Role of Human Resource in a Multi Divisional Organization

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Abstract – The strengthened management of human resources is now the very essence of a successful business story. Nowadays, business world is undergoing a substantial change: the employee turn-over rate becomes high, and both the organization structure and management pattern change as well. The traditional HRM style fails to catch up with such rapid changes: the traditional style mainly focuses on supportive personnel activities for a company, for example, collecting employee information, monitoring individual performance, and implementing organization policies. The competition among the companies is actually the competition of human resources, as the market reveals. A company, as a profit-pursuing organization, is always under the pressure of delivering new products to win market share. Without high quality human resources and its effective functioning, a company can hardly endure the profit pressure and pursue its long term business strategy. The past decades has witnessed the transition of employee becoming the most precious capital in the company and the ascent of Human Resource Management (HRM).

Keywords: Information, Technology, Accomplishing, Human Resource, Multi Divisional, Organization, etc.

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INTRODUCTION

The HR professionals participate in transformative activities to uphold the transformation, such as redesigning the work processes and HRM system, restructuring service delivery process, and managing cultural change [Andolsek, D 2005, Brewster, 2006]. To be competent for such challenging activities, they should improve management skills to promote the transformation by appropriate strategy, develop leadership to control it, and overcome any barriers to ensure right direction [Caldwell, 2003].

Only then transformative activities can bring positive effect and improve the performance of the organization. On the other hand, companies nowadays are thirsty for the IT to reduce cost, improve service, and achieve effectiveness [Farley Cheryl, 2005]. With appropriate information tools, managers, employees and customers can quickly response to market change, and control risk cost. To reveal the adding value of IT application in HRM, it is necessary to clarify how IT can advocate the HR function, for example, in strategic task or administrative task, and how IT can advocate its transformation [Florkowski, 2006]. It makes the traditional structure of HR function different that the line managers and employees involve in HR issue [Francis, 2006].

Many researchers have studied the changing of HR function. The most significant change is that the HR professionals now focus more on business strategic issue from a "human resource" aspect with the top managers rather than only dealing with personnel administration [Florkowski, 2006]. Meanwhile, part of the HR tasks, such as routine administration and individual performance management, are decentralized to line managers [Beatty, 2003]. Such extensive change in the HR function can hardly be described as simple as "change", but "transformation" instead. It involves reinvention, reposition, and reconstruction of the HR roles, task and responsibility [Beer, 1997, Bjorkman, 2006].

REVIEW OF LITERATURE:

HR professionals are still considered as the core of workforce management, especially towards the strategy aspect. Thus, Ulrich has defined the "four roles of HR professional model" in 1997, and later develops the model in 2005 to examine the changing of HR professionals [Klaila, 2000]. In the following paragraphs, the goal of understanding HR function is separated into these three levels: HR professional, line manager and employee, through Ulrich's model and theories from literature [Gardner, 2003, Gutierrez, 1995].

1- Office Strategy Management:

Our research into the best practices of successful BSC users has identified nine cross-functional processes that should be managed or integrated by an Office of Strategy Management. Three of these processes – scorecard management, organization alignment, and strategy reviews – are the natural turf of the OSM. The processes did not exist prior to the BSC so they can be introduced without infringing on other departments' work. Three other critical processes – strategic planning, communications and initiative management – are already being performed by existing organizational units. We believe that these processes should eventually be incorporated into a central organization with strategic focus. The three remaining processes – planning and budgeting, workforce alignment, and best practice sharing – are in the natural domain and responsibility of other functions. In these cases, the OSM plays a coordinating role, ensuring that the processes are tightly integrated with the enterprise strategy.

2- Emerging Office of Strategy Management:

Most companies initially view the Balanced Scorecard as a project, to be led by a multi-functional project team. At the end of creating scorecards for the company and various business units, the project team leader becomes the custodian of the scorecard, with a title such as Vice President, Balanced Scorecard or Director, Global Reporting [Appelbaum 2000]. This scorecard manager oversees the valid, timely reporting of scorecard measures and serves as the corporate consultant for questions about the scorecard. But for many companies, this is the end of their Balanced Scorecard project.

