

# **PEOPLE AND ORGANISATIONS**

**Module Number: MBA7000**

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## **Question 1**

### **Introduction**

HRM can be defined as an effective process of managing people in an organization. The role of HRM is to bridge the gap between employee performance and the strategic objectives of an organization. This HRM has a specific purpose to deal with the issues like compensation, benefits, safety, wellness, training, and motivation of employees. Based on the case of Cariad, the Storey approach has been used to identify the application of hard or soft approaches.

### **Discussion on Storey approach to HRM in relation to Cariad**

According to the Storey approach of HRM, it can be defined that the Harvard model and Michigan model can be applied for the determination of soft and hard approach of Cariad. On the other hand, Cook *et al.* (2016) explain that the soft variants of HRM indicate the specific approaches which are aimed to bring commitment, quality, and flexibility to employees. Hard variants are those that specifically emphasize the strategies where human resources are deployed to achieve business goals just like any other resource.

Referring to the case of Cariad the quadrant of storey can be evaluated like belief and assumptions among the employees of the Cariad. Commons *et al.* (2018) suggest that employees should have a strong belief and good assumptions about the employer that the organizational process is effective to provide the best value for the employees. In contrary to this, the case scenario has very first indicated that the turnover rate of the organization is high and it is difficult for the organizational HR to motivate the younger staff to be a part of the organization. As some key reasons, it is identified that the low

salary, stressful working schedule, no financial or intangible benefits, and poor training are the reasons for which the workers face issues in providing care for elderly people and infirm ones. On the other hand, the younger people are not interested easily to work with them as the organization is not much capable to provide enough scope for the working members that they can learn.

According to the Harvard model of HRM specifically focused on the four HR policy areas such as human resource flows, reward system, employee influence, and work system. It is considered as a soft model of HRM with which the identification of Cariad's soft approaches can be evaluated. There are hardly any disadvantages as it is effective to deal with the behavior and performance of the organizational staff. As referred to the statement of Sifatu *et al.* (2020), employees have the minimum expectation from the organization to have a scope of appraisal and assessment. Alternatively, Cariad's employees are highly dissatisfied with the organizational wage structure, conditions of work, and insufficient training on the work process. The pay system as defined in the case scenario is that every worker has the scope to earn little more than the minimum wage per hour. It is showing that the organization here also fails to motivate the employees with the right wage. Employee influences as opined by Singh *et al.* (2019) are not completely effective until the authority takes the responsibility of workers in managing the work process. As seen in Cariad, the authority specifically the company director is not enough careful to provide support for essential organizational development or bring the plan to boost up the workforce. Working system that works design or alignment of people is another reason of the poor employee management. This organization cannot attract staff from the young workforce and the existing

workforce that they have is mostly above 50 years. Thus, it can be decided based on the above evidence that Cariad has not followed soft approaches to HR.

Using the Michigan model of HRM is defined as a hard model that provides clear coherence on the HR policies, external business strategy of the organization, and nature of the HR practices. László *et al.* (2018) identified that the advantage of this model is its strength to be connected with external business strategy. On the other hand, this model is limited in the identification of the stakeholder's interests or the situational factors. Following the case of Cariad, it can be identified that the company has no specific strategy through which they can develop the potential of their business. On the other hand, they are having also failed to control the human resource management practices at an exceptional level which can deliver them an exceptional organizational output. According to the hard factors of Michigan's model, this firm is being affected by the culture of work and economic forces that are being the major determinants for delivering low-level work practice from the end of this organization. They have been depriving their employees to develop a strong work culture with sufficient training and benefits. It is lowering the level of confidence among workers and they cannot take the stress of taking care of elderly people.

## **Conclusion**

The above discussion is defining the clear understanding of Cariad's employee management approach that is mainly associated with the hard HR elements. The external organizational rules are seemed to be not enough effective to deliver a sustainable workforce.

