

# [Importance of shrm in disney business essay](https://assignbuster.com/importance-of-shrm-in-disney-business-essay/)

Strategic human resource management (SHRM) represents a relatively new transformation in the field of human resource management. SHRM is concerned with the role human resource management systems play in firm performance, particularly focusing on the alignment of human resources as a means of gaining competitive advantage. Therefore SHRM can be defined as the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that foster innovation, flexibility and competitive advantage. Strategic human resource management (SHRM) supports the organizations strategic formulation and implementation through human resource activities such as selecting, recruiting, rewarding, and training personnel. A strategic approach in HR Management is critical in any kind of business. Beginning from right staffing to performance management of employees. HR management plays a major role not only developing employees, but the whole organization itself. In today’s business human resource is considered as a source of competitive advantage. Managers believe that distinctive competencies are achieved through highly developed employee skills, management processes, organizational cultures, and systems.

Human capital refers to economic value of an employee’s set of skills, which includes knowledge, experience, education, etc. The human capital concept identifies that not all labors are equal and the quality of workers can be improved by investing on them

## Importance of SHRM in Disney

Modern business world is highly competitive both locally and globally, achieving a competitive advantage by becoming a differentiator or low cost leader puts an intense premium on having a highly competent or committed workforce. Competitive advantage depends on not just becoming the low cost leader or differentiating a product or service but in also being able to approach the core competencies or unique skills within the company and quickly responding to competitor’s moves and customer’s needs. In short competitive advantage of an organization lies in management’s ability to identify and combine corporate-wide technologies and employee skills into competencies that strengthen the business to adapt swiftly to changing opportunities.

The Walt Disney Company views their human resources as a source of competitive advantage. They value their employees as human capital and present their veteran initiative ‘ Heroes work here, employ excellence, hire veterans’. There is high recognition that distinctive skills and competencies are attained through distinctive organizational cultures, highly developed employee skills, management systems and processes. Disney believes that competitive advantage can be achieved with a high quality workforce that allows the company to compete on the basis of market responsiveness, differentiated products, technological innovation, product and service quality. Therefore the Disney encourages learning and development in order to expand the skills of their employees in ways such as online reference materials and resources, instructor-led classes, performance support systems, and education reimbursement for job-related degree programs and so on. Furthermore Disney’s Human Resource management plays a unique role supplying competitive intelligence that is highly useful in the strategic planning process, and also takes part in the strategy formulation process by helping the management to identify the company’s internal weaknesses and strengths. The strengths and weaknesses of Walt Disney human resources can determine the effect on the feasibility of the company’s strategic options as they believe human capital is their competitive advantage and the major factor that drives the company.

## Purpose of SHRM activities in Disney

Human Resource Management strategies:

Let’s discuss the strategic human resource management activities in Disney and how it supports the Disney’s perspective towards employees as human capital.

1. Work flows: Disney Human resource managers decide the aspects related to the work processes of the workers and re-engineering of company. Managers encourage and foster innovation and ideas among workers while emphasizing on workers’ efficiency.

2. Recruitment and selection: Disney involves with entertainment business and their business depends on the creativity and the imagination of employees, The employees at Disney are expected to consistently define, and then redefine, what’s possible in the world of entertainment. Therefore it is very important to choose the right person for the right job.

4. Performance appraisals: Management of Disney often conducts performance appraisals in order to measure employees’ present performance against required performance. After appraising management reward well performed employees to motivate them to do a better job in future and take necessary actions to underperformed employees to improve their performance level to do a better job in future

5. Succession Planning: after performance appraisal management of Disney prepare and develop potential workers in the company to hold key leadership positions in future.

6. Compensation system: Disney Human resource management has developed an attractive benefit and compensation plan that facilitates employees and is cost effective. Disney believes that it’s Veterans and their families have given so much to Walt Disney, and the due responsibility of continuing the giving back.

7. Employee and labor relations: Disney maintains a good top down and bottom up communication with its employees as it is very important to maintain a good idea flow as Disney entertainment lies in creativity and imagination.