They have a new measurement system, but they have not changed any management processes to capitalize on it [Haines, 2008]. The successful companies, in contrast, transform key management processes to focus on strategy execution. They sustain the focus by elevating their Balanced Scorecard project team into a new corporate-level office, which we call the Office of Strategy Management (OSM). The emergence of this new office made us aware of a gap in most organizations' management structures.

3- Positioning the Office of Strategy Management:

Executing strategy requires ongoing organization changes that only the CEO can empower. The OSM, the organizational unit created to manage strategy execution will be most effective when it has direct access to that CEO.

Panels A and B of Figure 4 illustrate the two configurations generally found in successful OSM implementations. Panel A shows the OSM reporting directly to the CEO, in parallel with other important corporate functions such as finance, I/T, human resources and operations.

A less-desirable variant of this case, shown in Panel C, has the OSM two levels below the CEO and with no direct access. In this case, all OSM tasks and processes must be filtered through the CFO or COO before reaching the attention of the CEO. Panel D, where the OSM is three levels below the CEO is even less desirable and unsustainable. Such a configuration arises when the Balanced Scorecard is viewed solely as a performance measurement system that drives operational improvements but is not positioned as the core of a strategy management system.

Panel B shows a dotted line relationship to the CEO, with a solid line to another executive such as the CFO or COO. This configuration arises when the OSM is positioned within the strategic planning or finance department. At the Mexican insurance company, Group Nacional Provincial (GNP), the OSM reports both to the CEO and to the CFO. The OSM sets the agenda for a weekly meeting with the CEO and CFO, and for a broader weekly meeting of the top six company executives. The OSM at GNP has a matrixed relationship with 20 BSC managers in the two major business units and nine support units, and with the owners of the major strategic initiatives so that it can coordinate the strategic planning done in the nine business and support units.

Some managers resist having to align their previously autonomous activities to corporate priorities. Barbara Bossin, the Director of Strategic Alignment at St. Mary's Duluth Clinics, reported that she overcame resistance because managers knew that she had a direct reporting line to the company's chief operating and chief executive officers. An OSM buried deep in finance or planning department may find it difficult to command similar respect and attention from senior executives for strategy management priorities.

- **Initiative Management.** Two senior managers, three managers, and two analysts identify relevant strategic initiatives as part of an annual strategic planning process. They track the progress of initiatives and direct the progress of the OSM staffers who are involved in the initiatives of the brands or functional areas they support. The company's operational groups execute their own initiatives.

- **Strategic Planning.** One senior manager and three managers provide the framework for strategic discussion by doing scenario planning and Identifying core challenges – the company's term for the key strategic initiatives selected during the annual strategic planning process.

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- **Reviews.** Three senior managers and seven managers handle the agendas and minutes and coordinate briefing binders for meetings of the seven executive committees. The OSM head ensures that review meetings focus on performance gaps highlighted by the scorecard.

- **Organizational Alignment.** One manager coordinates with HR to advance the organization's alignment with the strategy, including linking the Performance Management System to corporate and functional-level BSCs.

CONCLUSION:

The human resource planning, recruitment, and in-office management (personnel information management, attendance and absence management, training management, performance management, welfare management, and relationship management), from entering till leaving the work position.

A number of activities, like the HRM system establishment, activity planning, management process monitoring, results compiling and analysis, still need the HR professionals to accomplish with HRIT.

Only some activities are authorized for line managers and employees to finish. Therefore, besides being responsible for the HRIT management, HR professionals pay more attention to HR function through the platform of HRIT, but not carry on the massive data maintenance, which function is gradually shared by line managers and employees. With the utilization of HR-IT, HR professionals become the core of the HR service net.

The HR professionals can be considered as both the service provider and service buyer according to different objectives of business.

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