

Achieving a congruence in organisation strategy business essay



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This essay first discusses about the importance of achieving congruence between an organisation's strategy, structure and human resource management (HRM) practices. The author begins with defining strategy, structure and practices. The example of a software support organisation is used to illustrate the points in this essay; ensues by the outlining of its business objectives and strategies. It strives to be the leading integration software support service provider offering cutting edge service quality and achieving high customer satisfaction. Being in the service industry, the strategies revolve very much around human resource administration. The author subsequently delves into each strategy explaining why there must be congruence in order to accomplish the objectives. The second segment of discussion directs the attention to the relevance and effectiveness of HRM in achieving a competitive edge for the organisation. In the instance of the support organisation, information technology (IT) knowledge and customer service skills are a crucial part of work. Technology is ever-evolving and customer's demands intensify in time. With proper management of skill and practices the organisation will be able to adapt well to external and internal changes giving it an advantage over other support organisations. As the conclusion, performance is obtained by systematic interactions and integration among the various HRM practices (Boxall, 2003). HRM has to be aligned to the corporate strategy and structure and this gives the organisation a competitive edge.

First and foremost it is good to introduce and define the key elements of the essay. " Organisational strategy defines the direction in which an organisation intends to move and establishes the framework for action

through which it intends to get there” (as quoted in Stone, 2008, p. 13). “Organisational structure refers to the organisation’s framework or design” (as quoted in Stone, 2008, p. 34). HRM practices relate to the human resource routines that are undertaken to manage specific skills, values and knowledge of employees (Ennen & Richter, 2010). It is important to achieve congruence between these three elements to increase operational performance by meeting the organisational objectives and at the same time promoting achievement of employee goals (Stone, 2008). Advantage occurs when an organisation substantially builds the quality of its human capital and links it to the business and strategy (Boxall, 2003). Hence it can become a leader or winner in the industry.

Work situation of a software support organisation will be discussed here. Its strategic business objectives are to be the market leader in integration software support excellence providing services around the globe 24×7, increase revenue opportunities and endorse effective cost control through:

Understanding and growing the employee skills and interests.

Retaining the right people by showing appreciation of their contribution.

Empowering employees to provide value for achieving customer’s goal.

Achieving high customers’ satisfaction and keeping them happy.

Expanding the organisation in cost effective locations.

The business strategy depends profoundly on the work force which is the organisation structure and the management of workers.

The corporate business strategy of being the leader in customer service is to be achieved by first of all understanding and growing the employee skills and interests. This is in fact one of HRM practices and activities.

Understanding the employee can be done by performing individual appraisal and growing them is a part of HR development and career planning (Stone, 2008). These days, less attention is paid to the person's position or tenure, rather the market value of skills is focused on (Cascio, 2010). Besides skills, their interests need to be taken care of, depending what they are. For example an employee that gets promoted is more committed to the company's goals attainment (Joseph & Dai, 2009). A design that focuses on wellness of workers is more likely to be successful in achieving the operational goals. Without proper management of people who are going to run the organisation, its strategic business objectives execution would go the wrong direction.

Secondly, the retaining and hiring of desirable skills directly affect the corporate performance (Wei, 2006). HRM strategies have to be aligned fittingly to this in order that the company does not dissipate unnecessary costs hiring new support engineers to replace those who leave the job due to feeling of disapproval. To keep capable workers, it is important for them to feel appreciated for their contribution. Engaging a reward system, incentives-motivated performance measurement is a good way to retain employees. Good organisation coordination can promote a trust environment that enables two way feedbacks between employer-employee (Collins, 2010). Constructive and beneficial feedback has to be acted upon to show that management is receptive to the people's voice. HR activities such as

recruitment and selection should aim to support the organisation's strategy of focusing on the customer-employee relationship. Competent candidates ought to be selected for the job to ensure customer obtain the service they seek from the knowledge workers.

Thirdly, the researcher discusses why the empowerment of employee has to be fitted with the right HRM practices and organisational structure. The support organisation has offices in different parts of the world, therefore it is structured in the way that there is a Regional Time Zone Manager who heads the Product Line Manager who manages the Support Managers. The Support Managers deal directly with the Support Engineers. Communication is most of the time vertical and bureaucratic. The author thinks this design complicates the HR practices; for example there will be multiple level approval processes, hence employees are not empowered appropriately. Non-hierarchical decision making is becoming a more popular managerial structure because it is creating added creativity in workplace through proper delegation of work (Joseph & Dai, 2009). The author thinks the support organisation could adopt this flat organisational structure. In this way there will be cutback of redundant escalation and reporting processes. Strategic plans can to be communicated immediately to the employees, who carry them out (York, 2010). Managers and employees should share a common understanding of execution plan details without obvious rank barrier. Then the engineers would know the main areas of concern. Keeping customers happy is one of them which will to be discussed next.

