

General motors human resources (hrm motors)

[Business](#), [Company](#)



HRM motors

Introduction: General Motor Corp , the world largest automaker, has been one of the global leaders from 75 years. Formed in 1908, GM today employs about 327, 000 people around the world. GM is also in a diversified automotive business with communications, finance, insurance etc. Its revenues are approximately \$180 billion, generating from more than 200 countries. GM has manufacturing operations in over 50 countries and produce almost 15% of the total world's car and trucks. With such a large workforce and area of operations it can be the most challenging job for GM management to manage properly its diverse workforce and their requirements. GM vision is to be the world leader in transportation products and related services. It wants to earn customer's trust and enthusiasm through continuous improvement driven by integrity, teamwork and innovation of GM people.

General motors human resources strategy

Employment practices: GM relies on its large, motivated, skilled and diverse workforce. GM has people who are really passionate about their work as whatever they do. GM workforce passion to create and develop something new put them way ahead of others. Their strong commitment to leadership in design, innovation in technology, or any other area put GM workforce par excellence. They are equal opportunity employer. GM efforts have always been to employ people who understand the operational, technical and people side of the automotive business. They rely on those employees who can work in a team of professionals and able to diagnose problem, plans and implement solutions and evaluate results. Employee's success factor

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depends on its coaching, facilitation, consulting and leadership abilities. These policies of GM, provides them a successful strategy to bring in talent to the workforce and building success. GM employees & performance has been optimized on certain strategies and priorities such as talent, transformation and technology.

Human resource functions: Human resource functions in GM are well defined. HR/Labour processes necessary to grow talented people that strive to exceed the company's business strategies, goals and objectives with a culture that embrace diversity. The basic function of HR is to optimize the performance of GM employees. HR in GM has developed the human talent that will lead the world's largest vehicle manufacturer to even greater success. Human relations group performs different functions such as salaried administration, labour relations, OD consultants, Health and Safety and communication. These groups also took up various roles and work for excelling in the areas of business acumen, relationship and partnerships, functional expertise and change management for success. HR team in GM always focuses on people.

Compensation issues and reward policies: GM provides its employees' the benefits which to go beyond the expected in terms of range. Apart from salaries, GM provides a wide variety of Medical plans, Health saving A/C PPO, Investment options include a saving stock purchase programme, US saving bonds and Personal retirement income plan. Apart from financial benefits GM provides their salaried employees and their managers the work life programme designed to help them and find a reasonable balance between

their personal and professional lives. GM also provides its employees and their immediate family members the product discounts.

Labor-management issues and employee support/relations: GM respects the right to all employees to choose union membership. GM has formulated and adopted Global Sullivan Principles and specifically endorsed respect for voluntary freedom of association. GM complies all Laws covering the right of employees to organize for collective bargaining, and encourages employees to support or oppose union membership without fear of coercion or retaliation from GM. GM does not condone involuntary servitude in any form. GM tries to provide better employer-employee environment in its whole organization as a policy not as a compulsion. Due to employee-oriented policies, GM employees feel satisfied with their organization. Continuous training programme, recognition/ rewards, developmental assignments and career opportunities promotes diversity and encourages each team member to make his or her greatest contribution to achieve GM's goals and objectives. Employees have been provided flexible working arrangement and have options of working from home. This effective arrangements and friendly environment in GM provides employees a better place to work.

International aspects: As we know that GM operates in 200 countries and has plants in almost over 50 countries around the world. Managing its global operations is always remaining a challenge for GM. GM's one of the goal is to be the world leader in managing diversity in its business. GM's comprehensive diversity strategy provides a global framework that allows for local customization and address the company's approach with five stakeholder groups: consumers dealers, suppliers, employees and

communities. GM reflects the world in its multicultural workforce who is critical link between the workplace and market place. Diverse pool of talent help GM drive innovation, understand global marketplace.

Global car industry environment: Now before identifying the basis HR issues we will take a look of global car industry. Car industry is experiencing rapid changes with globalization (Carson, 2004). Rapid changes are also altering the industry structure and attractiveness. Basically in the present circumstances where Western Europe & US market is getting saturated and the emerging market like Latin America, China, India and Eastern Europe are growing at a faster pace became the destination for car manufacturers. Corporate strategies in regards to globalization vary depending on the starting point of individual firms. But there seems to be a large measure of convergence towards 1) Building vehicles where they are sold, 2) Designing vehicles with common 'global' under body platforms while retaining the ability to adapt bodies trim level and ride characteristics to a wide range of local conditions (Sturgeon & Florida, 1999).

Car industry is the industry where investment exceeded the potential of the markets. Brazil, china and Indian Markets are the examples of the rush in investment in the car industry (Automotive Emerging Markets, 1999). Apart from other factors, Ecological factors are one of the major factors, which have made an impact on car industry. Different countries have different greenhouse gases and CO2 emission norms (Madhavan, 2000). Kyoto protocol also made an impact on the industry. In view of the above market situation globally, car manufacturers have to device different strategies for different markets and for different products.