9. Employee Training: Disney’s training programs are customizable to employee and considering employee’s goals. At The Walt Disney Company, employees are recognized for imagination, for innovation and for offering a variety of development opportunities. Employees will find a learning environment that encourages everyone, irrespective of the employee’s role to increase the employee’s engagement and assist them in reaching their personal goals

## HRM Strategy towards achieving objectives of Disney

The mission of Walt Disney is,

“ To be the world’s leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world”

The key words of this mission statement are Innovative, Creative and Profitable, where the company must consider when strategizing their plans involving business as well as Human resources development. As we discussed earlier Disney believes human resource as their competitive advantage, therefore human resource plays a major role in achieving the mission of the organization. SHRM details about the strategy needs of the company reviewing the supply of the relevant workers to fulfill the staffing needs. The mission needs to be clearly distinguished and processed in a realistic and in a consistent way in order to achieve targets. The strategic planning process should be in sequence from strategic objectives, environment analysis, formulation, implementation and evaluation. Company’s’ strengths are affected by labor demand; or the strengths and weakness of the workforce. Company objectives can be achieved only if the HR provides necessary abilities, skills, knowledge and so on. SHRM role towards achieving organizational objective include;

Identifying Strength and weakness of current workforce

Alterations and reallocation of the current staff if required

Company’s determination towards labor demands in long and short terms.

Efficient and continuous filling required staffing needs.

Staffing plans implementation.

Q2. What external factors would impact the business of Walt Disney In the future and how the company should prepare its employees to overcome those possible impacts?

## Environmental Scanning

Environmental factors that influence business strategy and human resource management based on business objectives and overall strategy for the organization. A successful plan in human resource management strategy should be completed generally in the organization. As these environmental factors influence human resource management planning organization. According to Mathis and others (2007) Intelligence is an important part of workforce planning; identify potential opportunities and threats and disadvantages criticism. He also stated that predicts events in the future are a critical feature of a plan of human resources and a better understanding of the context and movement are essential. Let’s examine potential external environment opportunities and threats that might impact the Walt Disney operations.

Being a globally operated business Walt Disney is exposed to several external opportunities, there are several emerging economies in Asian countries with emerging tourist destinations, where the Disney can expect a good market for entertainment industry, there untapped counties make a good opportunity to Disney to expand their business. The Walt Disney is a brand that is extremely popular, and also is the pioneer in the theme parks business which can be leveraged to further expand. Strengths of the Entertainment business lie with the creativity and innovation, so as the Walt Disney. Therefore Disney has the opportunity to attract more and more visitors by introducing new attractions from time to time.

Walt Disney also faces some threats when operating globally. The major thereat the Disney faces is the intense competition; competitors like Universal studios, Paramount Park, Six Flags theme park, etc are also very popular in global context. In entertainment industry there is high demanding market in terms of creativity and innovation or in other words there is a high competition on finding and affording the most creative human resources. Furthermore employee retention and rising labor cost can also be identified as threats for Walt Disney.

## Human Resource requirement to cope with external factors

Disney faces an intense competition and at the same time the company is exposed to emerging market opportunities globally, therefore in order to overcome the threat and to take use of the opportunity available Disney must train their employees to be more creative and innovative. The Disney has their own training institute which can be used to train and develop their human resource to compete with the current market condition. Also the company can hire or recruit new employees to introduce new attractions by creating characters and events of national or regional appeal. As we identifies earlier there is a high demand and high employee turnover in creative human resource. The best option to overcome this threat is to establish strong retention scheme. The Disney can achieve this by maintaining a strong relationship with employees, establish a reward system for their performance, motivating and appreciating their work and so on. Employee retention not only cost efficient but will also help employees to be more creative and gain competitive advantage for Disney.

## Developing a Human Resource Plan

SHRM plan needs information about where the organization intended to go and how human resources functions will support the corporate goals and objectives. The integration of HR management with corporate goals and mission helps to guarantee the achievement of the organization’s overall objectives. The main purpose of SHRM plan is to address the “ people” factors and how they affect to the organization’s future success. Below are the steps to develop a Strategic human resource plan

## Identifying Corporate and Departmental goals and objectives

The goal of the HRM Plan is to support and reinforce the department’s objectives and programs. The first step in developing the Plan is to obtain a clear understanding of the department’s objectives, programs and key challenges. This understanding can be obtained by conducting a strategic analysis

Strategic objectives are departmental objectives which are usually articulated through the vision, mission, values, corporate business plans and strategic programs.

## Environment Analysis

Analyze internal and external environment factors that would affect the HR operation. The company can conduct a SWOT analysis to determine the strengths, weaknesses, opportunities and threats.

