

# Ford motor human resource department



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The Ford Motor company's transition from tough managerialism, a management philosophy based on the uncompromising pursuit of tight control over all employees, to a strategy of willing participation and involvement. Guest argues that if the term human resource management (HRM) is to have any social scientific value it should be defined in such a way as to differentiate it from traditional personnel management (Guest, 1987: 503). He then proposes that HRM constitutes one of Ford's models of best personnel practice, that few UK organizations practice HRM, but that there might be a slow trend in that direction, as evidenced by the increasing adoption of HRM policies such as employee involvement.

The definition of HRM is a set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work. The HRM model is characterized as being people-oriented with an emphasis on the maximization of individual talent and consultation with the workforce. For Guest, the only companies practicing this model completely in the UK are IBM and Hewlett-Packard. The three other major personnel models Guest describes are: first, the paternalist welfare model, characterized by careful selection, training and treatment of staff, with a strong customer focus, a prime example of which is Marks & Spencer.

Second, the Production model based on tough, consistent industrial relations practice, focusing on the maintenance of efficient continuity of production, exemplified by Ford Motor Company. Third, the professional model which emphasizes professionalism in four core activities: selection, training, pay and industrial relations. Firms such as ICI, Unilever and some of the major oil companies' are cited examples of this model. The effective adoption of the

various models depends on the appropriateness of particular practices to particular industrial settings.

In many ways, Ford exemplifies the difficulties associated with a shift from what Guest labels a production paradigm towards HRM. Ford's management argue that Ford, as indeed are most major western companies, is in the throes of a long-term transition and displays features common to more than one of Guest's ideal types. Guest also suggests the embracing HRM principles may significantly enhance a company's image. A company seen to be in the forefront of the management of human resources may gain advantages in the market place. (Guest, 1988: 10).

First, it may attract sales through an image of social responsibility and quality. Ford, for instance, launched crucial new products between 1990 and 1992 with advertisements whose central image was employees participating in personal development. Ford Motor Company in the 1980s provided a powerful example of major changes in personnel practice. They chose to concentrate on Ford for two reasons: (a) because of its paradigmatic importance as progenitor of the traditional production approach; and (b) because of the magnitude of the change it initiated during the 1980s which reflected a critical re-evaluation of the production approach and a significant move in the direction of HRM for strategic reasons.

Ford is synonymous with the creation of a particular management style- Fordism based on hierarchical decision-making with strict functional specialization, tightly defined job design and specialized machinery to mass produce a standard product for mass markets (Starkey & Mckinlay , 1989). A

conjunction of market and technological factors stimulated Ford's continuing efforts to redesign jobs, its mode of organization and its prevailing culture. The organizational model for Ford's rethinking of its approach to personnel management was, in part, Japanese-inspired. The company's close links with Mazda, in which it owns a 25 a percent stake, serves as a source of competitive bench-marking. This bench-marking formed the basis of its long-term strategy.

The pre-existing Fordist system provided important elements of continuity. The attempt to reconcile Ford's short and long term and long-term objectives has mean that the company is negotiating a major transition period; on the one hand, striving to introduce aspects of Japan-like industrial organization in preparation for future strategic change, whilst, on the other hand, maintaining established managerial practices and work organization patterns essential to current competitiveness. (Starkey and Mckinly 1989: 94).