

Hr policies and
implementation of hr
policies in a global
company and its
subsidi...



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1. Introduction In this report we are going to discuss about the people management, the strategic human resource management in relation to the standardization of. Presently there are many HRM models implemented in many of the companies. In this study we take the Jaguar & Land Rover Company as an example, whose policies are implemented globally and standardizing some of them, for all of its subsidiaries. Though there are many policies in SHRM, not all of them apt to all subsidiaries of Jaguar and Land Rover, because each of them has different culture and different reasons.

Human resource management deals with the employee relations that regards to the distribution of payroll and dealing with employee relations at a particular location. The human resources (HR) function has been viewed as a provider of local services addressing individual employee questions. As the organizations have grown (both domestically and internationally), HR headcount and the number of localized HR regulations have proliferated as well.

As a result, HR processes in many companies have begun to resemble the tax codes which have fragmented, poorly documented, and become a subject to the various interpretations of individuals located around the globe Coro Strandberg (2009). As a result, the companies are now taking a harder look at how they are hiring, connecting and developing their employees on a worldwide basis. In addition to these, the companies are needed to take advantage of the economies of scale, by managing costs and leveraging information technology to increase HR's efficiency and effectiveness Sharma S. , Sharma J. nd Devi A. (2007). When the companies decide to develop their <https://assignbuster.com/hr-policies-and-implementation-of-hr-policies-in-a-global-company-and-its-subsidiaries/>

global standards, they need to consider the changes needed for the governance of global processes, address local budgeting and change the management concerns. From a more strategic perspective, HR need to more actively develop a globally integrated workforce, facilitating the organization's ability to identify, develop and connect the talent around the globe. With the demographic, geographic and competitive challenges faced by the today's organizations, the need to standardize and harmonize HR processes has never been that greater.

It not only cause confusion within the HR community, but it leads to the perception among internal stakeholders, that the HR is unwilling or unable to maintain the same level of discipline expected from other parts of the business Nancy R Lockwood (2004). 2. Standardization of HR practices: Standardization of HR practices on global basis refers to certain practices related to human resource, which should be standardized, and all the company should make it a benchmark for the Kaizen model of total quality.

Kaizen is basically the Japanese model of quality, but now days all of the countries are following it by setting it as a benchmark Leah Rubi (2003). Most of the companies are facing a difficulty in standardizing the HR policies, as it is one of the great strategic moves taken by them. There will be more ups and downs in a company, immediately after standardizing. After standardizing some of the HR policies, the companies should monitor its impacts and also have to modify the things which are not helping to lead in positive direction Kat Baker (2009).

Take the example of the Jaguar and Land rover, which was bought as a single entity by The Ford Motor Company in the year 2002. The Ford had acquired the Jaguar Cars in the year 1989, and the Land Rover from the BMW in the year 2000. In 2008 the Jaguar Land Rover Company was acquired by the Tata Motors from the Ford. Where it had some of the HR policies like; A Healthy, safe and happy environment at the workplace, The Management with open book style or non union based and some more policies, in its UK plant. But in its Germany plant it has to work in a union.

So, all the HR policies can't be standardized as the organization has its presence all over the globe. Only some of the HR policies can be standardized which are accepted throughout the globe wherever it had its presence Kat Baker (2009). The JAGUAR and LAND ROVER should standardize the following HR policies to take competitive advantage over their competitors. 2. 1 HR practices that should be standardized on global basis: A. A Healthy, safe and happy environment at the workplace: A Healthy, safe and happy workplace should be created, so that employees can feel it as homely and stay with the organization for a long time.

B. Management with open book style A culture of participative environment must have to be created. All the Information relating to sales, clients, management's objectives, company's policies, contracts and employee personal data must be shared. Be as open as you can. It helps in building reliance & motivates employees W. Eichinger (1996). C. Bonus linked with performance The Payment of bonus should be structured in such ways that, the employee can understand that there is no payment unless and until the company hits assured level of profitability.

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There should be additional criteria for payment of bonus, like on the team's success and on the individual's performance. Bonus should not be paid without measuring out performance unless it is a statutory obligation W. Eichinger (1996). D. 360 Degree appraisal system It is one of the methods of the performance appraisal. It has been embraced as one the best method of the performance appraisal. In this method, the feedback is collected from the seniors, peers and subordinates. Those days are gone when one used to work hard to impress the other in view all matters, especially when that one is in a leadership role.

Every one in the team is responsible for giving their feedback Nancy R Lockwood (2004). E. Fairness in evaluation System for Employees Build up an evaluation system that visibly relates the performances individually, for reaching the goals of the corporate business. Each of the employees should have the well distinct reporting relationships. The Self-assessment is an element of the assessment process, allowing employees. The evaluation will be on achieving the fair results, when the profile and data of the employees reviewed frequently. Equity can be achieved by reporting the performances to the same manger.