Competitive strategies: Car market in the world becoming more and more competitive. If the companies have to survive they have to analyze the market situations and analyze macro-micro factors, which could potentially affect their profitability. In analyzing the companies existing situation tools like SWOT (Kotler, 2003) analysis, Porters (1996, 1980) five forces analysis etc. (See Appendix) could prove helpful and determines industry attractiveness and long run industry profitability.

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The entry of new competitors is getting lesser and lesser but large numbers of manufacturers are using JV (joint-venture), merger & Acquisition route to strengthen, their market position. Threats of substitutes are looming large on car industry. People preferences are changing very fast and if company does not produce cars according to their needs and preferences customers easily move towards substitutes, which are easily available in the market. The bargaining power of the buyer has increased because car market in buyers markets. Similarly suppliers also forming a group and supplying to as many companies so OEM's (Original Equipment Manufacturers) bargain their companies hard and demand major share in profit. So competition in car market is becoming fierce and each manufacturer is trying to capture larger market share.

Challenges to existing HR policies: GM has to perform and its HR policies has to be such that it could face market competitiveness and changing environment. In the present situation GM operations in over 200 countries having more than 50 production locations and having more than 327, 000

employees and 25000 global suppliers, HR dept. of the GM has to manage a large network system and it is itself a major challenge to HR managers. Managing such a large multinational corporation tends to be hectic with the logistics of managing processes across many departments spread over many countries. To manage people of such a large and diversified organization needs decentralization of powers and policies and needs multiple HR groups with specific specialization area. These groups are located at various levels from corporate office to each of business units across the corporation. HR groups do not have a central repository of information i. e. no centralized system and therefore lacked coordinated communication infrastructure. Similarly using third parties to manage HR issue in such a large p like recruitments at local levels and other functions of HR create discrepancies and the whole process of HR becomes inefficient and challenging. In general, managing such a large structure HR personnel only emphasis on only administrative issues rather than emphasizing on strategic planning. The market conditions and competitors strategies force GM to lean its process and depend on productivity.

Companies normally depend on Cost cutting efforts like reducing staff rather than reengineering process. Another major issue for GM is to manage its diverse, multicultural workforce. GM has to manage its business objective and core value of individual respect and responsibility by creating work environment of inclusion where everyone can fully contribute to customer satisfaction. GM has to manage different terms and make them understand that early change is the rule to survive. Managing frequent changes, which are taking place in market conditions, buyers need and preferences,

regulations especially on environment, technological changes and integration of world market, in fact posing major challenge to HR people in the organization. Another major issue is the managing of complex global supply chain with more than 25000 suppliers needs effective relationship management. This relationship management is also put a challenge to HR people in GM.

Solution: Now to solve these HR issues GM has to take certain steps. HR group has to analyze organizational system and change dynamics. They have to build and share change management approaches within the business. HR department has to assess workforce training and development needs to establish training priorities. They have to help to create a performance driven culture. They have to work closely with union partners to ensure a competitive manufacturing environment and improving of operating efficiency. HR personnel have to make and maintain healthy and safe working environment for all GM employees to perform to their optimum level. They are using Internet to communicate freely the employees within and with management. GM prioritized and brings self-service capabilities to its huge employee base through convenient, easy to use employee portal. This portal provides an effective communication channel between employees and with management. This provides transparent system to its entire employee. This practice should be encouraged and more and more use of communication technologies prove fruitful in building cohesive environment. GM could integrate the whole system and communication so that their policy reaches to its employees more frequently and clearly.

Being the multicultural, equal opportunity employer GM has to comply with state and federal laws of the particular country of operations as well as understand cultural difference. So employee must be adequately trained to work in different cultural environment. Cross-cultural trainings have to be provided to employees more frequently so that expatriation could be easy and successful. Cultural policies must be made available to each and every employee and has to be circulated to each and everyone. GM has to honor local customs, laws throughout its global operation so its policy should be framed accordingly. GM has to encourage teamwork, stimulate external and internal exploration, benchmarking and learning and understand customers, markets and competitors and finally to focus on customers requirements. It has to motivates stimulates and support the efforts of employee to deliver best result to achieve competitive advantage. It has to inspire and lead employees and teams to pursue " Go fast" opportunity. It has to be customer focused and integrate all the functions and processes to address customer needs. By adopting the various strategies discussed above HR department of GM could able to achieve the desired results.

Conclusion: In the present circumstances where car industry is facing new challenges whether environmental or technological, the manpower working in car industry has to change fastly and accordingly. Market conditions are forcing the companies to be customer focused, lean, efficient and cost-effective. In these circumstances the company as large as GM is also facing the heat of the market situation. In the process to build GM as one of the most valuable company in reference to manpower management HR functions of the company should be streamlined. The issues faced by GM is

primarily to manage vast network of operations, number of people, diversified culture and environment, global economical developments etc. To manage these challenges HR department of the GM has to focus on people policies and integrate them properly. They have to facilitate effective communication between employees and management.

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Appendix:

SWOTs - Keys to Business Strategies

Having built up a picture of the company's past aims and achievements, the all-important SWOT (strengths, weaknesses, opportunities and threats) analysis can commence.

