

Strategic human resource problems in texas instruments malaysia

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Introduction

Objective

The objective of doing this task is to understand and analyze the strategic human resource problems in Texas Instruments Malaysia and to provide suggestions based on literature review and best practices.

Company Introduction

“ TI’s innovation strategy let it leapfrog to the forefront of the chip business, where it has remained ever since” Malcom Penn, CEO Electronic Engineering Times (June 2003). These are just a few words describing Texas Instruments. Texas Instruments Incorporated provides innovative DSP and analog technologies to meet our customers’ real world signal processing requirements. In addition to Semiconductor, the company includes the Educational & Productivity Solutions business. TI is headquartered in Dallas, Texas, and has manufacturing, design or sales operations in more than 25 countries. Texas Instruments Incorporated is a company in the semiconductor industry that provides innovative semiconductor technologies to help their customers create the world’s most advanced electronics. Their analog, embedded processing and wireless technologies that is used in daily lives in many different ways, ranging from digital communications and entertainment to medical services, automotive systems and wide-ranging applications in between.

TI Corporate Overview

Texas Instruments in US, the headquarters (NYSE: TXN), better known in the electronics industry (and popularly) as TI, is an American company based in <https://assignbuster.com/strategic-human-resource-problems-in-texas-instruments-malaysia/>

Dallas, Texas, USA, renowned for developing and commercializing semiconductor and computer technology. TI is the No. 3 manufacturer of semiconductors worldwide after Intel and Samsung, and is the top supplier of chips for cellular handsets, as well as the No. 1 producer of digital signal processors (DSPs) and analog semiconductors. Other focus areas include chips for broadband modems, PC peripherals, digital consumer devices, telecommunication infrastructure, and radio frequency identification (RFID). Based on 2009 revenue for 2010 ranking, the company was listed at number 223 on the Fortune 500. Texas Instruments is also known for its values that include high ethical behavior as well as diversity. One of the programs done is called “inclusiveness” ensures that diversity is valued and it is the core of the TI values across all the plants worldwide.

Company History

Texas Instruments was founded by Cecil H. Green, J. Erik Jonsson, Eugene McDermott, and Patrick E. Haggerty in 1951. McDermott was one of the original founders of Geophysical Service in 1930. McDermott, Green, and Jonsson were GSI employees who purchased the company in 1941 on the day before Pearl Harbor was attacked. In November, 1945 Patrick Haggerty was hired as general manager of the Laboratory and Manufacturing (L&M) division. By 1951, the L&M division, with its defense contracts, was growing faster than GSI's Geophysical division. The company was reorganized and initially renamed General Instruments Inc. Because there already existed a firm named General Instrument, the company was renamed as Texas Instruments that same year. Geophysical Service Inc. became a subsidiary of Texas Instruments which it remained until early 1988, when most of GSI was

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sold to the Halliburton Company. Today semiconductor is the biggest business for Texas Instruments Malaysia.

Vision:

To be the Assembly/ Test of choice

Mission:

To focus on the priorities which is our customer, our business partners and our people.

Market Shares

Looking at the chip vendors above in 2009, Texas Instruments is one of the market dominator in the business. The others represent small companies put together. The main competitors for Texas Instruments are Freescale and ST Microelectronics.

Worldwide Location of TI

TI has a long-standing presence in many of the world's major markets and has the best geographic coverage in the semiconductor industry. With manufacturing sites, sales and support offices located in Europe, Asia, Japan, and the Americas, TI can provide products and services to customers wherever they do business

Global Presence:

Manufacturing, design or sales operations in more than 25 countries

Employment

Employee Population:

Approximately 27, 700 worldwide

Regional Employee Population:

Approximately :

12, 900 in US America (Texas, North Texas and Dallas area)

10, 000 in Asia

2, 200 in Japan

2, 600 in Europe

With the big number of employees in TI Malaysia, many HRM issue will become more rampant especially during policy deployment as well as during communication. TI Malaysia currently has a very good system to counter that but what is actually required to take them to the next level?

TI Product Line

Semiconductors:

Amplifiers & Linear

Clocks & Timers

DSP – Digital Signal Processing

Data Converters

Interface

Logic

Microcontrollers (MCU)

Power Management

RFID Systems

RF/IF & ZigBee® Solutions

Switches & Multiplexers

Temperature Sensors & Control ICs

DLP® – TV, Projectors & Cinema

Calculators & Education Technology

TI Financial Performance

TI has a very strong financial history and performance as per the above. With the credit crunch currently being seen, there has still not been any information or news on layoffs as well as retention. TI is prepared for the rainy days as they have encountered it more than once in 1997, 2001 as well as 2009.

