

# [Human resources in african business ventures](https://assignbuster.com/human-resources-in-african-business-ventures/)

SOCOMETAL is a Joint venture French company based at Senegal, Africa. The company is 52% owned by the French parent company and 48% by Senegalese. The company has been functioning for the past 20 years from a downsize of 150-800 employees with returns of 400 million African Francs or $144 million. The raise and function of the company had made this firm a model in the continent by the Africanization of the management.

There has been a cultural assumption by the French and Italian expatriates that the locals would not do over time or speed up their performance, but had a strong feeling that they the Africans were not lazy and they could work to live but once they have enough they refuse to work . It does not make any sense for them to work harder or longer for extra pay, this assumption had been built up by the management from their experience they had tried two years earlier by threatening the workers that they will be fired if they miss the target or slow the work by one day per month and by enticing them that they could get a bonus if they reach the targeted production, all these were said to get them to do the work required by the company. But all these offers had no effect, as it had no motivation or standing which needed a strong leader and a model worker.

Under These circumstances the management had planned to increase the production by 30% everyday which has been endorsed to Diop, a Senegalese Engineer working as an assistant manager who had his education at one of the elite engineering from Grandes Ecoles in Lyon, France, with this he in term mobilizes all the workers through N’Diaye, who was a tribal chief’s son having the qualities of a leader, he neither had any links with the union nor was an official representative of any group in the company. He was a model factory worker to whom other workers looked upon in times of personal and professional difficulties. Diop was to report directly to Mr. Oliver Bernard, the production manager who had a tendency of being arrogant, uncommunicative and negative

## Mr. OLIVER BERNARD’S CULTURAL ASSUMPTION:

Mr. Bernard’ had indeed agreed to a contract which required a volume of production in a short time which was also never achieved before by the company but the cultural assumption was that it would be impossible for the workers to meet the deadline and targeted production which had never been achieved before in spite of doing quick calculation, organize the work using flow charts which was precise, which had been assumed on the basis of the previous experience had by the company . The personal traits of Mr . Bernard who had never claimed up the hierarchy of the company was his arrogant, uncommunicative and negative tendency, though he had been graduated in Ecole Centrale in Paris which is considered one of the prestigious engineering schools in France where his family also lived at one of the best place in Marseille, and it had been the practice of Mr. Bernard to assign Diop the various flow charts precisely along with the date and period of work to be completed and return to France for a period of time.

## N’DIAYE AND DIOP’S BASIC ASSUMPTION:

When the contract with the workers was to be agreed the production was at 12000 units a day and the achieving target was 20000 units, whereas the basic assumptions taken by Diop and N’Diaye was to take their workers into confidence to achieve the targeted production according to the liability of their work pace by working extra two hours daily for the 30% increase in the production, this risk had been taken by Diop after a thorough assessment by taking the opinion of some of the influential people in the different departments of the company to get their views which was quiet different and in agreeable as to why the workers would not do the over time but agreed in taking the risk as it was worth trying, which showed a raise of 30% to 43% more than the day before production for the next 2 months, this production had never been achieved or experienced in the history of the company. The workers found the agreement an excellent initiative with a chance to make a bit more money and also to show their management that they were more than capable in doing the job satisfied with their pay raise and finally involved in their work that it was a veritable miracle to the expatriates as to what they thought.

## MY OPINION:

If I had been the boss of Mr. Bernard i. e. the Managing Director of the company I would have taken the view of the present scenario of the company and sided with Diop who is the local man and also knew who is the best to put forward in the company to have the work done in the stipulated time frame and that no damage is done to the company’s future and financial background, he had used the service of N’Diaye in such a way that nothing affects the company. N’Diaye being the son of a tribal chief, to whom the workers belonged, had no personal interest in the union band of the company nor was an official representative of any group in the factory. Since he was the son of the chief, most of the workers had good respect for him. This made the task easier for Diop, as N’Diaye was a model worker of the company, he made other worries and tasks of his co-workers easier, making himself approachable at times of personal or professional difficulties, he was also a role model in the company which mean he could not go against the company but side the company in times of difficulties as it was his trait in belonging to the ruling family of their tribe which adhered him in not going astray which could make him a bad example before his people.