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## **Question 2:**

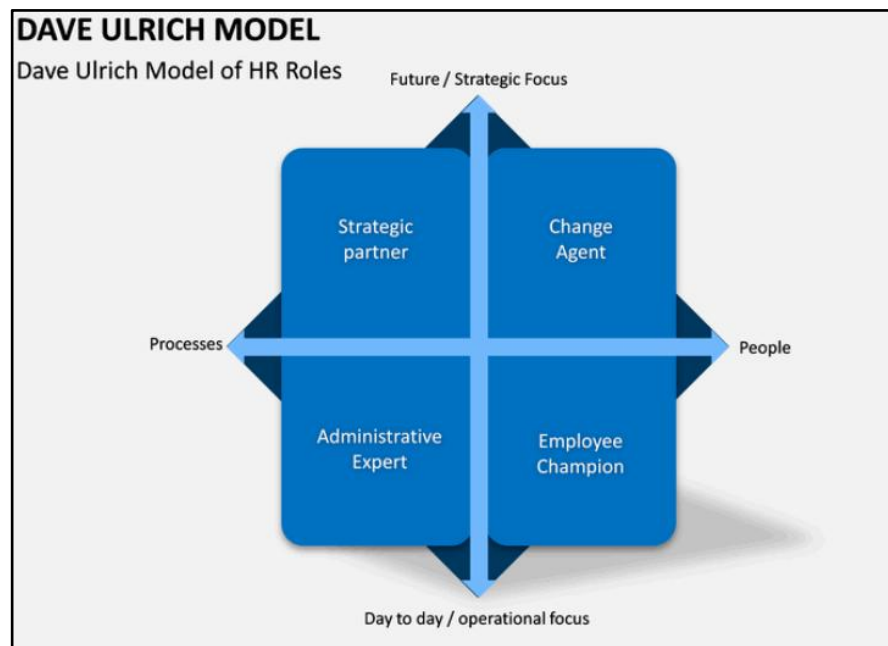
### **Introduction**

Effective HRM approaches are important for organizational survival in the extremely competitive modern market with the help of existing literature. From the perspective of an HR manager in the organization, namely the Cariad appropriate role of the HR manager and the adequate HR-related recommendations for the mentioned company is going to be illustrated in this study with the help of existing literature.

### **Explanation of the role of HR in SMEs like Cariad**

The role of HR in an organization includes driving cultural change, identification of industry-wide issues, facilitating the change process and leading to effective actions. HR plays an important role in ensuring the rapid growth of the SMEs because better management of the human resources makes it possible for SMEs like Cariad to gain its competitive edge over other care companies like Bupa and Allied Healthcare and SAGA. Arora and Hanumante (2017) have explained that the seven HR functions include performance management, selection and recruitment, management of HR information system using HR analytics, hiring, training and administering the level of benefits provided to the employees. Based on the hiring aspects, it is seen that mostly the mature elderly people are hired in the company because of the low graded payment feature the company has failed to attract the young caregivers. Based on Dave Ulrich's model of HR roles, it is seen that HR of the organizations mainly play four types of roles that include strategic partner, administrative expert, change agent and employee champion (Shakil *et al.*, 2019). The HR of Cariad needs to focus on change agent as

the company presently needs to put special emphasis on people and strategic focus for better HRM practices so that the employee retention rate can be enhanced.

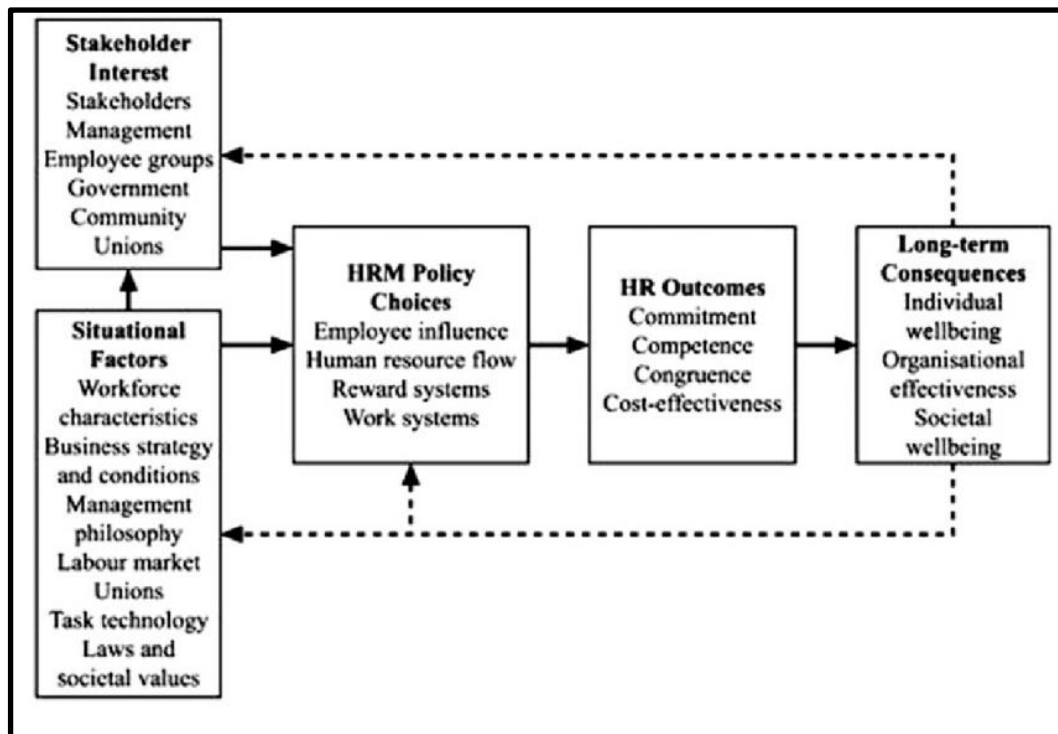


**Figure 1: Dave Ulrich Model of HR Roles**

(Source: Shakil *et al.*, 2019)

