

Maersk group (maersk) human resource development

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Introduction My 48 hour exam project is a case study of A. P. Moller - Maersk Group (Maersk); the objective of my assignment is to elaborate on Maersk's talent management challenge, focused on development. Furthermore I will describe the cosmos of Maersk learning and competence development and provide alternative angles of conducting in this cosmos, in accordance with my own perspective. My ontological standpoint for this exam is constructivism (Olsen & Pedersen, 2005). The reality perceived is therefore not objective but created, or constructed, by man's interpretation.

This does not signify that I will avoid handling theories that are ontological objectivistic in order to discuss and compliment the various learning and competence development challenges of Maersk; but rather discuss the objective views and theories, and its contrasts to my standpoint. Organizational Change at Maersk Maersk have developed from a very standardized, familyrun company with certain and specific ways of running things; to a worldwide organization that have had to change in order to keep up with the time and trends.

The major change in Maersk way of dealing with their learning and competence development occurred in 2008; Maersk had before 2008 a very objective approach to learning which were aimed towards trainees (Case, Page 7). In 2008 the People Strategy Sessions (PSS) is created and a shift towards a more individual development process has begun. PSS is developed to identify individuals, primarily in top management positions, that have a necessity for learning and competence development. These individuals is identified via Key Performance Indicator (KPIs) Learning and Competence development

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Holt Larsen defines competence as a result of a learning process (Holt Larsen, 2010). Competence development is therefore the learning process where the Maersk employees' know-how and skills are improved; where the employee becomes good at what is required, and not just really good, this is what Holt Larsen believes falls under qualifications (Holt Larsen, 2010). Competence development therefore results in the employee's knowledge, within a specific area of expertise, growing deeper and more elaborate.

This knowledge is then transferred into actions, the employees ability to use his or hers knowledge in concrete and unknown situations is therefore an indication on whether or not the employee is competent, hence; good at what is required. Holt Larsen elaborates on this by stating that an employee can be qualified to do his job, but if the attained knowledge cannot be transferred into action due to, for example; the companyculture, what the employees are allowed or what the employee's experience allow him to have the courage to do.

Then the employee can be defined as incompetent, since the assignment is not completed (Holt Larsen, 2010). Holt Larsen mentions three learning barriers (company culture, rules and confidence) that affect some employee's ability to complete their assignment in tasks where their competences fall short. When an employee began his or her career in Maersk, they would possess formal competencies (Ellstrom & Kock, 2008) in the form of, for example, a high school or a college degree (Case, page 8).

Maersk's old way of providing learning and competence development to their employees can through my perspective be seen as a very universal, or objective, way of providing competence development. The standardized <https://assignbuster.com/maersk-group-maersk-human-resource-development/>

development programs were, in Maersk's defence, designed for employees who did not possess competencies that exceeded the formal kind. The Maersk learning and competence development strategies that came after 2008 were also designed to include experienced individuals (Case, Page 7) who already possessed actual competencies.

An example, based on the theory, of an employees' actual competence development (Ellstrom & Kock, 2008) could be a result of; job rotation in the form of assignments in various different Maersk departments. Furthermore internal evaluations, on the job training; informal learning in work and mentoring by superiors (Ellstrom & Kock, 2008) would be advisable to Maersk. The latter mentioned experiences can be seen as a way of developing the Maersk employee's competences (Wahlgreen, 2002).

Which one of the latter mentioned experiences that works best, is according to my standpoing depending on the individual employee that it is applied on; this correlates with the Maersk initiative " talent intimacy", where the managers were encouraged to acquire the knowledge on how each of their individual employees learns best (Case, Page 10) In order to understand the terms learning and competence, one has to understand the similarities and contrasts between them. According to Hermann learning is a process were competencies is enabled. Learning is consequently he most important part of the competence development process (Hermann, 2003). In the case of talent intimacy Maersk is therefore able to archive competence development by the managers acting on behalf of Maersk, to learn about the individual employees; hence, the organization is learning. The latter correlates with Argyris & Scons theory of Organizational Learning (Argyris & Scons, 1996);

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the talent intimacy process encouraged the managers to act as agents (Argyris & Scons, 1996) which enabled Maersk to learn as an comprised entity, containing individuals.