Here Diop had foreseen the quality of leadership in N’Diaye and had used it accordingly in such a manner that a production manager should have done in reading the mindset of the workers and eloping them into doing the best that can be done by activating their interest. As the Managing Director I would have used Mr. Bernard’s ability in organizing the production in various flowcharts, maintaining the desk work and appointing him as the reporting authority of the company.

And as for Diop, I would have assigned him in dealing with various proposals in managing the workers, evaluating their ability in maintaining and increasing the level of production of the company and also use him in the other departments of interest according to his ability.

## REWARD SYSTEM:

Procedure, Rules, and Standards Associated with alloegation of benefits and compensation to employees.

## FLEXIBLE REWARD SYSTEM:

Remuneration method in which employees can tailor the combination of salary and benefits (such as travelling allowance, paid vocation) to suit individual needs.

## DESINING A REWARD SYSTEM:

Identify the company goals that a reward program will support.

Identify the desired employee performance that will support the company’s goal.

Determine the key performance or behaviour based on previous achievement.

Determination of appropriate rewards for individuals and teams or groups.

Communication of the programs to the employees.

(Journal – Academy of management executive 2005, vol 19, No. 4, “ Management Corporate culture through reward system” – Jeffrey & John W. Slocum, Jr.)

With the market economy getting stronger the job on hand is a tight schedule wanting more of the work to be done accordingly and more competitively, for executive struggling to manage the organizational change, the corporate culture has become an important tool. Many managers have found that culture cannot be manipulated directly. Culture has proved to be a subtle, intangible phenomenon – pervasive but difficult to manage. A corporate culture determines and reflects the values, beliefs and attitudes of its members. These values and beliefs foster norms that influence employees’ behaviour. In a reward system it represents a particular powerful means for influencing an organizational culture. Such culture is concerned with controlling the behaviours and attitudes of organization members and the reward system is a primary method of achieving control. It defines the relationship between the organization and the individual member by specifying the terms of exchange: It specifies the contributions expected from members and expresses values and norms to which those in the organization must conform, as well as the responsible individuals can expect to receive as a result of their performance. It specifies who gets rewarded and why. It is concerned with two major issues: performance and rewards.

Performance includes defining and evaluating performance and providing employees with feedback. Rewards include bonus, salary increases, promotions and stock awards.

## TWO KINDS OF REWARD SYSTEM:

The hierarchy-based system and the performance-based system. In the hierarchy, superior defined and evaluated the performance of subordinates where performance was defined qualitatively and quantitatively, and could vary according to who one was working for. The performance based system objectively defined and measured performance and explicitly linked rewards to performance – which was almost completely defined quantitatively.

Therefore, it has become a compelling task for the companies to give incentives to individual to make them get more orders for the company, this really benefits the company and the employees as well , but in some case the company looks to have more from their employee in terms of quality work , while the employees look to have or get more from the company, in terms of monetary benefits, while the firms want more quality work, more of the business corporate like to improve the quality while reducing the cost, on the 1st basis. One should first identify the goals of the company, (w)here the goal of the company is increase in production now this goal should be in such a manner such that the management makes it communicable to the concern in such a way that they first understand the goal of the company and see the feasibility of the work to be done in the time frame without compromising on the quality and the work already in force by the company, now when this is not feasible in the limited time frame the management can than go for a reward program which within it should support the reward program , reward is nothing than a bonuses for the extra work to be done by the employee which than should be acceptable by the workers, Because the reward programme should be beneficial to the worker which in turn should not cut into the profits or damage the financial side of the company, at the same time the worker should be motivated by the management to have the work done in the stipulated time frame.

## To accomplish this, the below facts can be considered:

The company should first know the desire of the employee performance and behaviour that will help in building the company’s goals, so if the employee is not desirous in performing the goals of the company then it is not advisable for the company to go ahead with the project, therefore studying the behaviour of an employee is much important.

Here the company should actually see that the employee’s performance has really improved so that the rewarding does not go in vain, if the employee is not in support of the work or program then it is a mere waste of time and energy.

## So before rewarding, measuring of the quality of work done is required;

E. g.: reduction in defects, better performance in maintenance, delivery and happy customer.

## Rewards Systems can be divided into:

1. Attendance 2. Individual performance 3. Group performance

4. Outstanding achievement 5. Group cooperation. 6. Communication

## ATTENDANCE:

Attendance is the logging in of the employee in time for the work and maintain a regularity by the employee to start the work on time so there is no break in the work hours that the company had decided in having the work done, there is also a uniformity in the work force, where it could be easy to measure the quality and quantity of work that can be achieved in the timeframe.

