

Human Resource Management

Assignment Two

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Introduction

The aim of this assignment is to prepare a report for an international technology company of which I will be the director of human resources. Specifically, in this report I will focus on *three macro topics* to be explored. In this analysis the chosen HRM areas are:

- **HR Effectiveness Measurement:** analysis of the methods of measurement of human resources in the chosen company and description of them.
- **Retention:** how to maintain a stable relationship with your employees aimed at their conservation in the company.
- **Learning and development:** learning and development methods to be implemented in the company to increase corporate human capital.

In all these three HRM macro-areas it is necessary to pay close attention to any human resource strategies to be applied to the company, to demonstrate how these strategies positively affect the team and finally to emphasize the basic principles of HRM that have been followed in the assignment.

Company Background

The background of the technology company I will talk about in this assignment was made up (like the company itself) in order to achieve the goal of the thesis.

The company was born in Japan in the early nineties, like many other companies in this sector. The wealthy entrepreneur who founded it had no idea that in a short time the company would become one of the most recognized names in the field of telephony and appliances. The company initially had about forty employees but soon began to expand thanks to the forward-looking investments made by the owner. Other factories were soon opened in major Japanese cities and the staff grew dramatically. The real turning point came when the company decided to invest more in the research and development of its products. As a result, new appliances were launched on the market, qualitatively better than the competition, and the company was thus able to reach international markets. Today it has offices in America, Canada, Australia, England, Europe and China. The staff has 200,000 workers around the world. Given the company's strong international expansion, specific Human Resource strategies are used (which I will list in this assignment) to get the most out of its employees and better manage the company's human capital.

HR Effectiveness Measurement

The managers of the technology company use KPIs to measure the effectiveness of Human Resource strategies and maximize their results. But what is a **KPI**?

A KPI (Key Performance Indicators) is a method of measuring the performance of a specific strategy or activity. Specifically, it is a unit of measurement that serves as a reference for estimating the effectiveness of a process underlying the objectives set. The most important feature of a KPI is being **SMART**, that is:

- *Specific*: tangible, limited and related to a specific purpose.
- *Measurable*: a KPI can always be measured, otherwise it loses its effectiveness.
- *Accessible*: the KPIs must be realistic and truthful for the company.
- *Relevant*: important and linked to corporate values.
- *Temporal*: they can only be used in a specific time frame.

This company for measuring its performance in Human Resource has decided to use seven of the most important KPIs:

1. **Talent Retention**: this KPI demonstrates the company's job stability, or the willingness of the worker to remain in the company or not and is also linked to remuneration and the working environment. Losing a highly experienced employee has both a monetary and a time wise cost, as it will take a lot of time and money to train a new worker. This KPI is calculated by comparing the number of workers hired in a specific period of time and those who remained in the same period. For this company, this factor remains very important: the turnover of workers is constant but not excessive and the staff remain permanently in a company for several years.
2. **Time in the same role**: if an employee spends too much time in the same role without the ability to have growth, he will understandably start looking for new positions outside the company and eventually resign. In the analysed company, the Human Resource team tries to reward employees with benefits or prizes and often with a promotion, recognizing the value of the person within the company.
3. **Employee Absent at Work**: This KPI calculates employee absences due to illness, delays, justified or unjustified absences. It is possible to calculate the impact of this factor on the costs of the company. The Human Resources manager of each branch deals personally with this factor, trying to prevent it and understand the possible reasons for unjustified absences or delays.
4. **Average time per hiring**: another factor is the average time that elapses from when an employee communicates his leave to the company, to when another candidate is actually hired in his place. This KPI is influenced by various other factors and can be the cause of a large monetary cost for the company. The Human Resources team focuses mainly on the

recruitment and hiring phase, trying to speed it up as much as possible, but at the same time trying to understand what led the worker to resign.

5. **Employee training:** this KPI directly affects the company's professional activity and allows to improve team productivity. The technology company uses monthly training courses to motivate staff, increase satisfaction, productivity, reduce working time and improve the company's brand identity.
6. **Time to achieve the objectives:** this is a key factor in calculating the effectiveness of employees and should tend to decrease with the experience of the worker. This is another reason why the corporate HR director invests in constant training courses.
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Retention

Retention is a way and a tool to keep the employees within the company. It is one of the fundamental objectives in HR strategies and for the Japanese technology company it is something of primary importance, given its high number of staff around the world. In fact, without effective team involvement it is impossible to create a solid business strategy. The human resources director of the company must simultaneously maintain high working performance and preserve the company's human capital, without which a profit would be impossible. To do this, the director of the technology company will have to submit a monthly report of the activities done and still to be done to maintain Retention at high levels. The company has recently noticed a difficulty in satisfying the needs of workers assigned to the most physical tasks in the best possible way. Therefore, the Human Resource department has created in recent years a specific online course plan for this type of worker, where they can communicate directly with industry experts and ask questions freely. The human resources managers of the company also work daily to help workers to stem all their problems. These are some of the practices that the HR director has studied with his team to stem this problem:

- *Use a good Human Resources Strategy*, always putting the person and their needs first, before the job.
- *Try to offer a salary proportional to the skills of the worker*, which can grow over the years in proportion to the growth of the worker's experience.
- *Offer up-to-date courses to all employees* on a monthly basis.
- *Communicate with employees* and listen to their requests.

