

# Human Resources Management

HRM 611

Workshop 3: Ch.2

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## Min Topics

- ☐ Introducing Strategic Management Process
- ☐ Importance of strategic Planning
- ☐ Types of Strategies (Corporate & Business- level strategies)
- ☐ HR Strategy tools (Strategy map, HR Scorecard, digital dashboard)
- ☐ Strategic HRM

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## Vision & Mission Example

Imagine you are the CEO of a leading company in each of the following industries:

- **Sustainable Food Production**
- **Space Exploration Technology**
- **Artificial Intelligence in Healthcare**

**For each industry, develop:**

- 1- Vision Statement**
- 2- Mission Statement**
- 3- Strategic objectives**

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## Vision & Mission Example

**Industry:** Renewable Energy

**Vision:** A world powered by clean and sustainable energy sources, accessible to all.

**Mission:** To become the leading provider of innovative solar energy solutions, making clean energy affordable and reliable for homes and businesses globally.

## Vision & Mission Example

### Industry 1: Space Exploration Technology

**Vision:** A future where humanity has expanded its reach beyond Earth, fostering scientific discovery, collaboration, and a deeper understanding of our place in the universe.

**Mission:** To develop and provide reliable, cost-effective space exploration technologies that enable exploration of the solar system, promote international collaboration, and inspire the next generation of space scientists and engineers.

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## Vision &amp; Mission Example

**Industry 2: Artificial Intelligence in Healthcare**

**Vision:** A world where artificial intelligence empowers healthcare professionals to deliver personalized, preventative, and accessible healthcare for all.

**Mission:** To develop and implement cutting-edge AI solutions for healthcare, improving diagnostic accuracy, streamlining processes, and enabling early disease detection for improved patient outcomes and a healthier global population.

## Vision & Mission Example

### Industry 3: Sustainable Food Production

**Vision:** A world where healthy and nutritious food is produced sustainably, accessible to all communities, and respectful of the environment.

**Mission:** To become a leader in innovative agricultural practices that minimize environmental impact, promote biodiversity, and ensure equitable access to affordable, locally-sourced food for a growing global population.

# SWOT Analysis: Sustainable Food Production Industry

| INTERNAL FACTORS                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STRENGTHS +                                                                                                                                                                                                                                                                                                                                                                                                                                | WEAKNESSES –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>• <b>Growing Demand:</b> Rising global population and increasing awareness of health and environmental issues are driving demand for sustainable food production methods.</li> <li>• <b>Innovation Potential:</b> Advancements in technologies like precision agriculture, vertical farming, and alternative proteins offer significant opportunities for efficiency and sustainability.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Higher Costs:</b> Sustainable practices often require more labor, investment in technology, and certification processes, which can increase production costs.</li> <li>• <b>Limited Infrastructure:</b> The infrastructure supporting sustainable practices, such as organic waste composting facilities, may not be well-developed in all regions.</li> <li>• <b>Weather Dependence:</b> Organic farming and other sustainable practices can be more vulnerable to extreme weather events compared to conventional methods.</li> <li>• <b>Consumer Knowledge Gap:</b> Not all consumers fully understand the benefits of sustainable food or are willing to pay the price premium.</li> </ul> |

# SWOT Analysis: Sustainable Food Production Industry

| EXTERNAL FACTORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OPPORTUNITIES +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | THREATS –                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"><li>• <b>Government Support:</b> Many governments are offering subsidies and incentives to encourage the adoption of sustainable farming practices.</li><li>• <b>Collaboration and Partnerships:</b> Collaboration between farmers, retailers, and distributors can improve efficiency, access to markets, and consumer education.</li><li>• <b>E-commerce Platforms:</b> Online platforms can connect sustainable food producers directly with consumers, especially in urban areas.</li><li>• <b>Sustainability Certifications:</b> Strong sustainability certifications can differentiate products and build consumer trust.</li><li>• <b>Consumer Preferences:</b> Consumers are increasingly willing to pay a premium for food products grown sustainably and ethically.</li></ul> | <ul style="list-style-type: none"><li>• <b>Competition from Conventional Agriculture:</b> Conventional agriculture remains dominant due to lower costs and established supply chains.</li><li>• <b>Climate Change:</b> Rising temperatures, water scarcity, and extreme weather events can disrupt food production and threaten food security.</li><li>• <b>Economic Downturn:</b> Economic downturns can lead consumers to prioritize affordability over sustainability.</li></ul> |

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## **Sustainable Food Production Industry Objectives**

Reduce pesticide use by 20% by 2025.

Increase the use of organic farming practices by 30% by 2030.

Reduce food waste by 15% by 2025.

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**02****Space Exploration Technology Industry: Sample Objectives**

Develop a new reusable spacecraft by 2030.

Send a manned mission to Mars by 2040.

Establish a viable commercial space station by 2050.

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**02****Artificial Intelligence in Healthcare Industry:  
Sample Objectives**

Develop an AI system to diagnose cancer with 95% accuracy by 2025.

Create an AI system to analyze medical images and improve diagnostic accuracy by 10% by 2030.

