

Hrm and organisational turnaround selfridges and co essay



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Managing People and Transformation Selfridges HR Approach HRM and Organisational Turnaround Selfridges & Co MBA Module: Managing People and Transformation (HRM 209) Module Leader: Maarten Pontier Date: 18th August 2008 Student Name: Zahoor Soomro University Of East London 1

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CRITICALLY EXAMINE THE ADDED VALUE THE HR DEPARTMENT HAS MADE TO THE IMPROVED PERFORMANCE OF THE TRAFFORD PARK STORE.

Introduction The Selfridges, Trafford Park was the first store opened outside the London and became a successful test bed for the development of future stores. The store location is 3 miles outside of the Manchester city surrounded by 280 other stores. (Case study) The store sells different range of products in fashion, cosmetics and home ware.

To run the operations, the part time and full time employees are hired. The part time staffs are employed by concessionaires who are responsible for their recruitment, pay, training and development, and discipline. (Case Study) According to the case study, the Selfridges success is the actual outcome of the successful and realistic reflection of the Human resources policies implemented in the store. According to the scenario provided, the HR policies played a vital role in delivering high performance and leading

organisation to the level of expansion as a very successful up-market department store. Case Study) University Of East London 3 Managing People and Transformation Selfridges HR Approach The success of any organisation is not a magic that turn organisation to the successful side but it is a continuous strategic process that integrate several activities together to bring desired results. The case study suggests the current organisational changes that are widely indicative of HRM (Human Resources Management) approaches towards strategic organisational changes. Therefore, it becomes essential that the HRM policies should be compatible for every one and easy to understand.

In the scenario of Selfridges, the policies developed by HR department seem highly compatible with the employees. As stated by James N. Baron and David M. Kreps (1999) that the HR practices of an organisation provide a framework for relationship between employee and management. He further adds, when organisation changes this framework, it can upset basis of these informal and highly complex understandings, and workers and management should spend time and energy to renegotiating the relationship each bears to the others. Traditional Approach

In the formal context the traditional approach suggests that Business Development Director overseas recruitment and selection process (Case Study). On the other side CTO overseas the performance management system (Case Study). It becomes highly essential to implement performance management system in the proper way so that the each employee should have proper performance appraisal system. However, it seems HR process is more informal in the organization as the mentors acting on HR processes <https://assignbuster.com/hrm-and-organisational-turnaround-selfridges-co-essay/>

focusing on personal and career development via the performance management system. University Of East London 4 Managing People and Transformation Selfridges HR Approach New Approach The HR policies have contributed in the following ways; ? ? ? It gave a feeling to the staff want to work with organisation It gave a friendly place to work and created a communication bridge in between staff and management The employee's contribution is welcomed. This feeling has enhanced the level of trust.

Performance Appraisal

The study conducted by Stephen and Marjorie (2006) suggests that the performance management process can encourage individual to reflect on their personal development plans and organisational succession plans. At the Selfridges, the process of performance appraisal is redefined through the new role of leader. As Purcell et al (2003) believes that the effective appraisal system has found to be the potential to raise motivation, commitment and the extent to which employee make positive use of any discretionary power they possess.

Performance appraisal is critical element in the performance management process. A primary aim of the performance appraisal dimension of performance management is to assess or measure the achievement of the individual or the team against the agreed objectives. (Stephen and Marjorie, 2006) According to James N. Baron and David M. Kreps (1999) the consistency in HR practices is important to achieve long term technical benefits through intensive training programs and careful selection procedures. This will increase overall efficiency. University Of East London 5

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A prime objective of HR personnel at Selfridges is to put right people at right place with right skills but this cannot be achieved without integrated reward strategies. Various researches reveal the fact and stated by Stephen and Marjorie (2006) that there is a direct connection in between employee pay and employee performance as a variable incentive linked to corporate objectives through a performance management process. He further is of opinion that employees are rewarded for assuming roles, displaying values, exhibiting behaviours in relation to customer orientation and quality initiatives. The studies conducted by Maslow (1943, 1978), and Herzberg (1959), disclose the fact that pay is a one of many sources of human need. The satisfaction of this need can contribute to motivation, but the relative importance of pay as a motivator will vary with individual circumstances. (Stephen and Marjorie, 2006) According to the Expectancy Theory, there are many forms but all relate to the notion that employees will be motivated if direct relationship exists between effort, performance and reward. Kessler, I. and Purcell, J, 1992) Participation According to the case study the level of participation is as high as 61% in the organisational changes. Participation has been widely advocated as a management technique, both on ideological grounds and as a direct means of increasing higher work effectiveness. (Coch & Frech, 1948: Lawler & Hackman, 1969) On other hand high organisational commitment is associated with lower labour turnover and absence, but there is no clear link to performance (Guest 1991 cited by Michael Armstrong 2003) University Of East London 6