Awards

Nobel Prize Winner Jack Kilby, the father of semiconductor discovered the world's first silicon integrated circuit (IC) while working with TI.

TI was the first semiconductor company to go global.

75% of all notebook PCs in the world use TI for power management and data storage.

More than half the cell phones sold worldwide use TI technology.

TI invented the world's first handheld calculator in 1967

TI has won two Emmy Awards for DLP® technology.

Business Analysis

Looking at the Porters Generic strategy above, TI's strategy on going for low cost position in the market was one of the reasons why TI got such a huge market share. In this highly competitive industry, cost and the differentiation of the product will become the pillars of the industry. Today's customers are very demanding and only wants the best and the best cost. With the high quality output of TI, the brand image speaks for itself. TI Malaysia is the largest factory site in TI worldwide. TI Malaysia produces about 10 million chips per day.

Methodology

In doing this task, we took some different approach in understanding the issues seen in TI Malaysia.

Literature review: Through general sources, we identified some Info about TI through reading as well as through the Internet. We watched a video on Youtube on the Manager of World Exploration in Search of Great Talent, a

unique function of the HR in TI US to understand the corporate thought process with regards to HR since this is a multinational company.

Interview session: We were very fortunate to have the opportunity to have an interview and a discussion session with former TIM HR director, Reha Abd. Razak. On what was thought to be a question and answer session turned out to be a critical discussion session about the HR policies in TI Malaysia.

HR Basics

Human resource management is the function performed in an organization that facilitates the most effective use of employees to achieve organizational and individual goal

Performing all the functions above, HR plays a very important role in getting the right people to do the right job. Looking through the theories we learned in class, HR should not just be about data processing of the employee's records.

The concept today talks about SHRM rather than just HRM for the extra competitive advantage that a company needs to stay competitive.

TIM HR – TODAY

Looking at the basic structure of the Human Resource Department in TI, we can look at 2 areas, which is the human resource planning and the talent management. Below are the processes of both the areas.

Looking into the function groups in TI Malaysia under HR, we can see 4 main groups:

Staffing

Training

Compensation and benefit

Employee relation & Communication

Though the sections are separated in such a manner, the HR departments operative functions are realized through the following. ER and communication was one of the aspects that we looked at during this task as the section was rather new and many works were required to ensure a proper communication flow in the company. The chart below explains.

TI's Employee Development Strategy

Employee training and development is one of the aspects that TI looks at.

When an employee comes into TI there is a perception that TI will have to change and mold to ensure that they are aligned with the company.

TI believes that on job training is very important in bringing the employee to the next level as a training plan. TI uses the 70%, 20% , 10% criteria in the development of the employee in the journey in TIM. The 10% seen will be the additional development program like Master's Degree or any external technical and professional course that can help the employee to improve on based on their DPM that will be discussed under job analysis.

Job Analysis

Job analysis can be seen in two aspects:

Job Description

Is a written statement that defines the duties, relationships and results expected of anyone in the job.

Job Specification

Is an analysis of the kind of person it takes to do the job such as lists of qualifications and specific skills

TI has a detailed database and eDPM that spells out the Job description and Job Specification of every position to be hired. This can really help in the development of an employee and will enhance the SAKA of an employee.

Looking at the Individual Development Plan (IDP) illustrated, we can see that TI has developed a proper way in managing the responsibility of an employee and in making sure that the objectives is set with the function group manager in relation to the vision and mission of the company.

Hiring in TI

TI's hiring process relied on Interviews, Reference checks and Physical ability test and is focused on SAKA. It is always recommended to consider using Cognitive abilities test as well which includes Verbal comprehension, Quantitative ability and Reasoning ability to hire the right person. Below is the hiring process flow in TI:

The hiring process is standard across the HR in the industry, but for several key positions, there might be additional steps of interview with the department head as well as the operations manager.

The utilization of the headhunters is one the method in ensuring a brain gain for the company. Some very technical positions will require skill expertise and the ability of the candidate to be innovative. The hiring process will be based on SAKA approach depending on the nature of the job. A good blend of in house breed and external technical skill will be the right direction for the company to take the next step.

Training in TI

TI has a very well balance training and development program for its employees. The above model will show the types that are available today in TI.

TI has a booklet for new hire that clearly defined the Orientation, OJT (On Job Training), General training and job specific training that they have to complete between 1 month and 2 years time frame. Thus, all employees will undergo standardize training

The development will be based on the individual performance and potential. Taking an example, some Engineers are sent for Masters course than can shape them both technically as well as generic skills.