Internal scanning – Identify internal factors which can influence HR capacity E. g. working conditions, investments, product portfolio, etc.

External scanning – Identify external factors which could influence HR capacity. E. g. Economic growth/decline, market development, regulatory policies, etc.

## Gap Analysis

Disney must identify the gap between the current state and future state, to identify the gap first the management must identify the current issues and possible future issues that would be a barrier to reach the objectives, and take necessary actions to fill the gap.

## Identify Strategic HR Issues

Once a clear understanding of the department’s objectives, direction and key challenges is established, the next step in formulating the HRM Plan is to identify the department’s strategic HR issues. These are the key HR issues that will affect the department’s ability to achieve its strategic objectives. The HRM Plan will need to address how to manage these issues. E. g. Heavy demand for training for new recruits, Officers required spending more time on recruitment exercises, need to communicate new service standards and assessment methods.

## Identify Ongoing HR Issues

In addition to the strategic HR issues identified in the previous step, the department’s key ongoing HR issues (general HR issues not linked to specific strategic objectives or issues) must be identified. The HRM Plan must address the key ongoing HR issues; otherwise these issues may eventually escalate, impacting the morale and effectiveness of the department. Identify the ongoing HR issues facing the department. Ongoing HR issues may relate to manpower planning, recruiting, performance management, training & development, and staff relations

## Prioritize the HR Issues and Determine work plan

Up to this point, the strategic and ongoing HR issues facing the department have been compiled. Not all the issues will be of equal importance or urgency. They need to be prioritized with the input of the top management team. Prioritizing the issues helps ensure that the HRM Plan focuses on the department’s most critical issues involve the department’s top management team in confirming and prioritizing the issues compiled to date. The top management team should also give input on the actions that should be taken to address the key issues. Work plans may include strategies on: Recruitment/staffing, Leadership development, Organizational design, Change management, Training & development, Performance management, Competency / Skills development, Values and ethics

## Evaluating the progress

Proper measurements must be identified and implemented to evaluate the effectiveness of the implementation of the strategy and redesign depending on the changing needs and demands.

Q3. Explain how the intellectual property regulations such as patents, copyrights would protect the global business expansions of Disney?

## What is Intellectual Property?

Intellectual property refers to creations of the mind: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce (Winkler, 2005).

To best protect your intellectual property assets, it is essential to understand the various pieces that make up your IP portfolio. Generally, a company’s IP consists of trademarks, copyrights, patents, and trade secrets owned or used by the company in its business. With respect to brand protection, the critical intellectual property assets, that is, those that go to how consumers recognize a company and its products, are trademarks and copyrights. Walt Disney protects its characters with copyright and trademark registrations. Copyright protects an original work such as a book or movie while Trademark registration protects the brand name. The owner of a copyright or trademark registration can prevent others from using the characters without permission.

## Trademarks

Trademarks generally consist of a word, phrase, symbol, or design, or a combination thereof, that identify and distinguish the source of the goods of one party from the goods of another. A service mark is accorded the same legal status as a trademark under U. S. law, except that a service mark identifies and distinguishes the source of a service rather than a product

## Copyrights

Copyright protects original literary and artistic expression that is fixed in a tangible form. It exists automatically when an original work entitled to copyright protection is created. Under basic copyright law, a work is “ created” when it is fixed in a tangible medium of expression for the first time

If any individual or a company wants to use the Disney characters, then they have to obtain permission from Disney Enterprises. Official Walt Disney website will assist to find who owns the legal rights to the particular character you hope to use and how to attain permission to use the character legally. Disney may grant permission in the form of an email message or letter. The Walt Disney would require an organization or individual that wishes to make commercial use of their characters to enter into an agreement where the user of the characters pays Disney for granting rights to use the character; also Disney might refuse to grant permission to use their characters.

There is another way to use Disney characters legally; it is called the “ fair use” of the characters. According to the US Patent and Trademark Office, fair use refers to limited conditions when it might be permissible to state reference to or reproduce a sample of a legally protected character without getting permission from the company.