The HR in the company Cariad needs to play the role of providing adequate training and development aspects where the diversity management related norms are needed to be incorporated. The company is noticed to have suffered from the issue of racial discrimination and the work issue due to adequate working tools that can help reduces the working condition effectively. The HR department of Cariad needs to focus on employee wellbeing and employee engagement for better employee-manager and enhancement of retention rate. Laine *et al.* (2017) have explained that a high turnover rate in an organization defines the weak constitution of the organizational HRM. This is seen to be applicable for Cariad. The HR of cariad needs to rely on the humanistic HRM or the Harvard model of HRM. Černe *et al.* (2018) have explained that the Harvard

model of HRM is seen to be beneficial in maintaining their balance between stakeholder interest, choices of HRM policies, the overall situational factors, HR outcomes and long-term consequences. This can help the HR of Cariad to deal with differing stakeholder interests effectively while emphasizing the business environment effectively. Mayrhofer *et al.* (2019) have explained that the Harvard model of HRM is beneficial to adjust the HRM practices so that differing stakeholder interests can be considered effectively.



**Figure 2: Harvard Model of HRM**

(Source: Černe *et al.*, 2018)

The role of the HR of Cariad is to focus on Farnham (2010) bundles of HR practices and implementation to mitigate the HR related issues of this organization effectively. This can help the HR of the company to improve employee attitudes, behaviours, reduction of the level of absenteeism, better service to the customer and higher productivity. This

can eventually help the company to gain a competitive edge over the existing rival organizations in the market like Bupa.

### **HRM recommendations for Cariad**

From the perspective of the HRM manager of Cariad, it can be illustrated that this company needs a bundle of HR policies based on Farnham (2010) bundles of HR practices and procedures which are needed to be implemented in the organization aiming to reduce the identified HRM issues (Emeagwal and Ogbonmwan, 2018). Analysing the case of Cariad, it can be seen that this organization has several issues associated with HR policies such as no proper planning for training and development, no proper diversity policies, lack of adequate care-related equipment, the high employee turnover rate due to employee dissatisfaction with pay wages. Vasantham (2020) has explained that identification of the HR issues is important for making effective HR policies creation and implementation. Based on these identified HRM issues, the HR department of this company is needed to be focused on the following aspects:

#### **Applying the AMO model for hiring and recruiting:**

One of the most significant issues of lack of productivity is the recruitment of a relatively older workforce. This problem can be mitigated by the HRM practices after focusing on providing young employees *opportunity* based on their *ability and skills* after identifying that those employees *are motivated* to work (Beltrán-Martín and Bou-Llusar, 2018). The company is only focused on the older workforce to make the payment aspect less cost-effective. However, as this is impacting the overall productivity, the HR department needs to focus on this AMO aspect while hiring and training the new employees.