Develop an AI system to provide personalized healthcare plans for patients by 2025.

**Please note that these are just examples, and the specific goals that a company sets will depend on its own unique circumstances and priorities.**

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## Nokia's Strategic Crossroads: Turnaround

### Introduction:

Nokia is a leading company in the mobile phone and telecommunications industry. In the late 1990s major challenges and new business opportunities were identified mainly related to the emerging attention for mobile phones and the network industry, additionally, Finland's economic transition from a regulated to a deregulated environment added another layer of complexity. Nokia needed to adapt to this new economic reality.

This case study explores Nokia's strategic crossroads, the challenges they faced internally, and their innovative HR practices. We'll analyze how these factors influenced their strategic choices and future success.

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## Nokia's Strategic Crossroads: Turnaround

### Challenges:

**Shifting Market Landscape:** The rise of mobile phones presented a compelling opportunity. This new technology had the potential to disrupt numerous industries, including communication and information sharing – areas with a significant connection to Nokia's core paper business. Nokia needed to decide whether to adapt and embrace this new technology or focus solely on their established markets.

- **Internal Turmoil:** Beyond the external market shift, Nokia is grappled with internal challenges that could hinder adaptation
- **Bureaucracy:** Rigid structures and slow decision-making could impede the agility needed to embrace new technologies.
- **Skill Gap:** The existing workforce doesn't possess the skillset required for success in the mobile phone market.
- **Resistance to Change:** Employees accustomed to traditional business models might resist the changes necessary for a strategic shift.

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## Nokia HR Practices

Nokia was known for its progressive HR practices, which some believe contributed to their initial success in mobile phones. These practices might have included:

**Selective Recruitment:** Targeting candidates with skills and qualifications relevant to the mobile phone market.

**Employee Development:** Investing in training and development programs to equip employees with the necessary skills for the new focus.

**Employee Involvement:** Encouraging employee participation in decision-making processes to foster innovation and a sense of ownership.

However, Nokia also faced criticism for massive downsizing implemented during periods of restructuring. These layoffs, while aimed at maintaining efficiency, could have had negative consequences.

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## Nokia's Strategic Transformation

### Questions:

1. What are the potential benefits and drawbacks of downsizing as a strategic tool?
2. How can massive downsizing affect employees' perception of HR practices?
3. How can HRM contribute to firm performance and general employee well-being in times of organizational

## Nokia's Strategic Transformation

### Questions1-

#### Benefits of Downsizing:

**Cost Reduction:** Downsizing can lead to immediate cost savings through reduced payroll and other employee-related expenses. This can be crucial for companies facing financial difficulties or needing to streamline operations.

**Increased Efficiency:** By eliminating redundant positions, downsizing can potentially improve operational efficiency. A leaner workforce may be more agile and adaptable, especially during times of change.

**Focus on Core Business:** Downsizing can allow companies to reallocate resources towards their core business activities. This can be beneficial if the company has diversified too much or needs to invest in new technologies or markets.

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## Nokia's Strategic Transformation

Questions1**Drawbacks of Downsizing:**

**Decreased Morale:** Layoffs can create a sense of insecurity and fear among remaining employees, leading to decreased morale and productivity.

**Loss of Knowledge and Experience:** Downsizing can lead to the loss of valuable knowledge and experience within the company. This can hinder innovation and make it difficult to maintain quality standards.

**Damage to Employer Brand:** Extensive layoffs can damage a company's reputation as an attractive employer, making it more difficult to recruit and retain top talent in the future.

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## Nokia's Strategic Transformation

**Q2- Massive Downsizing and Employee Perception of HR:**

**Broken Trust:** When layoffs are handled poorly, employees may feel betrayed by HR, questioning their commitment to employee well-being and job security.

**Inconsistency with HR Practices:** If downsizing contradicts HR practices like employee development or promoting a positive work-life balance, employees may perceive HR as disingenuous or manipulative.

**Increased Cynicism:** Extensive layoffs can make employees cynical about future company promises and initiatives.

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## Nokia's Strategic Transformation

**Q3- HRM in Times of Change:**

Despite the challenges, HR can play a crucial role in mitigating the negative impacts of reorganization and downsizing:

**Outplacement Services:** Providing outplacement services like career counseling and job search assistance can help laid-off employees transition smoothly.

**Clear Communication:** Transparent and honest communication about the reasons for downsizing and the selection process can help employees understand the situation and manage anxieties.

**Support for Remaining Employees:** Offering support programs such as counseling or training to help remaining employees cope with the changes and adapt to the new work environment.

**Retention Strategies:** Focusing on retaining key talent through competitive compensation, career development opportunities, and recognition programs can minimize the disruption caused by downsizing.

## References

### Main Reference

- Dessler, G. (2011). Human resource management. Thirteenth edition. Pearson International Edition.

### Additional Resources for extra reading.

- Armstrong, M. (2023). Armstrong's Handbook of Human Resource Management Practice (16th Ed.). Kogan Page.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2023). Human Resource Management in Canada (10th Ed.). McGraw-Hill Ryerson.

Thank You