A practical example used in the company to improve corporate retention is attention to communication. It is indeed useful to understand, to create a good interaction, what kind of

information employees need and how they prefer to receive it. Not all employees want to be contacted on their mobile device and some don't read the email frequently. Consequently, the Director of Human Resources has established moments of face-to-face communication in the company, in which an employee representative or the employees themselves can explain their needs, usually this happens every three weeks. The Human Resources Director knows that in order to maintain a high Retention he will have to make a considerable economic effort; however, this effort will turn into a profit in the long term. By pushing his employees to fill their gaps in a stimulating way, he will simultaneously encourage them to invest and remain in the company.

Learning and development

For the technology company, training is one of the fundamental points among the HRM strategies, if not the most important. The company's strategy is to divide the training course into four phases:

1. The *analysis of the needs* in which the objectives and contents of the training are presented.
2. The *analysis of the training path* in which business needs are translated into a training plan.
3. *Implementation of the training course.*
4. *Evaluation and final analysis of the training process* with respect to the initial objectives.

Training and the roles involved

In recent years, corporate training has been remarkably successful thanks to HRM and now departs considerably from the original definition that described training simply as teaching a person a job. In the new concept of corporate training, the emphasis is on transforming behavior to interpret one's role within the company in a different way. Training is an ongoing process and a tool that serves to meet the company's general objectives. The roles that come into play in this process are many:

- First of all, the **client**, or the one who commissions the training intervention and who has already partially analysed the business needs. In the case of the technology company, he is the director of Human Resources.
- The **consultant** or teacher who may be part of the company staff or be external to it. In the case of the technology company, external consultants were chosen.
- The person who will receive the training, in our case the **employees** but also the company managers.

Corporate strategic training

In recent years, training has become increasingly important precisely because of the changes that companies have had to face. In the case of the technology company, it was difficult at first to face the *internationalization and globalization* of the markets and of the company itself and consequently the ruthless competition and the spread of new technologies. And it is for this reason that one of the first objectives of the company is the search for diversification and specialization from competitors and in this the Human Resources constitute one of the most effective weapons to face these sudden changes. Given this new importance of Human Resources, companies have finally stopped considering them only as a cost but as a real opportunity for growth. To compete in such a variable market, the company has fully embraced innovation, investing more and more to have a highly qualified Human Resources staff. The company has also made its oriental, and specifically Japanese, concept of total **quality** its own: even small successes in products or processes occur with the mobilization of all staff. A very important new role is entrusted to the worker, who, using a scientific approach, is able to solve problems. The issue of quality is therefore directly linked to that of training.

Needs analysis

One of the first steps in the training process is the needs analysis. First of all, it is necessary to understand what is meant by need. There is a need for training whenever there is a gap between expectations and the real situation in terms of employees, the company, work performance, technological knowledge and finally behaviour. The needs analysis in the technology company is carried out by the Human Resources Director through two levels: the **needs of the company** and those of the **employees**. In the first level, the Director places emphasis on the costs and benefits of training, seeing it as a tool for business development that fills individual gaps. In the second level, however, the needs of employees are caused by lack of knowledge in carrying out daily activities. By adding these two levels together, the solution must be unique, combining the needs of all the players involved with the general objectives of the company.

Levels of Needs Analysis

Let's now analyse the specific steps of the Needs Analysis that the Human Resources team follows on three levels: *organizational, professional, individual*. At the **organizational level**, training needs come from short and long-term strategic business choices. In this case, the tools that the Human Resources Director offers in the technology company are interviews, questionnaires, personnel planning documents such as the personnel budget and statistics. At the **professional level** it is necessary to evaluate the training needs that come from the first level, thus highlighting the gap between the various roles, the performances achieved and those still to be achieved. This phase

begins by breaking down each role into its elementary components. Then the competences of each role and those lacking must be defined in terms of:

- *Knowledge*: information, theoretical concepts relating to professional and behavioural skills.
- *Skills*: the ability to implement the set of activities that lead to the achievement of the goal.
- *Behaviour*: the set of actions that are implemented to relate to others and in one's working role.

Finally, in the **third level**, the Human Resources team focuses on the individual employee and establishes the most suitable training course based on the role.

Conclusion

In conclusion, it is possible to see how the company owes part of its success to the excellent management of Human Resources. In fact, each branch has an HRM team and its director who coordinates the main activities. All the branches then follow the directives of the main office in Japan which disseminates the strategies that each office must follow every month. Each problem is analyzed as described above, according to the main theories of HRM, placing the emphasis on the figure of the worker as a person first of all. However, each branch is also a world of its own where external factors, such as the culture and politics of the country, can have a negative or positive influence. In each country it is therefore necessary to adopt different strategies that adapt to the different needs of employees and to the cultural and working context. In general, the main guidelines of the company are to invest in research and development and in the training of employees of all levels. These guidelines are adapted to all branches by the Human Resources team, always bearing in mind that for optimal business management it is first of all necessary to communicate with your employees and try to meet their needs.

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