

Lesson:-11

Tutorial

HUMAN RESOURCE MANAGEMENT

Case Study

What`s Next ?

As forward-looking CEOs restructure their organization with flatter hierarchies and empower employees to make decisions in a less encumbered organizational setting, new approaches to describing the work of the organization need to be developed. Traditionally, job descriptions have been functional and narrow, discretely detailing the scope and depth of a job and fitting the person to the job rather than the other way around. But the new environment of information-driven work and changing technology dictates that “decisions must be made at the drop of a fax.” To maintain productivity and flexibility, managers depend increasingly on utilizing the complex skills of the people they manage; they cannot afford to have them “boxed in” by narrow job descriptions.

One organization that is grappling with this situation is the Exploration Division of British Petroleum (BPX), with locations all over the globe. The third-largest oil company in the world, BPX was typical of large-scale organizations in that it had accumulated layers of bureaucracy. Career advancement was based on time-in-grade, and career success was equated with management titles. So, to advance to the top levels of the company technical people such as engineers had to move over into management.

Expectations of growth were built into the system. Senior management decided that a radical change was needed. What they envisioned was a strategic shift to a more dynamic system that would challenge employees to gain and apply new skills demanded by the changes to the business. But if they abandoned the old job descriptions, what would take their place? Without formal job descriptions, how would people know what their responsibilities were? The answer at BPX was to develop a new framework, a set of skill matrices. “Each skill matrix describes steps in the career ladder—from the lowest level to the highest—along the vertical axis, and describes the skills and competencies that are required for each step across the horizontal axis.” Two types of skill matrices were developed: One type guides the career development of people in management and the other type is for more technical people whose talents and expertise lie in individual contributions rather than management. This dual-track system was developed by a multidisciplinary team of BPX staff from its many locations around the world. They developed descriptions for skills and levels of performance for job families rather than specific jobs, and they made the paths common on a global level (for example, the career path for drilling managers would be the same in Aberdeen as in Alaska). While the management matrix is common across all job families, the individual contributor path is unique for each of the job families. Existing management tracks were rethought; both of the new track systems were developed after much thought was given to how it ought to be done. In addition, generic skills such as problem solving, analysis, decision-making, and communication were applied to all jobs. The matrices are so detailed that an

employee can identify what skills are needed to be successful in the future. Therefore employees can take responsibility for and plan their own career development.

The system has many advantages:

! It saves time because the people in the current role revise the job and develop themselves without waiting for the HR department.

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The dual career path system enables people to grow and advance in areas of their greatest strength, whether these are technical or business. That is, technical people can climb the career ladder without crossing over to a management track; continuing promotion and increasing rewards can be achieved on the technical track as well.

! Managers know what to expect of their employees and employees know what the company expects from them.

! Both employees and managers are challenged continually.

! Because the roles are not fixed or static, they are more adaptable to the unpredictabilities of today's business conditions.

A turbulent, rapidly changing, and highly competitive business environment will likely continue to be a fact of life in the twenty-first century. Thus organizations must adapt to new ways of doing HRM.

Traditional job descriptions are well suited to the pyramidal bureaucracy but ill-suited to the flexible, flat organizations needed now and in the future.