

Analysis of biogen idec and nhs shetland management essay

[Business](#), [Management](#)



Introduction

Performance Management System (PMS) is a process of establishing a working environment, to strengthen personal responsibility in achieving the organization's mission and objectives (Hassan & Shakeel, 2010). It is an on-going process, applied to recognize the employee's current performance. A good PMS enables organizations to plan, measure and control their employee's performance, so that the decision, resource and activities can be better associated with strategies to achieve desired outcome (Bento and Bento, 2006).

1. 1 Company Profile

Biogen Idec is one of pioneer biotechnology companies in the world. It focuses on products designed to address critical medical needs in oncology, neurology, dermatology and rheumatology field of research, development, and manufacture. The company was founded in November 2003 from the merger of two biotechnology companies, Biogen and IDEC Pharmaceuticals. It has about 4, 300 employees, and 500 of who is part of its international business. The international headquarters of Biogen Idec are in Zug, Switzerland. NHS Shetland is operated under NHS Scotland, the Scottish National Health Service. It provides health care service for a population of over 23, 000. The international headquarters of NHS Shetland is in Brevik House, Lerwick. NHS Shetland is operating two hospitals in Lerwick which is Gilbert Bain Hospital and Monthfield Hospital. However, the local hospital and community service provided from the Gillbert Bain Hospital.

Analysis of Biogen Idec and NHS Shetland

Performance management strategy is an important role for Biogen Idec to produce more qualified employees to growth with the organization. Based on the case study given, Biogen is practicing global approach and structured approach. In the global approach, Performance, Planning and Assessment tool (PPA) is use to accommodate the performance review process for all the Biogen's employees in world wide. Besides that, Biogen Idec also practices the structured approach which is use the ranking scale method to evaluate the overall performance measurement in their performance management system. NHS Shetland adapted balanced scorecard approach as their performance management system which allows the organization to plan, identify, and improve so that Shetland can continues improve the quality of performance. NHS Shetland adopted and applied balanced scorecard approach based on their HEAT core set to measure and review the performances of Boards. The balanced scorecard is a performance management system that can be used in any size organization to support the organization's vision and mission with customers' requirement and day-to-day work, manage and evaluate business strategy, (Howard Rohm, 2002)

The similarities of performance management strategies

Leadership

Basically, the similarities of Biogen Idec and NHS Shetland are both companies acknowledge that the importance of the performance management process by pay more attention on the organization's value and leadership orientated strategy for personal development towards the

implementation of their strategy and organization growth. According to Tarafdar, Vaidya and Hienemann (2006), stated that a leader play an important role in influencing the employee's performance in an organization. The studied done by Kyle Luthans (2000), there strong implications for the effective leadership and employee's performance in today's organizations.

SMART Objective

Biogen Idec and NHS Shetland adopted a similar performance management strategy which is applied the SMART objective to evaluate their employee's performance. Biogen Idec human resource team believes that using the SMART objective as a strategy on setting appropriate performance goals at the performance review. NHS Shetland translates the organization's strategy into SMART objective through identification of strategic objective, measure and targets across a number of strategic perspectives. SMART objective is a strategy that can help organization to identify the elements of the evaluation plan and measurement, such as the performance measurement (Lopper & Jerry, 2006).

Reason for Similarities

Both companies believed that leadership oriented strategy can help to increase the employee's performance. According to the theory of leadership, a leader has positive influence on the performance of employees. This is because the leader will evaluate the employee's goals actively and help the employees to reach their full potential (Bass & Avolio, 1993; Campbell, Ward, Sonnefeld, & Agle, 2008). The leader will work together with the team member to develop appropriate goals and make sure that employees are

participating in the meeting (Bryant, 2003). Thus, with a good leadership in a company will allow the company to easily achieve company objectives and goals. Besides that, both companies use the same strategy model which both companies used SMART model to identify their organization goals clearly. By practicing SMART model, the company is able to clarify the objectives and goals clearly. The managers and employees will know the organization objectives and goals clearly. It also helps all employees have a subjectivity goals setting and ensure they have a shared set of expectation (Armstrong, 2005). Consequently, with the SMART objectives and goals, there are targets for the employees to work harder to achieve it (Edelstein and Wendy, 2006).

The differences of performance management strategies

4. 1

Another difference between the Biogen Idec and NHS Shetland are both of companies have different method on evaluating their employee's performance. Biogen Idec practicing the self-assessment method whereas Biogen Idec used the management by objective (MBO) whereas NHS Shetland used the balanced scorecard (BSC). Biogen Idec focused on research and development of pharmaceutical that produce medicine to resolve the medical needs. NHS Shetland is focusing on the customer's service quality and meets patient needs.

4. 2

Based on the case study, Biogen Idec is a job-oriented company; it more concentrate on the product's output. NHS Shetland will more concentrate on

their target group such as the patient and employees towards achieving it. Thus, NHS Shetland is considering as a goal-oriented company.