

Restructuring: human resource management assignment

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Hewlett-Packard (HP) company is the world's one of the leading computer manufacturer founded by Bill Hewlett and Dave Packard in 1939. Their first product was an audio oscillator named HP model 200A. In 1966, HP introduced the world's first go-anywhere and do-anything computer called HP2116A and the world's first desktop scientific calculator was also invented by HP in 1968. HP is one of the very successful computer manufacturer till date and it has been ranked 15th in the Fortune 500 magazine for the year 2013.

Restructuring comes in various forms; it may be due to excessive growth of the company or the massive decline in revenue of the company. Downsizing, Plant closures, mergers and acquisitions are some of the common reasons for restructuring the company. Hewlett-Packard, a well-known computer manufacturer, is going through a multi-year restructuring program in order to cut cost and create investment capacity to drive innovation against its strategic priorities, strengthen market leadership and rebuild its balance sheet.

According to the HPs quarterly filing to the US Securities and Exchange Commission from March 2012, it is stated that " The restructuring plan includes severance costs related to eliminating approximately 25, 000 positions. The infrastructure charges in restructuring plan include facility closure and consolidating costs and the costs associated with early termination of certain contractual obligations. " According to an article in the economic Times, about 22, 700 positions has been eliminated as of July 13, 2013.

HP is also going to close one of their sites in Russelsheim, Germany by the end of October 2013. This will cause in the Job cut of approximately 850 positions. Human resource management plays a vital role during the corporate restructuring. As many employees get laid off during the restructuring process, Human Resource personnel's have a greater responsibility towards the company to finalize who stays and who leaves the company.

According to Caplan (2004), " HR can evaluate the less predictable factors such as risks, mitigating risks, time frame and costs, and participate in the planning and preparation stages of the restructuring. " Therefore, human resource is highly responsible for recruitment and retention, compensation and benefits, training and development and so on. HP is going through a mass downsizing and one of the reasons that many companies survive is because of the effective human resource system. Therefore, HR plays an important role during the restructuring of the company.

They are involved from planning to implement the strategy effectively. The first major role that HR has is to implement an effective planning strategy. Obilade (2009) states that " Some of the HR activities that need to be involved in a properly implemented downsizing project/ program include planning and analysis, HR development, staffing, and compensation and benefit" (p. 20). Downsizing has many hidden costs such as severance and rehiring costs, pension and benefit payouts, loss of institutional memory, lack of staffers when the economy rebounds, and so on.

Human resource of the company. It is estimated that the total cost of restructuring for HP will be about USD 3.6 billion in severance and other charges. Many workers have been laid off during past year and HP continues the process until the fiscal year 2014. Human resource is responsible to figure out who is going to stay as well as who is going to leave the company. It is very challenging to find out the best employee who will continue the work and lay off the rest.

After employees lay off, HR needs to put a special effort to reassign and retrain employees for new positions who have been eliminated from their post. About 850 positions were eliminated in the HP Company in Germany, and the remaining 250 employees that remain in the company will have the opportunity to transfer to HP partners. HR needs to reassign the specific task to them and retrain them to work effectively in new environment and in new position. Similarly, many employees who were lucky enough to survive the Job cut needs to be trained accordingly.