This can be seen as a shift away from the more objective way of evaluating and developing the employees that Maersk made use of before 2008, and is very much aligned with my standpoint. The learning is therefore facilitated vertically by means of the subjective way that Maersk observes its employees. In contrast, Maersk has developed an increased focus on KPIs when evaluating their employees. This objective way may hinder learning and the division of knowledge to spread horizontally throughout the organization. The KPIs of Maersk is linked to a reward system; according to Elkj? (2005) it can “ hinder a productive organizational learning, if the behaviour in the organization influenced by defensivecommunicationforms” (Elkj? r, 2005, Page 41). The managers can perceive that they have something to lose by sharing knowledge horizontally in the organization, if sharing could have a negative consequence on their own KPIs, or a positive influence on the KPIs on they co-workers/” competitors”. Elkj? r elaborates “ win/loss behaviour draws attention away from finding and correcting errors. And instead moves the attention towards the individuals protection of themselves” (Elkj? r, 2005, Page 42).

This problem can be worsened or alleviated by group size (Laezear & Gibbs, 2009), individual performance evaluation will have a tendency to distort the incentives of the individuals and therefore create fewer incentives for the Maersk employees to cooperate with their co-workers (Laezear & Gibbs, 2009). Regrettably measuring group or business unit’s performance

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increases the risk and decreases the controllability of the measurement. This learning process at Maersk, it seems, is either facilitated or hindered by the New HR processes; depending whether the processes subjective or objective. On the basis of this it would therefore be advisable for Maersk to use other angles, dimensions and parameters when identifying, evaluating and categorizing their employees, with the purpose of learning and competence development. What should Maersk do with their high- and low performing employees? Concerning identifying, evaluating and categorizing; Since the development plans of the Maersk employees is based on evaluation and categorizing, it is relevant to look into various theory and ways of doing just that.

Employees are often divided into top performers and poor performers, or A- and B employees (Naqvi, 2009). In the Case of Maersk the employees are categorized as High Performers, Successful and Less Successful (Case, Page 6). According to Naqvi (2009) employees should not only be retained, but also nurtured for elevated responsibilities. Correspondingly, the mass of B employees should continuously be developed and trained for better performance, making optimal use of the employees' competencies (Naqvi, 2009).

The theory of Naqvi therefore corresponds with the process created by Maersk to analyse which leaders that underperform and therefore is in need of learning and competence development (Case, page 9 and 10). According to Stevens (2008) it is important to identify the skills that distinguish top- and poor performers from each other. By doing so it will become possible to; get an accurate job match with the right people getting the right jobs, to <https://assignbuster.com/maersk-group-maersk-human-resource-development/>

advance in succession planning, to provide a high level of job satisfaction and to accurately identify training- and competency development needs.

The objective perspective; where talent is objectified as a size that can be measured, grouped and categorized, is very similar to the concept, talent management as fit tool (Schuler and Jackson, 2008).. Through this perspective talent is reduced to pieces of a puzzle, where it is up to the management to select, measure and assemble all the pieces in a manner that conform with the business strategy; subjectivity is thus ignored. I will elaborate on this concept later on.

If the necessity to divide the employees of Maersk into groupings is inevitable due to; for example, the need to ease the top managements evaluations and discussions regarding the employees or to lower evaluation costs: A less simplified and general model could be utilized (appendix: 1) (Haskins and Shaffer, 2010). The 9 grid talent matrix is a more advanced, but still a straightforward way of evaluating an organizations talent pool. The horizontal axis considers the performance while the vertical axis considers the leadership potential. The 9 grid talent matrix is an excellent method of identifying development needs amongst the employees. In addition it promotes dialog amongst the management team and consequently provide an adequate assessment, compared to if it was one person who evaluated the employee, as well as calibrating the different manager's ratings and expectations. Both Maersk evaluation approach and the 9 grid talent matrix has the advantage that they are relatively easy to approach and rather inexpensive. The disadvantages of them is that they are very one-

dimensional, in the sense that it the person being evaluated is only being evaluated by his or her superiors.

A potential multidimensional evaluation approach at Maersk could be a 360 degree performance evaluation (Burton & Delong, 1998). In this approach the subject is being evaluated by both his superiors, co-workers, subordinates, costumers/suppliers and by himself. This evaluation system should consequently portray are more complex and adequate evaluation compared to the one-dimensioned evaluations. The 360 degree system essentially facilitates and creates individual development plans for the subject.

Another advantage to the 360 degree evaluation is that it uncovers good performers that may not do well in the act of promoting themselves. Furthermore it uncovers individuals that might be a little too good at promoting themselves. A general disadvantage with subjective evaluations, one-dimensional as well as multidimensional, is that they suffer from grade inflation (Laezear & Gibbs, 2009); this implies that people are reluctant to give low ratings; it is therefore hard to distinguish performance and to show the best and worst performers.