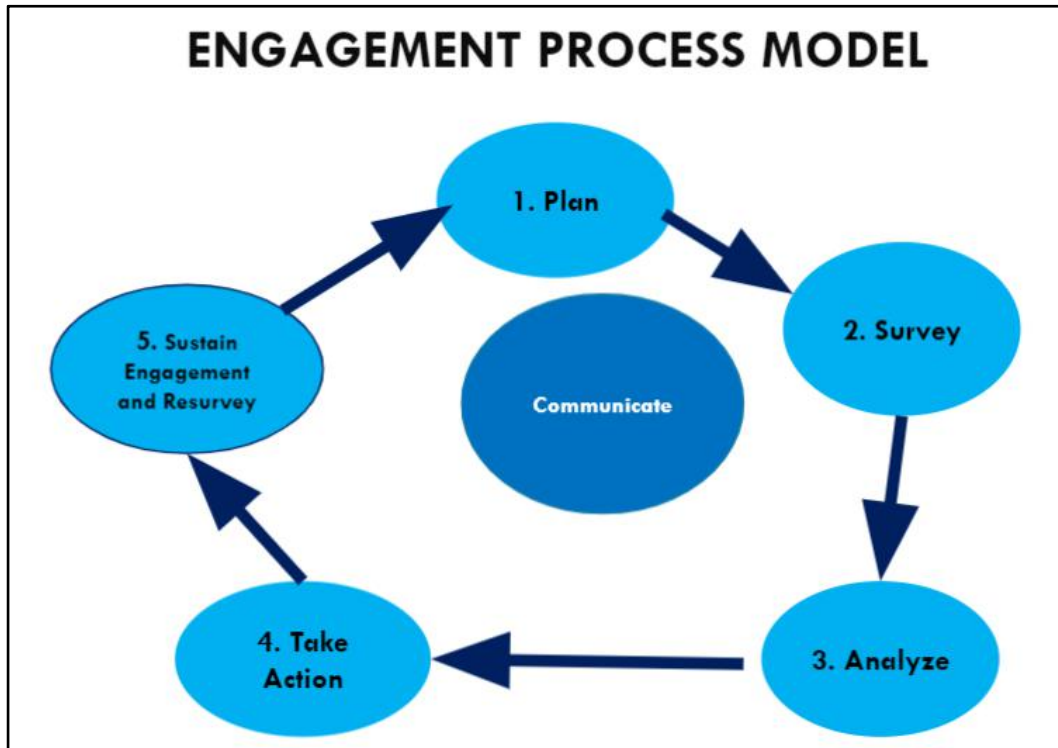
### **Focusing on pay and reward bundle:**

The employee pay objectives are mostly seen to be impacted by feelings of fairness, purchasing capacity, recognition and relativity. Based on the aspects of Cariad, it can be seen that a feeling of fairness is missing among the employees because of the minimum wages of their employees (Galetić, 2020). This issue can be easily mitigated by the reward management by creating a formal body for staff representation and providing better pay for those associated with being the patient; hoists are used to manoeuvre disabled clients in and out of bed. The payment facilities along with better recognition can help the employees to keep their working motivation intact and they can obtain recognition through staff representation where they can easily explain their issues so that those issues can be focused and mitigated effectively. The employees also needed to be provided with some non-pay benefit so that the employee retention rate of the employees can be enhanced such as health coverage and other facilities.

### **Investing in well-being and diversity management for employee engagement:**

The lack of employee engagement in the Cariad is prevalent and this can be seen through the practice of racial discrimination in the organization. This can be mitigated by the HR department of this company by focusing on the cultural change where the diversity management plan will be produced. This can help the employees to maintain the diversity rules and regulations associated with employee communication. This can reduce the issue of racial discrimination in the organization and this can help to enhance employee well-being at the same time. From the aspect of organizational benefit, this can save the company from the Employment Tribunal as this can leave a massive negative impact on the organizational brand equity (Osborne and Hammoud,

2017). The company needs to focus on the engagement process model and based on that the employee supervisors are needed to be selected so that the employees can obtain effective training. This can help the employees to understand what is being expected out of them. Periodic meeting with the employees can also be beneficial in this aspect.



**Figure 3: Employee Engagement Process Model**

(Source: Osborne and Hammoud, 2017)

**Development of employee training and 360-degree feedback:**

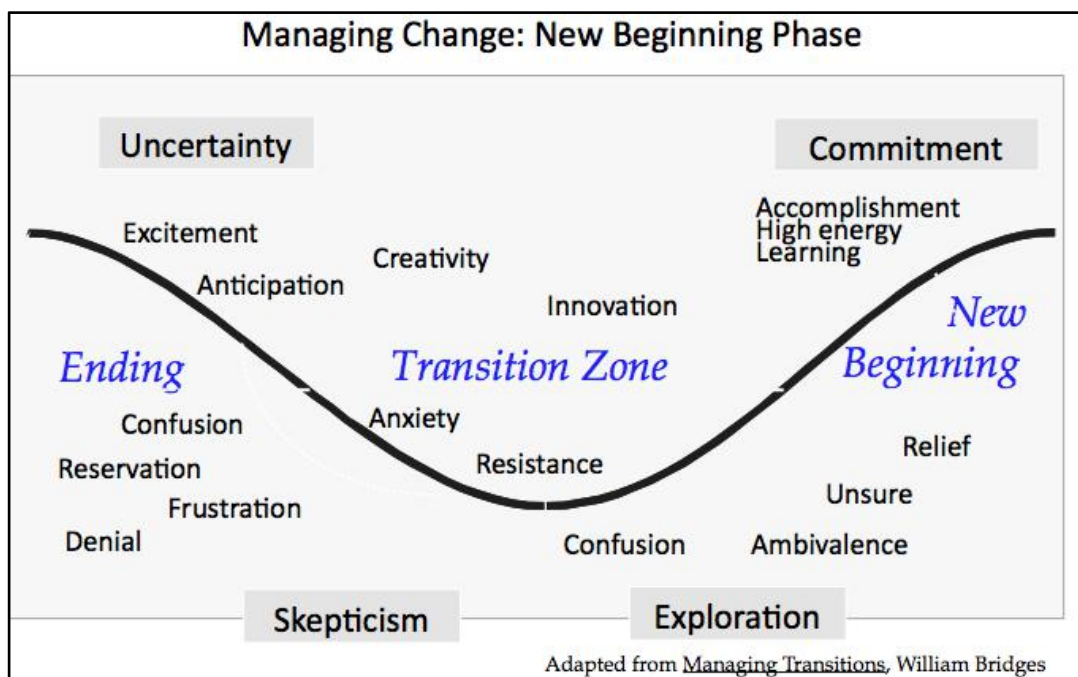
The organization needs to focus on the periodic arrangement of the training development apart from the government mentioned training and development classes. This is important to create the capacity of the employees to enhance the performance as per the existing competitors in the market. Apart from that, employee performance appraisal like 360-degree feedback and payment hike based on that can create

