

Organizational design and hrm: tel comm tek



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In this paper, I shall be discussing the relevance of organizational design and human resource management for a company engaged in foreign operations and management. Utilizing the case entitled “ Tel Comm Tek,” relevant issues in terms of recognizing strategies in terms of understanding the organization of a global company through the maximization of human resource management will be discussed. As for the case of Tel Comm Tek, a resolution after a thorough consideration of available data will be answered in line with the relevant concepts related to organizational and human resource management for a global company. Significant and substantial research from both online and electronic internet resources was sourced to provide discussions for this paper. As a further recommendation, this research will pave the way to a further discussion on detailed effects of globalization in as far as the issues of human resource and organizational development is concerned.

Keywords: globalization, human resource management, organizational design, global company, culture, technical skills, adaptability, leadership skills

Case Analysis: Tel Comm Tek

Introduction

Tel Comm Tek or TCT Indian has become one of the most promising and highly potential international subsidiaries of TCT. As a manufacturer of a variety of small office equipment in nine different countries such as copying machines, dictation units, laser printers, and paper-shredders worldwide with reported sales in more than 70 countries, TCT India has reported a significant growth in terms of sales in India because of the boom in information-

technology since its establishment in the 1980s. Despite of the economic, environmental, and cultural factors affecting the operation of TCT in India, TCT India has remained strong primarily due to the booming information-technology industry in India as well as the initiatives of government in promoting business within the country. However, political and economic issues still remain as significant threats to the company.

In May 2010, TCT India Managing Director – Mark Hopkins, has tendered his resignation with the intention to return home in his hometown in Vermont. As an expatriate executive, Hopkins was able to oversee operations that lead to a steady growth in market share and profitability of TCT in India. This eventually triggered a replacement search for the Indian operations where six qualified employees were short listed to replace Mark Hopkins. They are Tom Wallace, a long-term executive of TCT in their US operations who has high technical skills but is expected to retire within the next four and a half years and is part of division that is expected to eliminate his position in the next six months; Brett Harrison, a high potential employee with good evaluations, exposure to operations, and experience and is well acquainted with India's geography, politics, customs and outlooks; Atasi Das, a native of India who has good qualifications in terms of adaptiveness for being single and is quite ambitious and energetic because of her young age and background in international management; Ravi Desai, a young and experienced native of India who is experienced in Asian culture and is perceived to hold an executive position in the Indian operation; Jalan Bukit Seng, a Singaporean who has limited international operations background and who is not that familiar with US culture but has a high potential and

intelligence in terms of learning various languages; and Saumitra Chakraborty, the assistant of the resigning manager who is competent in terms of operational matters and excellent in customer relationship but lacks leadership experience despite of a strong network of contacts among private and government officials in India.

In-Depth Analysis of Issues

According to John Daniels, Lee Radebaugh and Daniel Sullivan, “ multi-national enterprises or MNEs face challenges in terms of staffing the right personnel that can adapt to various circumstances facing the various frameworks of a global business in terms of dealing with the economic, environmental, cultural and political factors in the foreign countries that they are operating their business from” this mean that MNEs are subject to major adjustments that requires flexibility in operating their own company and must consider factors that are commonly different from how they are operating in their home country. “ The degree of centralization is usually influenced by the pressures of global integration or the standardization based on how a company can be competitive and the pressures of local responsiveness wherein the company must be able to meet expectations of the country they are operating in order to operate smoothly and profitably” (Daniels, Radebaugh, and Sullivan, 2011). Because of this, control is needed and properly planned in order to provide tools for the MNE to operate in a foreign company where “ organizational culture or the set of values and norms that is shared among employees and locals exist among its employees and the public where it is operating” (Daniels, Radebaugh, and Sullivan, 2011).

Because “ managerial functions facilitate the control and coordination of activities within and among departments and direct the acquisition of, investment in, and control of resources to improve the organization’s ability to create value” (Jones, 2004), HRM must be critical in the selection of appropriate individuals whom they think would be able to meet job expectations in as far as international operations is concerned. It is also the responsibility of HRM to define the “ organizational role or the set of task-related behaviors required of a person by his or her position an organization” so as to fulfill their functions in providing the most qualified individuals for certain positions, most importantly, in a faraway subsidiary in a foreign country.

Human resource management or HRM for a global company is very important in as far as the provision of “ support to the company in terms of meeting its strategy by staffing the right person in the right job, in the right place, at the right time, and for the right salary” (Daniels, Radebaugh, and Sullivan, 2011) through various means depending on the framework that the company is using in as far as corporate policies and strategies are concerned. HRM may consider whether the company is “ ethnocentric, polycentric, or geocentric in terms of choosing executives and employees that may either be locals, citizens of the countries in which they are working, or expatriates” (Daniels, Radebaugh, and Sullivan, 2011). HRM must also look into the concepts of career choices if one decides to hire or appoint employees in crucial positions such as that of executives. As defined, “ a career is a sequence of positions occupied by a person during the course of a lifetime while the importance of career planning is important because the

consequences of career success or failure are closely linked to an individual's self-concept and identity, as well as with career and life satisfaction" (Cascio, 2005). HRM must also look on the views of career developments among individuals in terms of how they are " focusing on themselves in terms of their career objectives, how the organization focus on individuals during entry, mid-career, and late career, as well as how this will contribute towards the maintenance and growth of the organization in terms of staffing the most competent person for this purpose" (Cascio, 2005).