Intellectual Property act – the World Intellectual Property Organization (WIPO) is responsible for the promotion of the protection of intellectual property. In the EU region, two multi-country arrangements have been made as “ Patent Cooperation Treaty” and “ European Patent Convention”. Once the patent is approved, it has the same effect that a national patent has in each individual country designated in the application. In addition, in the EU, trademark regulation has been approved. These trademark protections are valid for 20 years and is renewable, however if the mark is not used for five years, the protection is withdrawn. Likewise these characters are legally protected in order to safeguard them from piracy and to maintain the identity of Disney. The company protects these rights so they can continue to provide quality entertainment that measures up to the standards that the audience has come to love and expect. Therefore copyrights will provide a protection for Disney character for certain extend but the intellectual property theft cannot be avoided completely.

## Q4. Disney having a global presence by employing people from various cultures across the world. Discuss how this cultural diversity could create a challenge to increase the efficiency of Disney operations

Workplace diversity entails more than just race, gender and culture. It includes each individual’s personality, experience and uniqueness that are dissimilar but have to be dealt with in the organization. Diversity influence the performance, so it is very important to handle any issues that might cause due to personality conflicts. Workplace diversity also determines how workers interact with other and the type of motivation involved in their performance. Diversity can either disturb the workplace or add significantly to its productivity and creativity. Tension is expected to occur if the organization does not have a proper plan in place to handle diversity and the concerns or questions that arise in a workplace. Disney has a high cultural diversity in the workplace; let’s examine how this cultural diversity could increase the efficiency of Disney operations.

## Improved Morale

One advantage of diversifies workplace culture is improved morale of employees. When cultural diversity is well-managed and workers are guided towards cultural awareness and sensitivity, the result is an environment where all employees are validated and considered as important, despite the differences. Disney has successfully managed this cultural diversity and this affirmation of value improves employee morale and the collective positive attitude in the workplace.

## Increased Productivity:

Diversity brings in diverse and different talents together towards a single inspiring goal, Disney use these different sets of skills to motivate them and increases their retention and productivity. Additionally well managed cultural diversity attracts and retains talents which will add a competitive advantage to the organization

## Increased creativity and innovation:

Disney, being in the entertainment industry and being operated globally, creativity and innovation are compulsory factors to sustain in the industry. With so many different and diverse minds coming together help Disney to create new attraction according to the national and regional appeal.

## Global Impact

In a global economy, having a culturally diversified work force can help Disney to establish and develop business in foreign counties. Cultural diversity will help to communicate successfully in global business markets, furthermore to develop strong relationships with suppliers and to understand the cultural influence of doing business in different parts of the world.

## Community Relationships

Diversity increase community relationships. Disney operates in many countries and it is very help to have employees who speak customers’ languages and understand their needs. Generally customers prefer to do deal with companies who employ workers from their native backgrounds. Therefore this will increases the customer satisfaction and market share by employing to people from different backgrounds.

## Socio-Cultural Problems faced by Disney Walt in Overseas Markets

Entering into a foreign market is not an easy task for any organization. This is due to the different cultural preferences that affect the business. Disney is one such organization that has come across the international marketing barrier. Penetrating into Chinese market can take as an instant.

Most companies think the penetration into foreign market is a tough task; but it not always the same. Even though they speak different language and have different tradition, they still enjoy entertainment goods and services such as Disney’s Mickey or Cinderella.

Walt Disney should realize that getting into China means that they are moving from a western culture to eastern traditional culture of the Asian territory. Therefore Walt Disney must adapt their marketing strategies in favor of this cultural difference in China, understanding the cultural desires of the country would positively affect on Disney’s marketing success in China.

When Hong Kong Disneyland opened, In preparation, Disney hired Feng Shui experts to ensure the park layout was culturally appropriate. This ancient Chinese practice involves ensuring that there is a good flow of energy, or “ chi” (chee).  For example, the direction a building entrance faces is dictated by geographic surroundings. Also, the elements wood, fire, earth, metal and water have to be carefully balanced.  Hong Kong Disneyland took this into account and made sure large expanses of water in the theme park were broken up with small islands. Therefore, for successful business operation of Walt Disney in the China, the company has to find solutions for the above mentioned cross-cultural issues for a successful operation in China.

Conclusion

For companies involving in entertainment business such as Walt Disney, human capital is the main element that drives the organization as the sustainability in the industry depends on the creativity and innovation. Therefore the human resource department must have a proper strategic plan to ensure the optimal performance of this human capital under ever changing external environment conditions. Finally managing cross cultural diversity is very important for the successful business operation of Disney.