

Worker policy at bmw

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In the early nineteen eighties, foundations were laid for a value oriented worker policy at BMW. This arose from a scenario planning exercise among senior management at the company. Having this policy is highly important for the companies' design of new plants and in the introduction of new HRM policies. Again in '95 and '96 there became a need for new HRM efforts in order to increase worker productivity and create a more competitive businessenvironment.

In '95 a new form of work organisation was introduced where highly independent teams of 8-15 workers had clearly defined tasks and their senior supervisor mainly had an advisory role. In '96 the German motor industry reported that with higher costs and the deterioration of German competitiveness, something had to be done in order to improve productivity.

2 The image of BMW is of high standards and quality products. Therefore we would expect the company's employees to live up to this high standard by continuous improvement and dedication to the product at hand.

BMW has adopted the softer side of HMR, focusing on employee improvement and quality of workforce. They try to better themselves through their people as they seem to believe that the chain is only as strong as its weakest link. They educate their employees; train them in becoming better at their jobs and then back them up with healthcare and benefits. As said before, this focus on quality is maintained through the softer HMR which is understandable since the harder side is more outcome-oriented than quality driven, which would seriously counteract what BMW is trying to achieve.

The harder side of HMR wants quantity, rather than quality, skipping out on the people side while keeping a firm eye on the numbers. By implementing team work the company could bring together different workers with different emphases in order to come up with joint solutions to an array of problems. It broadens the horizon of all employees as to make room for new points of view. By bringing together different views of the company it is possible to strengthen the overall vision and bring HMR policy and corporate policy closer together.

To further support efforts off teamwork the company would have to make changes to their payment system in order to reward the total effort instead of the individual. Any group effort is likely to fail if every single member is aiming to be the most productive, having his work praised above any other. A group effort has to be precisely that, one group's effort to come up with a joint solution to a shared problem. No one can become bigger than the group in that sense.

The company has to reward the total output equally, sharing bonuses or other benefits or else the foundations of the group will soon crumble. With BMW's emphasis on multi skilled workers, quality objectives and the contribution of individuals to group performance, one could argue that the company has already made steps towards the "hire for the organisation, not the job" approach. They seem to be looking for employees that fit the company's diversified operation and are capable of individual efforts, rather than the usual drone.

Hiring the wrong person can cost a company dearly as there is loss of productivity, disruption in moral along with other serious implications. 6 With BMW's efforts to diversify internal operations, employees were required to take on different tasks and responsibilities. With a positive outcome, employees could expect more of the before mentioned responsibilities. This called for a more flexible payment system which allowed for an easier transaction between classes.

If an employee would take on bigger responsibilities on a more regular basis he would be upgraded to the appropriate wage class. Under the older system of fewer classes it would have been more difficult for employees to move upwards in the company, which in turn would have turned them off bigger responsibilities. Before, there were bonuses paid out to all employees who met predetermined production quotas. Bonuses were also paid out for an individual's contribution to group efforts.

After changes were made to the bonus system, appraisal was given to those whom showed improvement, meaning that performance was evaluated on an individual basis rather than on the entire site's performance. Since BMW is rewarding the individual rather than a particular group effort it would seem as they were working against an internal fit. On closer inspection that might not necessarily be the case. When observing BMW's appraisal policy they are not rewarding some predetermined production goal. They are rewarding the improvement of individuals as compared to a previous performance.

This makes sense when looking to the effect on individual moral. It goes without saying that every employee wants to feel appreciated; to have the

company recognise his efforts even though they are within a group. This sheds new light on the BMW way since the company strengthens the individual effort while keeping the negative effect on teamwork at a minimum. With older workers comes experience and knowledge, with knowledge comes capability and with capability comes productivity. With older workforce also comes stability since they are often more loyal than younger workers.

Finally, older workers can become role models for younger employees, opening up the possibility of mentors. With aging workforce, HMR policies have to be updated, taking into account the different needs of the group. Working conditions might have to be improved and working hours kept fixed. Older employees might also turn out to be higher in maintenance so flexibility in sick days might be appropriate. BMW has taken a lot of admirable steps in accommodating workforce of all ages, providing healthy food and workout facilities.