Performance Management in TI

TI uses the 9 cell matrix in the individual performance rating. This will help to analyze and distinguish between the potentials and the top performers in the company. This can help in ensuring the proper development program is in place for the succession planning.

Focus and Recommendations

Mainly through the discussion and looking at the HR systems Today, we have identified 2 areas to focus on in the current human resource system. These areas are:

Necessary steps are already taken by the HR department to address the issues above but a strategic approach is required to ensure that the company will have the competitive advantage to take the next step in Strategic Human Resource Management by having the HR be approached as an integrative linkage through corporate planning.

The next set of discussions will concentrate on the problem that are currently observed, some analysis and the recommended action based on the literature review.

Focus #1: Communications

Organizations in general are fully aware on the importance of communications. Organizations put a lot of focus and allocation to ensure that their customers, stakeholders and the public, view them positively in general. Where there are sufficient financial allocations, organizations in the public sector of the private sector would set up communications units to serve the purposes indicated. Not enough with the internal staff, organizations may engage with specialists from communications companies, known as Public Relations (PR) agency in an effort to ensure that only good and timely news about them reach the intended parties. These are carried out in support of the organizations' projected sales figures and in some others, their brand recognition.

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Despite the well-known and highly regarded values of communication, organizations or companies in general fail to recognize and address the position of internal communications in equivalence to communications with external parties. Strategies on the best approach, time and methodology to communicate with the staff or workers are often neglected and left to be attended only on ad-hoc basis or in other words, communicate with the staff only when there is something to be announced or if there is a crisis of significant magnitude that warrants the attention of a large portion of the workforce. In a nut shell, such attention to communicating with the employees is reactive in nature, which usually is haphazard, internalized with the least interest if at all, does not invite responses from the receivers and as good as mere lip service.

Any company that is able to communicate clearly with their employees is more likely to reach their objectives of existence. Communications, between employers and employees ensure that the aspiration, directions, targets and challenges the company is conveyed clearly down the hierarchy. In return, feedback or recommendations bottoms up upon reaching the management timely and concisely are more often than not valuable inputs into the company's ability to move forward. In Texas Instrument (TI) Malaysia likewise, the focus on internal communications has long been a feature in its Human Resource Department. Adjusted for the local climate but in adherence to its global standards of practice, TI continues to ensure that the employees receive clear and undistorted news and information that the leadership wishes to convey.

Internal communications are often viewed as a vital avenue to firstly create a sense of belonging amongst the group of employees. Imagine the set up like TI where there are more than 4,000 workers of various ranks and job scopes from a stretched list of business units, and share the site (plant) as their second home. These workers hardly have enough chance to mingle around at the workplace to get to know each other. Well, perhaps they know they work at the same place by the site uniform that they wear. As we move further, we try to understand the communications gap between the management and the rest of the workforce. In normal daily interaction, workers spend their time communicating only with their immediate peers and bosses. Should there be lack of communications channel with the higher ups, workers often end up conveying their views only to immediate supervisors. Similarly, they solely depend on the immediate supervisors to relay any message from the higher ups downwards.

In creating the sense of belonging, workers need to recognize and accept that they are a smaller part of a bigger whole. They need to function, move and strive to reach the overall objective of the company. They need to know that there is a common goal and the goal is shared across the board. They need to know that they exist in synergy and without synergy with others or if there should there be misalignments of focus, the company will not be able to meet its intended objectives and if that so happens, the entire establishment will be affected. The end result could be monetary or anything that is detrimental to the well being of the company as a whole. Thereby, companies make use of its internal communications channels as a means to ensure that the workers continue to be well informed, motivated and share

the big picture. Companies understand that workers who are in positive mindsets largely contribute to sales increase, reduction in wastage, able to accept the changes the company wishes to deploy and carry the company reputation well wherever they go.

Internal communication also functions as a generator of the companies' work culture. Through the various programs developed and deployed under its purview, the company is then able to eliminate any form of ambiguity amongst the workforce. This also helps to germinate and make the employees understand basic values that are accepted, functioning within a framework where they operate in. Similarly, reports have also shown that by successfully creating the values of the company, positive effects would follow suit including:

Employees making correct and acceptable decisions

Increase in effort and efficiency due to clear and accepted mission

Reduction in operational conflicts that could affect productivity

TI, as an organization that upholds the importance of internal communications has put in place several programs or initiatives with the intention to create motivated workforce and, conducive and transparent work place. Periodically, TI publishes an internal newsletter called "Gema TIM" where news and events revolving around the operation of TI in Malaysia are put together and disseminated to all. Staff will make use of Gema TIM to follow the activities and be inspired about the achievement of fellow workers. The newsletter could also function as a conduit for workers to excel as those

who achieve certain level of expectation are normally featured in the publication.