The standardization of the evaluation is another aspect of improving equity Philip Stiles and Jonathan Trevor (2006). F. Knowledge sharing In any type of organization, the knowledge sharing finds it own benefits for the company. The highly skilled persons in the company have to share their knowledge with the other employees. Companies must maintain a database where some innovative ideas must be stored, so that the employees will be benefited as

there are few chances of getting some new thoughts by seeing those stored data Trevor (2006). G. Performers should be highlighted

The performance highlighting means that the employees of higher talent profile, should be highlighted , and make it available to the other employees, so that they can be motivated with the inspiration of best employees in the company, and there is a chance of improving in terms of knowledge which will benefit the organization a lot Trevor, (2006). H. Open house discussions and feedback mechanism Employees are the biggest source of the ideas for any organization. Good companies are able to find those ideas and try to implement them in their company.

By conducting discussions openly and implementing feedback policies, it helps in executing the good ideas Philip Stiles and Jonathan Trevor (2006). I. Reward ceremonies Only recognizing the talent does not work, it should be coupled up with the ceremonies where its recognition is broadcasted. Like, if any employee is doing well in the field of the training and development, then he or she must be rewarded in a seminar Malikarjunan K (2006). 3. Different Approaches To best of our knowledge, the below given are some of the cases where we can follow different approaches

When we acquire any company, the employees in it will have been adapted to a different culture. It is very difficult to bring them back, and make them to follow the culture of the acquired company, with in a small time. So it will take some time to groom these employees to the culture of the owned company. When we start a subsidiary in a new country, employees of that company cannot able to adapt to the new policies, as they are totally new to

them. So in this situation, we have to allow different approaches of HR policies Dr Stephen Bach (2001).

For instance consider the following examples; In the Jaguar and Land Rover, which are usually portrayed as having being relatively, standardized their HRM practices, with regard to recruitment and training. On the other hand, the transfer of the practices of HRM to their subsidiaries which are located abroad is limited by differences in cultural and institutional features, had forced them to locate their practices in human resources management. The Affiliate of Europe in the U. S. , Jaguar tend to be more result-oriented incentive structures in the parent companies, largely by ignoring the traditional concept of the ancient Europe.

The German manufacturing subsidiaries in the U. S. , like BMW or Mercedes tend to cluster in the most of the non-union South, although in the Germany, its parent companies are working closely with the unions. And conversely, the U. S. affiliates in the Germany, to shown respect, not only by the rules, but also for the philosophy of the German concept of co Malikarjunan K (2006). 4. Implementation of policies to subsidiaries ? Focus on processes offering the greatest benefits When it comes to standardizing the HR policies in the Jaguar and Land rover, not all of the processes are created equally.

The Processes, such as the expatriate management, the performance management and the succession planning, had significant opportunities to apply the common approaches and leveraging the synergies of the global technological platforms. The Jaguar and land Rover company can be able to prioritize the need to standardize their HR processes in terms of the potential

benefits that could be achieved through standardization, as well as the associated risks Malikaarjunan K (2006). ? Recognize that not all locations are created equal

This standardization in the Jaguar and Land Rover Company requires segmenting their Ares, where their company is presently in a need to make a review based upon a several criteria. The main factor to focus is the employee's population, which surely influences the design of the HR process. The Jaguar and land rover company, which is having their subsidiaries in many of the countries, have more employees in a very less countries, hence the cost justification for standardization can easily be determined. In the countries with a small population, however, it may not be cost-effective to require a complete alignment with the global processes.

For these areas, common guidelines or data reporting requirements may be sufficient to comply with the corporate standards Ashridge (2008). ? Develop appropriate and flexible governance mechanisms The developing of appropriate and flexible governance mechanisms evaluate the tradeoffs, and understand the implications of various standardized approaches, including a change in the management perspective. Including the stakeholders in the decision making process, promotes buy-in at the HR level, and may even be critical in “ selling” the standardized approaches at the employee level.

Further, the Jaguar and land rover company should be open to adopting best practices or systems that have been developed in smaller geographies and it have the greater capabilities than in those used in larger areas. The need for global involvement applies to the development of global processes, as well

as to the ongoing review of exceptions to standards. As business conditions change, these companies need to regularly review the service needs of different geographies and business units Ashridge (2008). ? Cede budget control to global process owners

This can also facilitate the rationalization of third-party's spending. In more, as the jaguar and Land Rover Company begin to standardize their HR processes, there will be some countries or business units where the total cost of HR may rise. Therefore, company need to review how changes in cost structure will impact different geographies, collaborate with their Finance organizations to confirm that new structures do not place an undue burden on smaller operating units, and work with local business leaders to obtain buy-in Ashridge (2008). pic] Source: <http://www-05.ibm.com> 5. Strategic advantage for the company The Jaguar and land rover on rationalizing HR practices on a global basis can be equipped with a variety of objectives: ? Reduce administrative complexity This Jaguar and Land Rover Company has many mergers, acquisitions and even it has a range of legacy HR practices. It can not be surprising to see a host of processes reinforcing the traditional HR silos. Often, these processes and their supporting systems are poorly integrated, if they exchange the information at all.

