutionalise to gain an appreciation of their work. In most cases, majority of the successful organisations rely on the application and use of strategic human resource management whereby the superiors are easily approachable, the workforce is involved in decision making, employee performance is stimulated and rewarded, no rigidity in the delegation of authority control, and loyalty is embraced to encourage innovation within the organisation Daley (2012). The main goal of strategic HRM is to ensure the generation of strategic capability of the organisation by instituting a highly qualified,

skilled, and motivated workforce to help the firm in gaining a competitive advantage in the market.

Human resource practices in organisations are usually predetermined by the national as well as organisational cultural factors. Different nations in the world have adopted different practices that are used in distinguishing specific countries from the rest (Dickmann et al., 2016). On the other hand, firms have different organisational cultures that guide their operations. Hence, when the human resource departments are outlaying their human resource practices, they ought to critically consider if the stipulated practices are in line with the national including organisational cultural aspects of the country they are operating. Aziz and Morita (2016) maintain that national as well as organisational cultural factors prompt divergence in human resource practices for different organisations and countries. Therefore, the national and organisational cultural factors explain the rationale for the differences in the HR practices between the Sukies Co. operating in Europe and the Patties Company operating in Asia.

3.0 National Factors

National culture refers to the shared beliefs and customs of a particular country (Aziz and Morita, 2016). Bloom and Vann (2011) assert that national culture usually influences the implementation of strategic human resource management (SHRM) in organisations. Geert Hofstede's model of cultural dimensions is among the frameworks that provide insight into the cultures of various nations. The first dimension in Hofstede's model is the power distance which is used to express the cultural attitudes towards gender equality in the workforce as well as the extent to which power inequality is supported (Hofstede, 2011). Regarding the Sukies Co. in Europe, power equality is supported since the continent acknowledges and values gender equality whereby both males and females can occupy the top senior management positions depending on their expertise. However, in Asian, such a scenario is different as depicted in

Patties Co. which is a newly acquired subsidiary of the Sukies Co. Here, top management positions are held by men since the community highly values men compared to women.

The second dimension that justifies the differences between the Sukies and patties company HM practices regarding Hofstede's model is the dimension of individualism. Individualism, according to Hofstede (2011) refers to the interdependence degree that a firm keeps from its members wherein individualistic nations, people are concerned about their welfare and that of their families compared to the collectivistic societies where people care for each other. In Europe where Sukies Co. operates, it is a collectivistic society characterised by minimal discrimination and people are given equal chances of holding positions. Contrary, in Asia where the newly acquired Patties Co. operates, it is an individualistic society and this justifies why almost all the top senior positions are held by men who are relatives to the top managers.

Another dimension by Hofstede is the masculinity dimension versus the femininity. A high score of the male gender in this dimension indicates that the company is led by competition, success, and achievements Hofstede (2011). On the other hand, Hofstede (2011) argues that a low score of females in this dimension implies the value of caring for others with high regard for the quality of life. In Asia, Patties Co. focuses on its operations and becoming the best without considering the quality of life; this is evident from the complaints of the junior staff regarding being bullied by senior management as well as overtime of 60 hours weekly.

The fourth dimension is uncertainty avoidance which deals with the preparedness of society regarding the future (Hofstede, 2011). Uncertainty avoidance levels are low in Asia since the Patties Co. only employs staff on a variety of pay rates negotiated during recruitment. Also, there is little training and development in Patties Co., with no formal handbook given to employees for future reference. Such a scenario exposes the company to various risks considering the continuously changing environment and technology in the market Michael, and

Francis, 2018). This scenario may render Patties' employees obsolete due to lack of up-to-date skills and expertise; therefore, losing its competitive edge in the market.

Hofstede's fifth dimension of national culture refers to the long-term versus the short-term orientations whereby the former focuses on future success by limiting success achieved through a short period to gain success in the long-term (Hofstede, 2011). On the other hand, the short-term orientation refers to organisations that value near future success by emphasising on the quick results and outcomes besides respecting traditions. Long-term orientation societies and their organisations like Sukies Co. in Europe focus on retaining their employees since retaining employees would enable the company to maintain a highly trained staff that better serves customers besides gaining hands-on work experience, and also help in cutting the costs of training and developing new employees. However, in Patties Co., the case is different since employees are fired at any time with employee turnover of 35% that is likely to affect the competitiveness of the company negatively.

4.0 Organisational Factors

Successful companies usually embrace an organisational culture that stipulates and dictates the company's code of conduct for all its staff, both junior and top management. According to Hofstede (2011), it is usually difficult in identifying the cultural differences that exist between nations at the values level. However, deliberating on Dartey (2013), cultural differences between organisations can be identified by the different practices exhibited by the organisations because practices are more concrete compared to values. Organisational culture is described as the mind's collective programming that helps in distinguishing individuals of one organisation from the other (Hofstede, 2011). Thus, organisations are made up of people sharing common values having their own organisational cultures. Aziz and Morita (2016) contend that national culture is imperative in shaping the organisational culture alongside other

factors like the personality of the founder, the uncertainty feelings, the type of technology used and the stakeholder expectations.

Hofstede's dimensions of culture can as well be used in justifying the differences in the human resource practices exhibited by Sukies Co. in Europe and the newly acquired Patties Co. in Asia. The first dimension that justifies the differences in organisations' human resource practices is process-oriented versus result-oriented organisations (Hofstede, 2011). In organisations that are process-oriented like Sukies, they focus on a more bureaucratic and technical routine while result-oriented organisations like Patties focus on getting the desired results and outcomes in meeting the objectives of the company.