The fourth strategic plan is to achieve high customer's satisfaction.

Managing human resource by adopting development-orientated practices is <https://assignbuster.com/achieving-a-congruence-in-organisation-strategy-business-essay/>

essential to improve the organisation's capability in satisfying the customers. IT workers have to be developed regularly to keep up with the latest technological knowledge (Joseph & Dai, 2009). Customer interaction effectiveness can be enhanced by communication training and development, hence boosting customer fulfilment. An open and interactive organisational design structure is helpful in building a good customer-support relationship. Customers are free to reach out to the Customer Services Managers for any conflicts or queries that occur during the support process so they get all the assistance they need. Consequently more new customers are attracted to sign up while existing customer stayed satisfied. The company will be able to meet its business objective of generating more revenue from the customer's maintenance contracts.

Finally, to promote cost effectiveness via the strategic decision to grow the support team internationally, supporting a global set of customers around the clock. One of the initiatives is to have more shifts in lower cost hub, providing customer service remotely through phone and email communication. HRM supports this by recruiting the required support engineers before the shifts start. HR planning of estimating how many workers are needed has to be done carefully to ensure cost efficiency. The planning would have to take into account the existing workers and the time required for the new workers to start contributing to the company (Ahmad, 2000). As the setup activity spans across the globe, the structure has to be in place before execution. The alignment of HRM practices and policies to the organisational strategy, design and structure will significantly increase

productivity (Joseph & Dai, 2009) especially in the condition where remote supervision is required.

The author agrees with the statement ‘ One of the aims of HRM is to give an organisation a competitive edge.’ In fact HRM has to be strategized to help integrate the organisational strategy and polish its structure in a unique way that enhances the overall value to provide a competitive advantage. Human resources management focuses on managing the employer and employee relations and productively use it to achieve the strategic corporate strategy (Stone, 2008). Again in the example of the Support Centre, information technology (IT) knowledge and customer services skills are a crucial part of work. As described above, HRM activity such as training and development could improve these skills which add value to the customer. Customer usually tends to compare the quality of service provided among all other support organisations offering the same services. Distinguished service that stands out is in the advantage to keep the customers.

HRM practices and policies describe factors that determine with what skills, values and knowledge organisational routines are implemented (Ennen & Richter, 2010). A good HRM system takes care of changes that happen externally as well as internally. External factor such as technological divergence which is ever-evolving requires the attainment of new technical know-how for continuous improvement. With the right resource management, existing hardware and software can be replaced before they get obsolete. New technology can be acquired and utilized to create a better environment for support engineers to trouble-shoot complicated technical cases. Customers are always impressed with fresh ideas and fast resolution
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time. Transformation that happens internally for example team restructuring will probably affect day to day practices. HR administrative mechanism plays an important role to ensure employees adapt well to the changes. If a formal notification about re-allocation of duties is delivered, workers will not be caught off guard and can prepare for the change. Productivity would drop tremendously if the various factors are not managed well. HRM that aligns to business strategies controls work activities and direct employees back on track for the organisation to stay competitive.

Ennen & Richter, 2010, through empirical research concludes that congruence practices, policies, strategy and organisational structure would give firms a competitive advantage over the organisations lacking such fit. The support organisation which is in the service sector covers a huge range of human services and practices. Productivity is best served by systematic interactions and integration among the various practices (Boxall, 2003). The support organisation focuses on human capital but at the same time it wishes to control cost in the most efficient way. Business hubs have been set up in lower maintenance cost locations. To have Asians providing support service to Europeans for example opens to issues such as cultural and expectation differences. HR strategy to hire the best job applicant with strong competencies such as good etiquette, resilience to cultural differences, strong verbal and written communication becomes a significant factor in ensuring the success of the organisation.

The author concludes that the aim of HRM is to achieve congruence between an organisation's strategy, structure and its practices for inducing a competitive edge. When the human capital is taken care of, all other aspects

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such as technology, customer, culture, social and others will be handled appropriately by precise HRM strategy guidelines. The managers design the strategies and model then delegate the tasks. The workers follow instructions to achieve goal. The managers then collect feedback from the workers to continuously improve the system and produce result. Productivity is best served by systematic interactions and integration among the various HRM practices (Boxall, 2003). HRM has to be aligned to the corporate strategy and structure and this relationship gives the organisation a competitive edge. All said about having a system associated with strategies in place and the extensive information available today, the traditional multi-layer organisation chart's value is declining (Collins, 2010). As we move more into the 'knowledge' age, manager's role can be made redundant or will be trimmed down. Perhaps as food for thought, one day organisation would prefer workers performing their functional activities without the managers, but through forming multi-domains networked together by technological intelligence.

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