TI also established an online channel and a physical equivalent post box for its staff to share their views, recommend or even complaint about any aspect of the company. Called “ Hati ke HaTI” or “ Heart to Heart”, the channel allows the workers to express themselves freely without fear. It is noted that most submissions are for general development of the company as personal issues are usually discussed in person with the Human Resources officer.

Possibly every quarter-year, the Senior Management of TI would host a “ site-meeting” or open dialogue, where a huge portion of the staff strength is able to verbally converse with the bosses amicably. The Senior Management of TI make use of such platform to personally convey success, challenges and direction of the company downward. They also take the opportunity to personally give motivation to the staff should there be any need of rectification of issues or need for assurances. Overall, the Senior Management is in view that the communications channels made available, be they “ Gema TIM”, “ Hati ke Hati” or the site meeting are the best conduits to ensure continuous and positive staff engagement.

Despite the positive effort, TI has long saddled the responsibility of ensuring optimal internal communications to be assumed only as a supplementary deliverable of its Human Resources department. Only recently that the officer made responsible for the deliverable was upgraded to a Manager’s position where her focus on internal communications is now made a priority,

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enlarged and raised in strategic importance. The group did not manage to identify the real reasons for TI's long under-priority on communications. And we are not going to debate and guess over the reasons. Perhaps what is more important is to discuss the better ways to come up with a good internal communications strategy and maybe even recommend the approach to the Senior Management at TI.

We would firstly confirm that TI acknowledges the importance of internal communications in an effort to continuously create a preferred working environment that would certainly contribute to high level of motivations amongst workers, which would later translate into better efficiency resulting in higher yields and returns to the company. Similarly we would also assume that the role of internal communication in generating a positive common culture is recognized.

TI thereafter would need to consider the listed steps, as recommended by Robert Bacal in his report entitled “ Internal Communication Strategies: The Neglected Element”:

1. Identification of intended culture

There is a need to clearly distinct between which culture is needed and which culture is desired. What is most important is that the culture to be created must be able to support the company's goals especially financially. TI must therefore at this stage identify a set of suitable principles, values and behaviors for its workers to embrace as the principles, values and behaviors are the colors to what will later be accepted as TI's culture.

2. Identify and utilize available Communications tools

Here, TI has already established a few tools including the newsletter, online commentary channel and an open forum. In fact, we should exhaustively look at what are the available and potential tools and study the effectiveness of those tools in a high-technology dependent factory set-up like TI:

Printed medium

The tools included under this category are not limited to a newsletter or in-house magazines alone. Companies should understand that memos and performance appraisal documents are also effective tools in communicating its stand to the workers. Companies like TI should therefore identify any potential printed medium tool that can be used to convey its aspiration, and if the tools identified can also be used as a feedback mechanism for the employees to submit their views.

b) Verbal channel

Sometimes meetings and team address go a longer way than orchestrated forums or dialogue sessions. Sometimes meetings are more acceptable to those who are uneasy with large crowds. Here, TI should be able to vary the verbal channels, not necessarily to attempt to cater for all kinds of preferences but rather to consider the platforms that are most effective according to several types of behavior – extrovert, introvert etc.

c) Electronic channel

Companies who have sufficient IT budget would usually prefer to utilize the electronic channel as one of the key mediums of communications company-wide. The cost for developing a web platform for information dissemination, for example, is almost zero as the initial investment for the channel is preliminarily for generic communications purposes, as in the case of having a telephone for all deserving staff members. Similarly, the cost to develop an online newsletter is almost negligible. As the availability of server space and internet access are considered “given factors” in running a technology-dependent factory, TI in this case would only need to tap into basic web development skills set amongst its workers. The online newsletter could also be positioned as a collaborative effort between the communications / human resource department with the Information Technology (IT) department. Needless to say, most young individual college-educated workers are somewhat exposed to web development as it has since become commonplace. The IT department could then assume the roles as access provider and server manager.

d) Management Behavior

Surprisingly the behaviors of especially the senior management members are often construed as messages from the top level for the consumption of the workforce. For example, their hesitation to allow certain programs to be deployed could then in this case be an indication of non-preference for certain operational or deployment strategies.

e) Staff and Management Forums

This particular tool can also be extended to include non-verbal tools like company-wide surveys. It can be an effective mechanism to be used to extract certain undercurrent feelings amongst staff members i. e. on recently launched programs or new initiatives that may invite mixed reactions from various affected working groups.