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Communication It is apparent that the people understand that commitment will only be gained if people understand what they are expected to commit to, but management too often fail to pay sufficient attention to delivering the message. (Michael Armstrong 2003) At Selfridges 61% employees are communicated actively through proper active communication. The team leader has been assigned with new role of transferring proper message of organisation to the employees. This will develop the sense of trust in employees. Mission Statement

The required level of performance can only be achieved through deep understanding of the mission and vision statement of organisation. In this regard the employees at Selfridges are frequently communicated through their mission statement and symbolized the action logos like, SHINE (Smile, Help, Inform, New product Push, End Sales). This will create a clear understanding in the mind of employees to follow the set procedure each time they communicate with customers. As indicated by Rigby's (1994) survey of 500 US managers found the mission statement the most used tool out of 25 tools reported by respondents.

More importantly, managers were very satisfied mission statement users, rating it second among all the tools in overall satisfaction. University Of East London 7 Managing People and Transformation Selfridges HR Approach Organisational Values Beliefs and Vision Performance management starts with clear exposition of the organisation's values and beliefs to support the organisational vision and provide a framework for the corporate culture necessary to achieve business objectives (Stephen and Marjorie, 2006). <https://assignbuster.com/hrm-and-organisational-turnaround-selfridges-co-essay/>

At the Selfridges 72% shared the values of the organisation. This indicates the clear understanding of Vision, and career growth. It reflects the feeling of being valued at work. More over as stated in performance management process model, it clearly indicates that the values, beliefs and attitudes placed at the top of the ladder aligned with the corporate and HR strategy, play vital role to keep the inner motivation of employees on the right way. (Stephen and Marjorie, 2006) The Line manager provides coaching and guidance to help improve employees performance.

As in year 2000, 58% and in 2001 increased to 78%. The employees satisfied with performance appraisal 59% in 2000 rose to 84% in 2001. The employees Satisfied with career opportunities 70% in the year 2000 increased to 88% in 2001. There may be other ways to measure performance as according to the Michael Armstrong (1995) the individual and group discussions can be supplemented by special survey of reactions to performance management which could be completed anonymously by all managers and staff.

And the results should be fed back to all concerned departments. At Selfridges Human Resource management has played a vital role in delivering high performance, enabling the company to emerge back in the scene. The vision of the company was to become the best and most exciting department store chain in Europe by meeting the needs of customer. University Of East London 8 Managing People and Transformation Selfridges HR Approach The organisational culture at Selfridges transferred successfully from the management to the employees.

According to the Scheins (1985) model of organisational culture the values, norms and internal integration all play vital role in the success of organisation. Further Scheins model state that people at the level of Artifacts sees, hears and feel what they see and moves to the level of values and then transmit to the assumptions where there employee react more promptly and leave room for more learning with all along their basic beliefs. (E. H. Schein 1985) The recruitment process was subsequently changed (Taken from case study) The recruitment criteria at Selfridges have been changed.

The HR department prefer employees with positive attitude over the experience. Therefore It becomes apparent that if there is negative employee behaviour with employees or with the customers both may have multiple negative trigger in future times. According to Hunter (1996) there are real and substantial costs to unethical behavior including: deterioration of relationships; mistrust; negative impact on employee productivity; stifling of employee creativity; information flows throughout the company become ineffective; employee loyalty declines and absenteeism and labor turnover increases

On the other hand the experienced managers can be helpful to coach and encourage the fresh team members and provide them right level of mentoring through which the performance can be achieved. In the case of Selfridges's the attitudes and behaviour is comparatively important than just experience. It is because the skills can be developed through training and development programs but the attitudes are the long developed inheritance traits that work more importantly in deciding the success of organisation.

Thus, it has been clearly identified through the case study that the organisation has been committed to provide training and development opportunities to employees. University Of East London 9 Managing People and Transformation Selfridges HR Approach A strategic approach to training and development would seem to imply the integration of these policies and plans with other, wider HRM strategies being pursued by the organisation at the time. (Christopher Mabey et al. , 1998) The staffing components of the architecture perspective is based on managing the overall balance between different inputs ensuring sufficient number of customers service staff in a retail store is appropriate to the level and type of service proviso implied in the business model. Part time staff For Selfridges to have capacity to manage planned change and to be adaptive to uncertainties and unanticipated pressures at all levels in the organisation the structure must avoid the rigidities associated with hierarchical machine-like bureaucracies, entrenched, powerful interest groups and inhibitive demarcations among work groups.

Instead organisation should seek flexibility via organic structure and the delegation of control and the job design. (Guest 1987) As stated by Christopher Mabey et al (1998) that Selfridges, according to the case study, were effectively applying to boost up the employee performance through implementation of the following behaviours. ? ? ? ? ? Communicative Behaviours which includes discussion, listening and questioning, collaborating and summing up. Affective behaviours which involved helping, supporting, encouraging, reaffirming, understanding and calming. Cognitive behaviours which involved explaining, advising accessing and sharing

information, exchanging, developing bouncing with other employees

Learning behaviours which were facilitating, reflecting, taking on different perspectives from peer mentors, and coaching modelling on the partner.