The disadvantage of the 360 degree evaluation is that it is time consuming and therefore the evaluations costs are higher, compared to the subjective ways of evaluating. This is arguable a fact that should be acceptable to Maersk to ignore, since the PSS evaluations only comprise of the top 120 positions in the company (Case) What seems obscure is that Maersk chooses to move away from the objective approach when it concerns competence development. But when choosing who to actually provide with learning and <https://assignbuster.com/maersk-group-maersk-human-resource-development/>

competence development they make use of something as objective as performance indicators.

As one Maersk employee puts it; “ Maersk Line is incredibly driven by objective settings and Key Performance Indicators (KPIs) and schemes that dictate behaviour” (Case, Page 7). Concerning the high performing employees at Maersk; Maersk emphasizes a great deal on performance when evaluating the individuals in the top positions of the company, but could other parameters be applied in conjunction with performance? And how should they act towards their high performing employees? It is an interesting actuality that almost all high-potential (HIPO) employees are high performers.

But only approximately 29% of high performers have the potential to succeed in higher senior positions (Corporate Leadership Council, 2005). In correlation 47% of high performers is not HIPO`s due to shortcomings in aspiration (Corporate Leadership Council, 2005). These low performers have the highest, 44%, probability of succeeding at the next level. In comparison high performers with shortcomings in engagement consist of 48% of the high performers who are not HIPO`s, and they do only have 13% probability of succeeding at the next level.

The high performers, who have shortcomings in ability, have a 0% probability of succeeding at the next level (Corporate Leadership Council, 2005). On the basis of this it would therefore be advisable for Maersk to explore the development opportunities and increase the ambition levels, amongst the high performers with short comings in aspiration. With the

remaining high performers it would be advisable for Maersk to keep them motivated in their current positions.

Concerning how Maersk should act regarding, improving the performance, through development, amongst the employees where it is needed; Under Allen (Case) the idea for a more individualized employee training, that is applied due to low performance has been a process used by Maersk since 2008. It is a commonly expressed proposal and notion, that all companies will be able to enhance their operational and fiscal performance by developing and incorporating HRM practices with the aim of an increased performance (Kaufman, 2010).

The Strategic HRM processes that are perceived as being able to increase the performance are described as high-performance work practices (HPWPS) (Kaufman, 2010). The HPWP entail various ways of increasing the employees performances as a result of providing better work conditions, by means of; introducing compensation incentives, by providing the employees with job training which will enable them in performing new assignment, do better in their existing assignments and give the employees a greater sense of belonging at Maersk, additionally a higher level of job flexibility, amongst other things, should help increase the employees satisfaction, motivation and decreasing the employee turnover, thus retaining them, these aspect would all lead to a higher performance and productivity. By attempting to differentiate between the different theoretical aspects and their link between the HRM processes and the organizational performance, they are separated into three perspectives (Kaufman, 2010).

Pfeffers Universalistic perspective has identified seven HRM practices that will succeed in increasing performance when implemented, in all situations, due to the fact that they are universal: employment security, selective hiring of new personnel, decentralized decision making and self-managed teams, pay-for-performance, extensive training, reduced status differentials and information sharing. The universalistic perspective can be perceived as a very objective view.

The truth discovered in the factors effects are therefore according to ontological objectivity (Christensen, 2002) seen as a final, universal, absolute and concluding truth and knowledge, which cannot be distorted by the individuals subjective way of considering the findings. Via the Configurational perspective (Kaufman, 2010) the combination of the various practices and the impact of these is lesser simplified than with the universalistic perspective and would therefore enable the possibility to better grasp the angle that is required in order to archive performance enhancement amongst the employees at Maersk.

The concept behind the configurational perspective is that some of the practices have a synergetic link with some of the other practices which will lead to an increased performance enhancement when combined. The practices will as a result perform better if they are equally aligned in a synergetic and parallel package, which will therefore fit horizontally. Correspondingly the practices will implement in a more optimal way if they complement and are aligned with Maersks business strategy in a vertical fit.

The concept of fit is therefore relevant from my standpoint, as opposed to the universalistic perspective; it is meaningful in the case of Maersk to <https://assignbuster.com/maersk-group-maersk-human-resource-development/>

mention the proposition of the Best Fit (BF) model (Kaufman, 2010). The concept of the BF model is that the optimal practices and practice combinations vary in accordance with the unique and concrete in the specific situation. The concept of BF correlates with Allen`s and Maersk HR idea of individualized employee training the concept of talent intimacy; and consequently correlates with my standpoint. Maersk Talent management - perceived as a fit tool

Maersk have through their newly developed People Strategy Session (PSS), attempted to create a process that ensures “ getting the right people in the right jobs at the right time” (Case, Page 5). The talent management (TM) in Maersk can therefore be perceived as a Fit tool. According to Schuler and Jackson (2008) one of the main ways that international companies can archive and maintain a global competitive advantage is by effectively meeting the challenges in global TM, in core warranting that they have the right people, with the right competencies and motivation at the right time and in the right position (Schuler and Jackson, 2008).