3. Identify tools are most suitable for specific goals

Some tools are only suitable for some selected goals and not for the others. Some tools, on the other hand, may cause backfire to the management if not properly utilized. As in the case of giving a warning or reminder to the workers on the potential of lay-offs in view of the current economic condition, TI should consider the medium where the management will be able to lay out at length the processes that are going to take place and the potential workforce that would be affected. TI would then need to also provide lengthy information on possible measures the workers could take to prepare for such event. Announcements as important as this should not be disseminated utilizing channels that will only invite anxiety amongst staffs, which would lead to immediate de-motivation and reduction in yield.

4. Develop a description of how each tool is to be used

Although there are available internal communications tools, those who have been made “ in-charge” of the tools must understand and only make use of the tool in question in-synch with the bigger goals the company wishes to pursue. For example, if the corporate level of the company wishes to invoke the inclination of its workers towards integrity at the workplace, all other messages broadcasted should be moulded with the essence on “ integrity”.

The newsletter and internal online editors in this instance must contribute more messages on integrity and not on other secondary values. Similarly, the editor of an internal newsletter for example, must be skilful enough to carve out easy to understand and non-confrontational messages to invite the fellow workers to focus on elevating “ integrity” at the workplace instead of forcing the new focus value down their throats.

5. Plan for remediation

TI should take note that whilst the company may wish to develop certain values in its staff, there are expected training, coaching and mentoring programs that need to take place so as to ensure that the intended development is met with the least number of challenges and according to the measurements i. e. time, quantity expected. Training and coaching are also very important processes to take place in instances where there are certain new skill sets (technical/non-technical) that need to be acquired by the staff for the values to be realized.

6. Plan for implementation

Developing an implementation plan for effective internal communications is similar to developing other types of communication plans. In this case, TI would need to observe a few important steps and at each step, a number of pivotal questions need to be answered so that the plan developed is within the intended frame of expectation:

What to communicate?

The message must be very clear and is in support of the higher level goal / aspiration of the company

How to communicate?

Choose the most suitable tool and identify if a single or double-prong or a multiple platform approach is the most suitable judging from the value of the message.

Who will do it?

The officer in-charge must firstly carry a high level of trust amongst workers and can continue to follow-up on it should that be required.

When will it be done?

The timing must be correct in consideration of i. e. landmark events, celebrative moments, economic situation etc.

.... and last but not the least, TI or any other companies deploying an internal communications agenda must remember that the initiative is continuous in nature and not a mere one-off or ad-hoc program.

7. Implement

8. Continuous Monitoring and Revise/Realign the Strategy or Approach if necessary

The plan would require continuous monitoring in ensuring its success. And TI would need to realign the plan according to any changes in its corporate values, mission or in view of the changes in the industry. Remember, any

strategy is dynamic and will require revision to cater for changes that take place.

Focus#2: Talent retention

Speaking about talent retention and people cannot help to wonder if the talent retention would become a major task for HR especially in an fluctuation of economic situation like this. The semiconductor industry will normally face a cycle of recession every 10 years once and given the reckless spending habits of the people in US, the economic situation has become worse. TI can be facing a brain drain problem if they did not take measures in ensuring the right talent remains in TI Malaysia.

The article above speaks about truth on why an employee would leave a company. During the interview session, the HR director categorized it into two parts which is the push and pull factor. Some of the push factors seen in are frustration, not recognized, boring and lack of succession planning.

Frustration: Happens when an employee feels that he is not getting what he needs and what he deserves. This ties back directly to the motivation concept. Motivation is defined as the account for an individual intensity, direction, and persistence of effort towards attaining a goal.

Not recognized: Not recognized talks about the backroom boys or the busy bees who does everything but just do not get the deserved attention nor recognition. Looking at the Maslow's hierarchy of Needs, the high order needs talks about esteem and self-actualization. In attaining a corporate goal set by the company, it is very important for an employee to feel needed and

part of the company rather than just another employee. As mentioned earlier, the communication done by the site meetings with the whole factory helps translate the business goals into everyday work for the staff. There will however still be some that suffers from the middle child syndrome and decide to leave.

Lack of succession planning: As we have seen in the case of Mohapatra, succession plans really helps to ensure that the candidate is really ready to take on such a challenge. Taking some departments in TI, which are support groups, the possibility of expansion is low and ladder is harder to climb, as they are already only a support function to the company. In these cases, if the employee is already working 7 years on the same position and the manager has another 10 years to go, the lack of succession planning can be the push factor that the employee starts updating their resume and looking for another job. The ability for the company to se their talent is very crucial to ensure that these candidates can be groome