motivation among the employees for better performance (Baran and Sypniewska, 2020). Needless to mention, this can genuinely increase the employee's intention of making better performance apart from increasing the employee retention rate. These are important for the company to attract a young and able workforce to stay in the organization.

### **Impact of the HRM policies on employees of Cariad and their reaction**

This strategic implementation needs to create a sense of acceptance among the employees of the organization. As the bundle of HR practices and its application is a kind of change, the HR policies need to be implemented in the organization using Bridges' (1991) Transition Model. Fryer (2017) has explained that this HR model explains the employee policies on the reaction of the existing employees in an organization which are ending, losing and letting go. This model explains the difference between organizational transition and organizational change. It is seen that the planned recommendations and their application may lead the organization namely Cariad's employees to go through a transition. The change initiatives of the training and the hiring procedure changes can lead to a sense of denial, disorientation along with the sense of fear among the caregivers/. As most of the employees are old they might feel a sense of loss and uncertainty weight the training process and hiring process. The planned HR policies are targeted to follow the AMO model where able and enthusiastic employees are planned to be hired to mitigate the issue of the high turnover rate of this organization (Tran *et al.*, 2020). This policy is targeted mainly to hire younger employees with better skills and in that case, better cases are going to be provided. A

sense of uncertainty can emerge among the older employees because the training process may seem to be harder for them where 360 feedbacks can be worse for them. The diversity management plan is planned as part of employee well-being and employee engagement. The reduced racial discrimination can create the rules as well as regulations for the workers that can create an increased pressure on the workers to maintain the rules and regulations associated with the diversity management policies created for the organization (Hitch *et al.*, 2019). On the other hand, the formal staff representation aspect can make the sense of uncertainty among the mature workers as their aging issues is the main reason for their lack of productivity which may cause their stagnant payment as compared to the younger recruited staff who can get better payment based on 360-degree feedback and better representation in the staff representation body. Such emotions of the older workforce or the caregivers of the company can create issues for the company to implement to focus on the required transition.



#### **Figure 4: Bridges' transition model**

(Source: Hitch *et al.*, 2019)

Based on figure 4, it can be explained that at the ending stage of the old HRM practices, the mature and older staff may feel confusion, denial, frustration and this may cause them to reserve the older policies that have been practised in the organization. Initially, the transition stage would help make them realize that the training, staff representation, better pay and recruitment process can not only help the company to deal with high employee turnover rate but can also help the organization to deal with creativity and innovative aspects of the new HRM policies on their performance and better payment and recognition (Zardasht *et al.*, 2020). This can help them to deal with resistance in this transition which can help the company to move towards a new beginning where the employees would show enthusiasm in the aspect of learning in the training and development programs that are planned to be arranged by the organization. The application of this Briggs model is important to mitigate the issue of employee resistance to change which can further increase the issue of reduced organizational performance.

#### **Conclusion**

Based on the Dave Ulrich Model of HR Roles, the HR roles Cariatd as the change agent are explained in this study. Employee management and future focus are seen to be the most significant aspect for the organizational welfare. As part of ensuring effective HRM practice, the importance of the Harvard model of HRM practices is mentioned in this study. From the perspective HR manager, the company is recommended to focus on employee training, pay and reward management, AMO model for hiring and recruiting,

well-being and diversity management for mitigating the issues of high employee turnover rate, the lack of employee and racial discrimination like issues. Initially, Bridges' transition model is used to explain the impact of these policy changes on the existing mature employees of this organization.

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