Challenging behaviours a good discipline for progress. (Adapted from

Christopher Mabey et al. , 1998, Experiencing Human resource management, p222) University Of East London 10 Managing People and Transformation

Selfridges HR Approach The team leader role was redefined ... (taken from

Case Study) Leadership role The team leader role at Selfridges has been

redefined to build more effective communication. According to Kotter (1996)

the biggest challenge in an organisation is that of transforming people's

behaviour through changing their feelings. That is why the emotional

intelligence plays such an important part in the successful performance of

leadership roles. Yet the process should be integrated with the strategic

policies of an organisation.

The senior management at Selfridges believe that the improvement to

performance and attitudes were due to the changes in team leader role.

According to the Black box research carried out at Bath University by Purcell

and Colleagues (2003) clearly indicates the leader's influence on the

workforce they exercise during work. The research reveals the result that the

commitment, high performance and work behaviour are directly influenced

from the first line manager's course of action they exercise on work. Line

managers

As stated by Storey, J (1992) Line managers increasingly have become more

generalists, directing a team of support functions, towards the achievement

of business goals. At the Selfridges it may be observed that the

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transformation itself has given line management the responsibility for a wider matrix of employees and for the management of the change. This in turn brings the human resource moves up the line manager's agenda, as new initiatives in operations management and organisational design.

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Managing People and Transformation Selfridges HR Approach Therefore it is established fact that the correlation in between the role of the first line managers and employee attitude and behavioural outcome such as commitment, motivation, and job satisfaction are interlinked. (Storey 2005) According to the storey (2005) the first line leadership has a very considerable affect on the attitudes and behaviours of employees. The implication is that these managers require skilful management. He further adds, managers can be vital in making policies meaningful.

The most important factor to achieve the performance is the recruitment. As stated by Stephen and Marjorie (2006) Good recruitment and selection are important because well-thought-out, agreed and communicated policies, procedures and practices can significantly contribute to effective organisational performance, to good employee relation. Thus it is required at utmost level the right person with right level skills for the right job should be appointed Employee commitment At the Selfridges about 93% of employees feel loyal to the company.

This reflects overall satisfaction of employees with the overall policies of the HR department. The rational behind this can be found in the assumption that committed employees will be more satisfied, more productive and more

adaptable. (Guest, 1987, p. 513) Commitment is portrayed as internalised belief, as generating constructive proactivity, of going one step further on the part of employees regarding job performance; the available evidence shows only a small significant correlation with commitment. Again a satisfaction shows a strong connection with performance.

But on the other hand Guest(1992, p. 123) believes, it may not be sensible , in any case to expect strong link between commitment and performance while commitment may result in greater effort, according to expectancy theory, the link between effort and performance is mediated by a range of intervening and potentially disruptive behaviours. University Of East London
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The Research carried out by Thomas; revealed that the organisation in which learning is integral to the culture, an organisational value, tend to create a context where individuals learn to appreciate the value of learning. In a context where learning is reinforced, valued, appreciated, and discussed openly, individuals internalize the value of learning, and incorporate it into their behaviours. (Thomas O. Davenport 1999) The Selfridges as through case study reveals the fact that they value the customer as well employees, in this way company can turn to the knowledge based organisational system.

The knowledge includes knowledge about customers, competitors and the organisation's own business processes (Tobin cited by Storey, J, 1998: 30).

There will be the obvious need of transfer of the knowledge from one

employee to another, so that the culture can be sustained for long period of time. Need for achievement As case study suggest that the employees at Selfridges have greater sense of achievement as high as 83% increased from 68% reported in the previous study. As defined by McClelland the behaviour toward competition with standard of excellence. (McClelland et al, 1953 cited by Lyman W.

Porter) The challenging nature of a difficult task cues that motive, which, in turn, activates achievement-oriented behaviour. (Lyman W. Porter et al, 2003) University Of East London 13 Managing People and Transformation Selfridges HR Approach Conclusion The case study scenario clearly indicates the positive move of the company's HR policies that has re defined various leadership roles and management styles. This has achieved the desired performance through active participation of employees as well as the team leaders to communicate the vision and the goal of organisation.

The sense of customer care along with the employee retention can be regarded as a strategic investment in the human capital. This investment is the long term continuous input of values, cultural norms, attitudes, learning behaviours and active participation in to the system of Selfridges which will produce out put in the shape of future success. University Of East London 14 Managing People and Transformation Selfridges HR Approach References 1. Case Study: Human Capital Advantage and organisational process advantages. 2. Coch, L. , & French, J. R. P. , Jr. Overcoming resistance to change.

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