

Study on the harvard model management essay



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1. 0 Introduction

Strategic human resource management (SHRM) is the series of planned human resource activities which allow organisation to achieve its goals effectively and efficiently (Dessler 2002). For the case study of Banksia, a SHRM Model - Harvard Model will be used to analyse Banksia. The Harvard model is an open-system model that shows how business environment affects SHRM policies which influences organisational functions and performance (Huczynski & Buchanan 2001). There are six components to the model. The stakeholder interests recognise the importance of the compromising interests of different parties while the situational factors recognize the internal and external business environmental factors. Both act as constrains to the formation of HR policies. The model further categorise the HRM policies choices into four different themes. The policies chosen are the result of management's decisions after interaction between constrains and choices. The results of the policies - HR outcomes are centred on the 4 'C's where highly committed and performance employees will lead to cost-effective products and services. These outcomes will the organisation in the long term. The long term consequences are classified into three different levels. The last component is a feedback loop where the outputs flow directly into the stakeholder interest and organisation (Bratton & Gold 2001).

2. 2 Banksia's Case Study

2. 2. 1 Situational factors & stakeholder interests

They include the following:

There was pressure to respond to changing government policies continuously

There was no constant organisation strategy put into practice

Senior management team were employed in key functional areas

There was no clear HRM philosophy nor HR practices on the ground

Management team did not understand the importance of HR

The chief executive officer (CEO) was hesitant to create a HR department

2. 2. 2 HR policies choice

Because of the above factors, there was no HR department in Banksia.

Hence, HR policies were either created out of reactive approach towards industrial relations disputes or adopted from other healthcare organisations.

The policies were also not reviewed to keep up with Banksia's expansion.

2. 2. 3 HR Outcome

Firstly, employees of Banksia were not committed to their job. Secondly, middle and first-line managers lack the competence and training to apply the HR policies. Thirdly, it seemed that Banksia had experienced quite a few industrial relations dispute due to perceived unfairness. Hence the HRM polices was not cost-effective. Lastly, since there was inconsistent organisational strategy and unclear HRM philosophy, there was no congruency between various HRM and operational practices.

2. 2. 4 Long-term consequences

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In the long run, at the organisation level, Banksia will not be able to operate effectively and efficiently. Long term of perceived unfairness may lead to more industrial disputes and high turnover rate which would be very costly for Banksia. At the individual well-being level, there was already perceived unfairness among employees. Such unfairness would only continue to build up if nothing is done.

2. 2. 5 Key Problem

In summary, the root problem is the absence of HR department which did not have the support and understanding from CEO and senior management. The CEO was hesitant to create a formal HR department. In addition, the senior management did not recognise the importance of HRM functions for Banksia.

2. 2. 6 Secondary Problems

The inadequate HRM system resulted in ad hoc policies. There was also nobody to evaluate the HR policies when Banksia expanded and adapted to changing government policies. Thus, the HR strategies were not aligned with Banksia's objectives. Hence, many first-line and middle managers were confused about the organisational strategy and HR practices. Even the senior HR team has little agreement on the HR policies that were created.

Without a structured HRM system, communications of the HR policies were poor. There was insufficient HR training provided for the managers. In addition, the managers are of different skill levels. Hence, there were inconsistent HR messages. Thus, the HR practices were interpreted and applied without any consistency.

As HR policies were communicated, interpreted and applied differently, it resulted in unfair distribution and lack of transparency. Many middle and first-line managers suggested that the perceived unfairness was the main cause of industrial relations dispute. The employees had also lost trust in the management and were unwilling to commit to their jobs.

3. 0 Implementation

3. 1 Short term

3. 1. 1 Review vision and mission

Banksia should review and decide on their mission and vision. Although they had a documented vision and mission, it was not followed. Vision and mission are not only statements. They underpin the planning process and can greatly facilitate the process of reaching agreement on organisational, goals and policies (Booyens 2008). The success of organisation depends of these issues. Figure 2 illustrates how mission and vision affects the operation of healthcare service. Only with a consistent organisational strategy, then the HR strategies can be align to Banksia's business objectives and achieve congruency.

There are a few steps to writing vision and mission statements. Firstly, Banksia has to gain support and commitment from its senior management as there are usually scepticisms when writing such statements (Dowling 2001). Hence, it is vital for support and commitment to be established.

Secondly, it is the development of the statements. The senior management or the CEO can write a draft and circulate around for comments and

additional input. The employees can also be involved to increase their participation and sense of identity (Dowling 2001).

Lastly, it is the communication of the new vision and mission.

Communication can be subtle or dramatic or in both manners (Dowling 2001). For instance, the statements can be made visible such as placing on promotional materials and internal memos.

Possible vision statement could be to become the leading healthcare organisation in Australia. The mission statement could be to offer comprehensive medical treatments in a compassionate and respectful manner with a commitment to provide excellent care and consistent services.