## INDIVIDUAL PERFORMANCE:

This is measured by the quantity of work done. An individual could be rewarded for their accomplishment for generating additional business or higher profits. The quantity of work done in the quality of time is the most important aspect for the accomplishment of an individual performance. The performance includes the work output in less time than required with cost effective ways.

## GROUP PERFORMANCE:

As more business organizations, use team structures to reach the goals, many enterpreneurs look for ways to reward cooperation between department and individuals. Bonuses, profit sharing can be used to reward group and team accomplishments. Group based reward systems are based on a measurement of team performance with individual rewards received on the basis of this performance.

## COMMUNICATION:

A thorough communication is a must in spelling out a reward program, where the specific needs of each individual employee is spelled out clearly so that the individual understands as to what is been asked of him in terms of performance, it also depends on the ability of the employee to understand what is dictated to him/her when they are motivated. When this is achieved through the force of communicating the idea in getting work done in the stipulate time so as to get the rewards and performance enhanced to achieve the goals of the company should be done by regular meeting, memo such that it promotes the program in achieving goals of the company and reward to the employee, by also keeping our contacts and communications simple and frequent to have the staff member reminded of the changes in the system/management.

## PAY SYSTEM:

Pay is the key factor which affects the relationship at work. The distribution and level of the pay can have a considerable effect on the morale and productivity of the workforce. It is the method of rewarding the workers for their contribution to the organization.

There are basic rate systems, where the worker receives a fixed rate with no additional payment where the pay does not vary in relation to achievement or performance,

And those where pay, or part pay does vary in relation to performance.

## INTERNATIONAL HRM:

International Human Resource Management is the process of allocating, procuring and utilizing human resources in a multinational organization.

Torrington (1994) concluded that international HRM is not simply human resource management on a grander scale. He considered that several familiar aspects of HRM, such as recruitment, selection and employee relations are actually outside the scope of international HRM because of the different (primarily national) legislative frameworks to which they must adhere. For example, he stated that:

“ Employees are selected in one country or another, and wherever the selection is undertaken there are a range of conventions and legal requirements that have to be met. The person appointed will usually have a contract of employment that will fit within the legal framework of one country but probably not another”

## A SIMILAR LABOUR PROBLEM SEEN IN AN INDIAN TEXTILE INDUSTRY:

The Indian textile industry is earning a name abroad: sweatshop. Non-governmental organisations are alleging unfair labour practices in apparel units in Tamil Nadu. Activists step up their campaign against low wages, excessive work and discriminatory schemes, the industry is weaving together a defence by planning road shows in leading cities in Western Europe.

A recent study by Tirupur People’s Forum (TPF), an NGO, found that textile units in Tamil Nadu, which employ about 3. 5 million workers, do not implement labour standards. The study states, “ Forced labour in the form of compulsory overtime, late night shifts, excessive working hours and inadequate pay for overtime are the key problems.”

The study is particularly critical of the Sumangali scheme under which textile units hire young rural women for a consolidated annual pay of Rs 10, 000. “ The scheme offers no statutory benefits in disguise of offering the young women workers a chance to earn money for their dowry,” says A. Aloysius, convener of TPF. Women account for 60 per cent of the total workforce in the sector and except in spinning – where male workers earn Rs 20 more a day – wages are the same for both male and female workers.

According to the study, female workers suffer from inadequate sleep, health disorders including menstrual problems, and malnutrition due to low-calorie food. The study also found that the women are frequently woken up in the wee hours to attend urgent work.

The industry, however, refutes these allegations. According to S. V. Arumugam, chairman of the Southern India Mills, the units follow the guidelines outlined by Justice E. Padmanabhan in a judgement given in 2000, on safety and security of women workers, besides providing them accommodation. “ The lifestyle and health condition of rural women improved after they were employed in textile mills,” says Arumugam

## CONCLUSION:

For Socometal, the key to retain a performing employee is by recognizing and compensating them appropriately. When employees perceive that the system provides fair compensation and rewards, their engagement and retention improves. Effective goal alignment and performance management establishes true pay for performance in the company by providing the foundation for closely linking rewards for an individual or a team, thereby allowing the management to hold on to high performing employees. When one employee has a system that works efficiently, and is considered an expert, others can be trained to follow those best practices and be successful.