Further, in the Jaguar and land rover as stated by malikarjun, there has been a lack of enforcement in the standard application of HR processes, allowing for the proliferation of the individual interpretations and arrangements.

Standardization reduces the amount of procedural “ clutter” and allows exceptions using clear guidelines and business criteria. Malikarjunan K

(2006). ? Deploy new HR technology The Jaguar and Land Rover has to <https://assignbuster.com/hr-policies-and-implementation-of-hr-policies-in-a-global-company-and-its-subsidiaries/>

implement the new HR techniques that may be interims of cost savings, improvement in decision makings and increased employee satisfaction.

Employee and managerial self-service technologies are enabling companies to reduce the number of transactions and inquiries processed through either a local HR representative or a call center, while at the same time enabling employees to have greater access to information about themselves, their benefits and even their careers Kathy Monks and John McMackin (2001). Moreover, the globally integrated information systems can provide data regarding employee demographics and performance indicators that can enhance strategic decision making.

However, for such platforms to be cost-effective, the Jaguar and Land Rover need to be based on a common set of data standards and decision rules that can be easily maintained. Standardization also allows for the global rollout of new technology with a reduced level of customization and maintenance Joan Curtic (2004). ? Manage talent at a global level The Organization has the ability to identify and leverage the skills and experience of its current employees. In the same way The Jaguar and Land Rover Company HRs must also identify the talent and skills of the employees.

Without a common approach to skills definition, succession planning and workforce planning, leveraging the strength of a global workforce becomes next to impossible. The Standardization allows companies to tap into the strengths of individuals around the world. It also increases the transparency of the global opportunities for the employees. As one auto manufacturer noted, “ One of our value proposition is the ability to build a career across

brands and locations we need global performance management, and talent management processes and systems to accomplish that” (Joan Curtic, 2004). Improve vendor management Building consistency in the way that the vendors are identified and how the global contracts are handled can have significant impact on the HR’s ability to manage costs. Study of The Jaguar and Land Rover Company felt that it failed to consider their leverage in negotiating global contracts with a range of outside suppliers, including staffing agencies, compensation specialists, assessment vendors and contract trainers Joan Curtic, (2004). ? Increase legal and regulatory compliance The Regularity compliance and the legal compliance play a vital role.

Taking this into the account the Jaguar and Land Rover has to develop in this area. Frequently, when new regulations are handed down from the governmental and the regulatory agencies, it is difficult for the jaguar and land Rover to determine if these regulations are being consistently applied across different geographies and business units. The Standardization provides a common platform on which it both interpret and enforce these regulations, rather than relying on the past practices in the local regions Whittaker S. & Marchington M. (2003).

David Guest (1991) given some policies that can be implemented in the testable propositions

1. Strategic integration: The ability of the organization to integrate the issues of human resource management in their strategic plans, ensuring that the various aspects of human resource management to provide consistent and line managers to mainstream resource management human decision making.
2. High-commitment: A commitment of behavior to <https://assignbuster.com/hr-policies-and-implementation-of-hr-policies-in-a-global-company-and-its-subsidiaries/>

achieve the agreed goals, and attitudinal commitment is reflected in a strong identification with the company.

Guest (1989) believed that the driving force behind human resource management is “ the pursuit of the competitive advantage in the marketplace by providing the high quality products and services through the competitive prices linked to the high productivity, and by the ability to innovate and manage change quickly in response to the changes in the marketplace or advances in the research and development. 6. Conclusion Human resource is one of the important assets of an organization and it is not possible to harness this resource without motivating it.

So, this resource should be harness in such manner that they should give some productive outcome. But now a day’s role of the HRM has been changed and it is moving away from customary personnel, administration, and transactional roles, which are increasingly outsourced. HRM is now anticipating to adding values to the strategic utilization of the employees and that employee programs have burnt on the business in measurable ways.

There are certain practices related to HR, since from the beginning the organization’s are using them but now a drastic change has been occurred , every day organization’ are implementing some new HR practices in order to differentiate it from the others. There are certain HR practices which are great and they should be standardized on a global basis so that all organizations should set these practices as their benchmark.

In the case of Jaguar and Land Rover company there is an existence of many subsidiaries all over the world to run all these systematically. There is a need to develop some policies which can be implemented all over the world and also there is a need for monitoring all these policies for acquiring better results. The jaguar and land rover is implementing the policies which are implemented in many of the companies which stands top, to get better results from the employees. There is also a need to implement some other policies which are stated above.

If these policies are also implemented in the company then this company will be the unique, and there is a better chance to develop then their competition companies in the present market. References: 1. W. Eichinger (1996). The career Architect Development Planner 2. Strandberg, C. (2009). THE ROLE OF HUMAN RESOURCE MANAGEMENT IN CORPORATE SOCIAL RESPONSIBILITY 3. Ashridge (2008). Developing the Global Leader of Tomorrow. Hertfortshire, UK: Author. 4. Sharma, S. , Sharma , J. and Devi, A. (2007).

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