Those statements are applicable to all organisational functions and are powerful in creating the basis of assumptions and values for the employees. However, the statements must be consistent and integrated into organisation norms to shape desired behaviours (Keyton 2005).

3. 1. 2 Engage external HR consultants

The senior HR team has little HR knowledge. Thus it is strongly recommended for Banksia to hire external consultants to evaluate HR policies and facilitate possible change. The specialists will give their views objectively and articulate the options available.

Before Banksia involves external consultants, there are a few things they need to take note (Dalhouse University 2010). Firstly, they have to identify their needs. In this case, it could be to diagnose the problems and ease the

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situation. Secondly, while sourcing for consultants, it is necessary to find out if they have the expertise and experience and if their philosophy is similar to Banksia's desired culture. Thirdly, it is to decide on a suitable time frame and fees. Lastly, it is to evaluate the effectiveness of the event and decide on the follow up measures to ensure that the changes are reinforced.

The biggest limitation is that external consultants unfamiliar with the culture, formal or informal power systems and communication networks (Cummings & Worley 2008). Hence, they may face great challenge when collecting information. Nevertheless, the senior management can be teamed up with the specialists to facilitate the process. Furthermore, the management will be able to learn from them.

3. 2 Long Term

3. 2. 1 Set up a HR department

The key problem in Banksia lies in the absence of HR department. With a HR department, there will be people taking complete responsibility for HR. Most importantly, this department will help Banksia to align HRM strategies with organisational objectives and better performance. Figure 3 illustrates how HR practices can affect organisational performance.

However, to ensure that the department will work effectively and efficiently, the candidates must possess the necessary skills and qualifications and well-defined responsibilities. Hence, Banksia can use job analysis - a systematic procedure for studying jobs to determine their various elements and requirements (Pride et al. 2009). The job analysis for a particular position

typically consists of two parts – job description and job specification. The position of a HR manager will be used as an example for discussion.

The first step of job analysis is planning where objectives of job analysis are identified. In Banksia's case, the objective could be to identify the qualifications, skills and experiences needed for HR manager Other objectives may include outlining the roles, duties and job worth of the job.

Secondly, it is to prepare for and introduce job analysis. In this step, methodology for job analysis is identified. Common methods of job analysis include questionnaire, observation and interview (Dessler 2002). Each method has its characteristics, strengths and weaknesses. Hence, it is recommended to use more than one method and choose those that are suitable for Banksia in order to get accurate information. Banksia can use a checklist to ensure that the questions cover major areas of the job (Business & Legal Reports, Inc. 2003) At this stage, it is also important to identify the persons involved and communicate with them about the purpose(s) (Jackson & Mathis 2007). For instance, Banksia may perform job analysis on the senior HR team. Communication with the team will prevent unnecessary misunderstanding.

Next, it is conducting the job analysis which includes gathering, reviewing and compiling the job analysis data. As the HR team had little HR knowledge, information collected from them may be inaccurate. Hence, the analyst suggests for Banksia to collect some information from similar health care organisations which have an established HR department.

The next step is developing job descriptions and job specification. It includes drafting of job description and specifications, reviewing the products and finalising them. Job description is a written statement that describes the responsibilities and activities of the job as well as its important feature such as working conditions and safety hazard (Dessler 2002). Job specification is about the personal qualities, skills and background needed for getting the job done. It may be in the same document as job description (Dessler 2002).

Lastly, job description and specification need to be maintained and updated as it ensures that the employee is performing the tasks which are vital for organisational success (Jackson & Mathis 2007). It is usually done when the duties in the document do not reflect the job or during annual performance review process (Marquette University 2010).

The job analysis then can be repeated for other HR personnel such as recruiting executive, training and development executive and payroll officer. After the job analysis, from the job description and specification, Banksia could decide if there were any suitable candidates from their management team or other employees. If there are appropriate incumbents, they can be sent for training and take up roles in the HR department. However, if there is none, Banksia has to prepare for recruitment, selection and orientation programmes for the new employees.

Follow-up

To ensure that the HR department are working both effectively and efficiently, it is necessary to monitor and measure the progress. Banksia may use HR Balanced Scorecard – a measurement tool and a process to measure

the performance of HR department and its people from different perspectives namely, finance, customers, internal process and learning and growth (Ulrich et al. 2001). However, the goals targeted should be specific, measurable, attainable, and realistic and timely (Bellingham & Campanello 2004).

Conclusion

With reference to the Harvard model, the key problem is Banksia is the lack of HR department which caused other secondary problems such as inconsistency interpretation and application of ad hoc HR policies to occur. The long term strategy of setting up the HR department signifies that there will be people taking up responsibilities of HR functions. However, for such strategy to succeed, the CEO and management must be able to understand the importance HR and give them their support and commitment. In implementing the strategies, cost such as money, time and manpower will be incurred. However, the benefits will outweigh the cost in the long run and once the HR department is operational, the secondary problems will be gradually resolved.