TM used as a fit tool can therefore help Maersk to archive; an optimal utilization of Maersks resources (their employees), a most advantageous productivity and a competitive advantage. According to Schuler and Jackson (2008) the concept of TM is about planning for, attaining, choosing, motivating, developing and maintaining the individuals with the right skill combinations and levels of motivation, both internally and externally, in coherence with the strategic course of the multinational organization in a vibrant and very competitive global environment(Schuler and Jackson, 2008).

TM is spoken of as a part of the fit that transients throughout the entire corporation. TM enables the possibility to secure that the right talents are placed at the right locations - and this placement of talents should be coherent with Maersks overall strategy. In correlation with the latter mentioned, Maersk should therefore be seen as a puzzle or a jigsaw, where the objective is to get all the different pieces to fit perfectly together.

In order to do so, Maersk should make use of HRM processes that can measure the talents competencies, output and abilities, and subsequently find out where they fit. In Maersk the individuals were reviewed and divided based on their performance (Case). When TM is used as a process that assures that the right employee is linked to the right job, TM can be seen as a fit-facilitator. The talent is simplified into performance and objectified as a component that has a certain and transparent internal, that can be measured and matched to a certain job description. This assumption is only possible if one has a perspective that assumes that competences are measurable and therefore transparent; in the case of Maersk they are measured by performance. Maersk does therefore not take the intangibles or latent (Bramming, 2001) competencies into account. The latent competencies, of the individual Maersk employees, are extremely harder, more time consuming and therefore more costly to plot out. To elaborate, the intangibles (Laezear & Gibbs, 2009) are much harder to quantify.

For example, the initial revenues and profit from a business unit may be high, but if the general customer satisfaction is low, it will damage the organization in the long run. A less objectivistic perspective could be that a perfect fit does not exist. No matter what position an employee is put in, he

will always have shortcomings and will probably also have skills that exceeds what is required of him. The situation that demands competences that the employee does not possess will therefore drive the Maersk employee to learn (Chambers et al. , 1998) and therefore develop his or hers competencies.

If a perfect fit is avoided Maersk would therefore facilitate the employees learning and developing in their positions, and at the same time the positions would develop with the employees; thus the Maersk as an organization will learn and develop. Conclusion The optimal way of Maersk to act concerning learning & competence development is to provide it in a manner and at a time that the management and the individual employee perceives it as needed; Either in order for the employee to expand its role or performance; within its position, or when the possibility to rise to the next level occurs.

It is not recommendable to provide competence development solely on the basis of unsatisfactory performance; the learning and development processes may be at a risk to be seen as a punishment, rather than a privilege and opportunity. Furthermore the increased focus on individuals KPIs will inevitably create internal competition, which will consequently hinder learning, throughout the organization.

Regarding identifying, evaluating and categorizing in order to decide which high ranking employees that is in need of employee training, a more complex and adequate evaluation system is recommendable. Furthermore it should not only be the bad performers that is selected for development, through the 360 degree evaluation and dialogue a development plan should be created amongst all participants The high performing employees that do <https://assignbuster.com/maersk-group-maersk-human-resource-development/>

not have the ability or engagement to be a high potential, should be acknowledged for being a high performer, and encouraged and motivated to stay in their role.

Concerning the high performers with lack in ambition, the development possibilities and professional reasons for lack of aspiration should be explored. Concerning increasing the performance though development amongst the employees were it is needed, it is advisable to continue to focus on the individuals reasons, the specific situation, what drives and motivates the employee to learn and develop, and if nothing of the latter is successful, consider if the individual is the right person for Maersk.

Regarding placing the right employees, in the right position at the right time; some competencies might be measurable, but some are definitely not. In order for Maersk to grow, positions should not be seen as fixed or static, of course an employee has to live up to certain qualifications in order to do the work demanded by the position. Beyond that, a slight mismatch between the employee and the position will probably lead to a growth and development of the position, as well as the employee; hence will Maersk learn and develop. ----- [1]. Original text " forhindre produktiv organisatorisk l? ring, hvis adf? rd i organisationen er pr? get af defensive kommunikationsformer" [2]. Original text " En " vinde/tabe-adf? rd" tr? kker opm? rksomheden v? k fra " at finde of rette fejl". Og flytter den i stedet hen pa individers beskyttelse af sig selv" [3]. A survey of more than 11, 000 employees at 59 global organizations