Strengths ; Weaknesses

Strengths and weaknesses are essentially internal to the organization and relate to matters concerning resources, programs and organization in key areas. These include:

Sales - marketing - distribution - promotion - support;

Management - systems - expertise - resources;

Operations - efficiency - capacity - processes;

Products - services - quality - pricing - features - range - competitiveness;

Finances - resources - performance;

R; D - effort - direction - resources;

Costs - productivity - purchasing;

Systems - organization - structures.

If a startup is being planned, the strengths and weaknesses are related

mainly to the promoter(s) - their experience, expertise and management abilities - rather than to the project.

The objective is to build up a picture of the outstanding good and bad points, achievements and failures and other critical features within the company.

Threats ; Opportunities

The external threats and opportunities confronting a company can exist or develop in the following areas:

The company's own industry where structural changes may be occurring (Size and segmentation; growth patterns and maturity; established patterns and relationships, emergence/contraction of niches; international dimensions; relative attractiveness of segments)

The marketplace which may be altering due to economic or social factors (Customers; distribution channels; economic factors, social/demographic issues; political & environmental factors)

Competition which may be creating new threats or opportunities (Identities, performances, market shares, likely plans, aggressiveness, strengths & weaknesses)

New technologies, which may be, causing fundamental changes in products, processes, etc.

(Substitute products, alternative solutions, shifting channels, cost savings etc.)

Once the SWOT review is complete, the future strategy may be readily apparent or, as is more likely the case, a series of strategies or combinations of tactics will suggest themselves. Use the SWOTs to help identify possible strategies as follows:

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Build on strengths
Resolve weaknesses
Exploit opportunities
Avoid threats

The resulting strategies can then be filtered and moulded to form the basis of a realistic strategic plan.

Strategy - Analysing competitive industry structure

Defining an industry.

An industry is a group of firms that market products, which are close substitutes for each other (e. g. the car industry, the travel industry).

Some industries are more profitable than others. Why? The answer lies in understanding the dynamics of competitive structure in an industry.

The most influential analytical model for assessing the nature of competition in an industry is Michael Porter's Five Forces Model, which is described below:

Porter explains that there are five forces that determine industry attractiveness and long-run industry profitability. These five "competitive forces" are

- The threat of entry of new competitors (new entrants)
- The threat of substitutes
- The bargaining power of buyers
- The bargaining power of suppliers
- The degree of rivalry between existing competitors

Threat of New Entrants

New entrants to an industry can raise the level of competition, thereby reducing its attractiveness. The threat of new entrants largely depends on the barriers to entry. High entry barriers exist in some industries (e. g. shipbuilding) whereas other industries are very easy to enter (e. g. estate agency, restaurants). Key barriers to entry include

- Economies of scale
- Capital / investment requirements
- Customer switching costs
- Access to industry distribution channels
- The likelihood of retaliation from existing industry players.

Threat of Substitutes

The presence of substitute products can lower industry attractiveness and profitability because they limit price levels. The threat of substitute products depends on:

- Buyers' willingness to substitute
- The relative price and performance of substitutes
- The costs of switching to substitutes

Bargaining Power of Suppliers

Suppliers are the businesses that supply materials & other products into the industry.

The cost of items bought from suppliers (e. g. raw materials, components) can have a significant impact on a company's profitability. If suppliers have

high bargaining power over a company, then in theory the company's industry is less attractive. The bargaining power of suppliers will be high when:

- There are many buyers and few dominant suppliers
- There are undifferentiated, highly valued products
- Suppliers threaten to integrate forward into the industry (e. g. brand manufacturers threatening to set up their own retail outlets)
- Buyers do not threaten to integrate backwards into supply
- The industry is not a key customer group to the suppliers

Bargaining Power of Buyers

Buyers are the people / organisations who create demand in an industry

The bargaining power of buyers is greater when

- There are few dominant buyers and many sellers in the industry
- Products are standardised
- Buyers threaten to integrate backward into the industry
- Suppliers do not threaten to integrate forward into the buyer's industry
- The industry is not a key supplying group for buyers

Intensity of Rivalry

The intensity of rivalry between competitors in an industry will depend on:

- The structure of competition - for example, rivalry is more intense where there are many small or equally sized competitors; rivalry is less when an industry has a clear market leader

- The structure of industry costs - for example, industries with high fixed costs encourage competitors to fill unused capacity by price-cutting
- Degree of differentiation - industries where products are commodities (e. g. steel, coal) have greater rivalry; industries where competitors can differentiate their products have less rivalry
- Switching costs - rivalry is reduced where buyers have high switching costs
- i. e. there is a significant cost associated with the decision to buy a product from an alternative supplier
- Strategic objectives - when competitors are pursuing aggressive growth strategies, rivalry is more intense. Where competitors are "milking" profits in a mature industry, the degree of rivalry is less
- Exit barriers - when barriers to leaving an industry are high (e. g. the cost of closing down factories) - then competitors tend to exhibit greater rivalry.

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