The second dimension is job-oriented versus employee orientation. Sukies Co. is an employee-oriented organisation that is keen on its employees' wellbeing while Patties Co. is job-oriented whereby employees feel the pressure of completing tasks, failure to which they are fired. Such whim termination of jobs as practised by Patties Co. reflects the violation of the employment rights distinct from those practised by the mother company, Sukies.

Another dimension of the organisational culture differentiating human resource practises of companies in various nations is the general orientation; intra-organisational and extra-organisational (Dartey, 2013). The former orientation is characterised by intensive employee identification with the company, like the case of Sukies where employees feel that the company cares for both their personal and competence aspects. The extra-organisational orientation embraced in Patties Co. focuses on the power and status that a certain position brings to workers.

The fourth dimension is the difference between open and closed organisational cultures where the former cultures like those adopted in Sukies Co. are receptive and welcoming to the new employees whereas in latter cultures, like those adopted in Patties, new employees undergo a lengthy process to fit into the organisation.

Moreover, the pragmatic orientation like in Sukies Co., controls the general behaviour of employees to obtain high performance resulting in customer satisfaction and is considered important in the survival and development of firms (Dartey, 2013). In prescriptive oriented organisations like in Patties Co., they rely on the procedures established with the ethical actions and decisions become important in the day-to-day operations of the company. Therefore, it is evident that the diverse human resource practices exhibited by Sukies and Patties Company are to a great extent influenced by the national and organisational cultural factors.

5.0 Introduction of Ethical HR Strategies, Policies, And Procedures in Patties Co. Operations

There are various aspects in Patties Company's HR practices which need to be fixed for the company to increase its profitability. First, the employee pay rates are not established using any rational system but rather on negotiation and these subjects employees to the risks of exploitation; thus, lowering their working morale. Furthermore, in the negotiated pay rates, there was evidence of overworking of the junior staff for over 60 hours weekly, which for organisations with good practices, attracts extra-time pay. Training and development are also minimal with employee turnover of 35%. Similarly, employees were promoted based on the relativity basis with the junior staff complaining of being bullied by senior management. Parkes and Davis (2013) explicate that such issues usually affect company performance; hence, lowering the competitive advantage. Therefore, there is a need for the introduction of ethically sound HR strategies, policies, and procedures in Patties Co. to help it respond effectively to the contemporary HRM issues.

There are divergent perspectives on the type of HRM and the various practices used by different organisations (Michael ad Francis, 2018). Nonetheless, DeCenzo et al. (2016) elucidate that the main functions of HRM comprise of selecting and recruiting staff, education and development, performance appraisal, payment and rewarding among many others. The

capability of the HRM to influence ethical conduct greatly depends on the status of the organisational functions.

5.1 Selection and Recruitment

Recruitment refers to a process that aid firms to find and attract suitable and highly qualified personnel in applying for the advertised job opportunities. Contrary, the selection is the process of choosing the most suitable personnel from a large number of applicants to take the vacant positions. The HRM is tasked with selecting and recruiting people that are likely to align with the organisational culture without discrimination (Ming, 2012). Patties Co. need to stop recruiting people based on relativity as it is the case and shift to selecting and recruiting people based on their expertise and the needs of the company at any particular moment. The process of recruitment should involve a rigorous assessment of the applicants for the HRM to come up with the most suitable and appropriate people to join the company. Therefore, the already existing 400 employees need to be appraised so that they can be placed in their area of expertise.

5.2 Training and Development

Training and development refer to the formal processes used in changing the staff behaviours and motivation in a way that enhances employee performance that affects the overall organisational performance (Bloom and Van, 2011). The HRM of Patties Co. needs to design specific training programs catering for all its four hundred employees in various departments. High-quality training is the responsibility of HR which helps in enhancing effective integration of ethical behaviours and conduct among human resources (Ming, 2012). As such, the objectives of the different laid down programs of training and developments need to be clarified and assessments are undertaken to find out if the objectives have been met. One of the strategies that will be used includes the top-down training by providing training to the top and senior management staff then to the junior staff. Training and development need to be designed in regard to Patties company's particular needs, levels, teams as well as individuals.

Intensifying the training and development of the firm's employees would help them to gain more skills and be comfortable in undertaking their jobs; thereby, positively affecting the overall performance of the company.

5.3 Pay and Reward Management

Pay management is a function of the HRM that encompasses developing, implementing and maintaining a base system that is equitable and fair to all employees (Michael and Francis, 2018). It is the responsibility of the HRM in managing rewards by formulating and implementing policies and strategies for rewarding people equitably and consistent with the organisational values; thus, helping the organisation in achieving its goals (DeCenzo et al., 2016). In formulating a fair pay for Patties Company, the system must be founded on aspects of equity distributive justice, respect, and autonomy which are crucial in ensuring ethical conduct within the organisation. Apart from fair pay, there should be better rewards of staff using established guidelines.

6.0 Conclusion

In the contemporary business world and with globalisation and the advancement of technology, businesses are expanding overseas and these expansions usually come along with various issues in human resource management. The diversities in the HRM and IHRM practices by various organisations as depicted in Patties and Sukies are prompted by the national and organisational cultural factors. As well, the HRM has the responsibility of ensuring that the organisations they run have the best HR practices that are ethically sound. Therefore, the HRM of any organisation is responsible for the designing of strategies, policies, and procedures that would help the organisation achieve its overall goals and a competitive edge.

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