Among the choices for the replacement of Mark Hopkins is the long-term executive of TCT – Tom Wallace, who presently have the highest technical experience among the short listed employees. However, Wallace is expected to retire in the next four and a half years with a position expected to be eliminated after six months. Because " the selection for an expatriate position considers the candidate's technical competence, adaptiveness, and leadership ability" (Daniels, Radebaugh, and Sullivan, 2011), Tom Wallace would have an edge in terms of his experience in the technical and sales aspect of the job, experience in managing a plan of similar size, expression of interest in a foreign assignment, and adaptability because he already have grown children in the United States. However, it can be noted that Wallace and his wife might have difficulty in adapting with language because they only know how to speak English, as well as the possibility of having the possibility of resentment by local employees at TCT India. Additional cost in terms of teaching Wallace and his wife with the local language, additional trainings related to foreign operations, and additional motivational

compensations may have to be considered if TCT appoints Wallace as Managing Director for TCT India.

Brett Harrison, on the other hand, has high potential with good evaluations, exposure to operations, and experience. He is also well acquainted with India's geography, politics, customs and outlooks that are posed to move up to upper management. However, he may not view the Managing Director position as a promotion management and may have problems in terms of adaptiveness because of the present status of his family for having teenage children and a career-oriented wife who may not be able to relocate. Consequently, additional costs may be incurred in terms of motivational compensation and benefits as well as logistical expenses that would include the relocation of Harrison's family and settling them in India.

Atasi Das, on the other hand, is a native of India who has good qualifications in terms of adaptiveness for being single and is quite ambitious and energetic because of her young age and background in international management. Her experience in both staff and line positions would help her adjust to the operations of TCT India. However, this offers a logistical and career management transition for the HRM of TCT India given that she needs to be trained in terms of advancement of work-related responsibilities from being a mere staff and line employee to being promoted as a Managing Director in India.

Similarly, Ravi Desai, is a young and experienced native of India who is experienced in Asian culture and is perceived to hold an executive position in the Indian operation who happens to be an Assistant Managing Director in a

larger Asian operation of TCT. He speaks both English and Hindi fluently. However, he has a large family with four children and needs to be trained and offered with high motivational compensation and benefits as part of his promotional assignment. TCT needs to offer him with advanced work with local management in order to have a smooth transition and be able to establish coherence among the existing employees in TCT India.

As for the case of Jalan Bukit Seng, who is a Singaporean with limited international operations background, is not that familiar with the US culture but has a high potential and intelligence in terms of learning various languages. He has a high advantage in terms of the required technical skills and would be able to adapt because of his intelligence in terms of the ability of know various language easily. However, TCT needs to invest for his orientation and language training as well as spend travel exposures to other similar operations to compensate for his lack of international operations background.

Finally, Saumitra Chaka may have the required technical and adaptive factors as a Managing Director being the assistant of the resigning manager who is competent in terms of operational matters and excellent in customer relationship. However, Chaka lacks leadership experience despite of a strong network of contacts among private and government officials in India. He has a good performance evaluation as Assistant Managing Director in TCT India with no problems in terms of language proficiency. However, his age and experience would entail the provision of staff assistance from headquarters, as well as the provision of technical training and development in order to compensate for such lack of experience.

Conclusion and Recommendations

Based on the critical analysis of the issues of this case, it can be recommended that Ravi Desai would have the highest qualifications required for the job in terms of technical competence, adaptiveness, and leadership skills because of her age, experiences, and proficiency as a native of India. These factors would give him an edge among the other short listed employees given his familiarity with the operations as an Assistant Managing Director of a larger subsidiary where he has learned the technical knowledge needed for the job and the leadership skills needed for being a member of the management team of the company. Because he is a native of India who knows both English and Hindi fluently, he would be able to meet the requirements in cases where the company may appoint an expatriate or local as a mixture of the “ polycentric and geocentric frameworks” (Daniels, Radebaugh, and Sullivan, 2011) in appointing people for certain positions in a company. Because appointing “ locals than expatriates would be advantageous because locals better understand local operations with lesser compensation, organizations may also show to the foreign country their relevance in terms of demonstrating the availability of opportunities for local citizens, showing of consideration for local interests, and with lesser investments as compared to relocating expatriates to the foreign country of operations” (Daniels, Radebaugh, and Sullivan, 2011).

As an alternative, TCT India can also appoint Saumitra Chaka for being the current Assistant Managing Director of TCT India but would need to allocate additional budget in terms of the provision of staff assistance from headquarters, as well as the provision of technical training and development

in order to compensate for his lack of experience. If this would not be possible, a third resort is to appoint Jalan Bukit Seng, because of his technical skills and ability to adapt to both culture and language at TCT India. However, the opportunity cost for this option is to invest for his needed orientation and language training as well as travel exposures to other similar operations to compensate for his lack of international operations background.

Reflections

A global manager is not far different from being a manager of a local domestic or multi-domestic firm where the similarities related to management functions are present. This can be related to the technical and leadership skills needed for a manager in as far as how such management functions of planning, hiring, training, directing, and evaluating is concerned. However, the only difference is the ability of the manager to adapt to the economic, political and economic environments of the foreign country where he or she is managing.

More so, the crucial role in terms of human resource management is relevant in as far as achieving the organization's strategies is involved. HRM must be able to know the relevance of career transitions for both the individual and the company. More so, HRM must be successful in terms of choosing the most qualified and competent individual to fill important executive positions for the company. If managers would not have the necessary skills in terms of technical knowledge of both production and business management, then the effectiveness of such position would not translate to the general objectives and directions of the company. Finally, if a manager would not have the

ability to adapt to the culture and attitudes of local employees in order to perform his leadership skills, then the operations of a company would not be as successful as intended.