



## CHAPTER 58

### Strategic management of people in the business plan

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**ABSTRACT**

This article aims to show the benefits of deploying strategic management of people into car. To reach those goals several tools used in this system were studied and the most effective ones were selected. For a better understanding, its concepts and benefits were also considered when deployed. By the end of the study a survey was carried out and applied at three car dealership places in Londrina. After that a data analysis was performed and it was followed by a discussion. Through this analysis it was stated that the deployment process for strategic management of people into car dealership places in Londrina is still a slightly evolved issue and it needs some changes.

**Keywords:** Strategic Management of People, Car Dealership Places, Talents, Tools to Strategic Management of People, Benefits of Deployment.

## 1 INTRODUCTION

Over time, companies have faced and continue to face major changes. Changes in their structure, size, scope in their area of operation, among many others. We can consider that today, all companies that want to be successful in their field, must invest in the company's main capital, a capital that not long ago was forgotten within an organization and is simply the most important one, because it influences the entire result of its production. We can call this capital intellectual, which is represented in companies by the talent of their employees.

Although scholars have been talking for some time about the importance of companies investing in this area, many of them have not yet managed to see that their future depends entirely on the amount of talent they manage to retain on their staff. Despite being a minority, as early as 1998 through research conducted by McKinsey consulting, it was found that many executives and several large companies were already aware that attracting and retaining talent was the companies' main challenge. The question is: What measures do companies need to take to retain talents?

Strategic People Management comes to answer the above question. Of course it's not an easy procedure to implement, it depends on many factors and they all have to be in perfect harmony. For DUTRA (2002) people management is "a set of policies and practices that allow the conciliation of expectations between the organization and the people so that both can accomplish them over time". Therefore, after the correct implementation of Strategic People Management, the company will have competent employees working happily, and as a consequence, it will be able to achieve its goals and results, obtaining profit.

The objective of this article is to present to the reader the importance of the implementation of the Strategic People Management process in companies, based on successful cases of its implementation and presenting in a simplified way the benefits that this process can bring if applied in the Peugeot Ópera car dealership in the city of Londrina, in the state of Paraná.

## 2 CONCEPTS OF STRATEGIC PEOPLE MANAGEMENT

People management is a managerial function that aims to unite the interests of the employer with those of the employees, providing a balance between the parties and thus achieving the result that the company seeks and the recognition that the employees want. The management of people comes to consider employees as talents with the goal of giving their best, realizing themselves personally and collaborating with the results of the organizations.

The concept of People Management is a new term that appeared at the end of the 20th century. It originated in Human Resource Management, which over the years is no longer being adopted. Scholars adept at the term People Management argue that this term comes to present that the people

of a company are not just employees, but partners who work together with the company seeking to meet its goals. The term Human Resource Management has been losing strength, because it is a term that presents people as something very restricted, without variables, such as a material good or a financial resource. Strategic People Management aims to adopt this new way of viewing the people who work in a company, applying this concept strategically, joining effective tools and deploying them in such a way that all of them seem to be just one, and, if applied correctly, the result can be even better than expected.

As tools, the Strategic People Management has several. In this article some of them will be discussed, but they are the ones that bring more results to the company and satisfaction to the people who work in partnership with it.

The Strategic People Management must be divided into some subsystems, which are nothing more than the detailing of the tools that will be worked on during this work and presenting what each one is responsible for. Details of these subsystems are shown below:

**HR Provision Subsystem:** is the responsible for the correct hiring, HR planning, the presentation and integration of new professionals and also the termination interview;

**HR Application Subsystem:** it is responsible for the administration of the positions and the functions performed by them. This system is also responsible for evaluating the professionals' performance;

**HR Maintenance Subsystem:** responsible for keeping the good professionals in the company, taking care of remuneration, benefits, hygiene and safety at work, etc;

**HR Development Subsystem:** responsible for the development of professionals, providing training for personal and organizational development; and

**HR Monitoring Subsystem:** it is the one responsible for knowing what people do in the organization, trying to analyze the results obtained from each individual. It is also responsible for verifying if the actions of the Strategic People Management are being implemented in a correct way, carrying out HR audit procedures..

### **3 BENEFITS OF IMPLEMENTING STRATEGIC PEOPLE MANAGEMENT**

For the company to be able to see the benefits provided by Strategic People Management, it needs to break some paradigms and open its vision to a new horizon. A company will only invest in this method from the moment it recognizes what people represent to it. People in a company represent the competitive differential, because they are the ones who promote and maintain organizational success. Thinking this way, the old idea that "the focus is only on the client" is eliminated, the

professional who is collaborating with the company's growth is promoted, and it is seen that for satisfaction to reach the client, it must first go through the organization's employees.

The employees become engaged when they feel valued. When they understand the organization's objectives and feel they are a fundamental part in achieving them. They feel valuable when they are involved in the organization's decisions, and through their ideas and performance they can see the organizational and personal growth, and, mainly, when they are rewarded for their effort and contribution to reach the established goals.

Thinking this way, for the customers to be well served and for the company to achieve its goals, the focus becomes the interests and feelings of the people who work in the organization, the well being of the people, the motivation of each one of them. The organization's people should stop being analyzed as resources and should be analyzed as partners; this will make all the difference in the organization and its results. When a company recognizes that its professionals are not resources, it no longer has a specialized workforce, but talent with intelligence. Employees stop seeing norms and procedures and aim only at the result, stop isolating themselves and create work teams.

When the organization recognizes its employees with these conditions, it enables its leaders to do a job effectively, coordinating their team and getting the best possible performance out of it. The leader will work as a coach, providing growth to his employees, establishing the company's vision, giving and receiving constant feedback. The leader must attract the professional, develop him/her, accompany him/her, keep him/her, and recognize the effort he/she is making to reach the objectives. In this way, the leader will find it easier to keep a good professional in his team and control the climate in his department, making it favorable for his employees.

Chiavenato (1999) comes to talk about the organization's partners, attributing who the partners are, what they offer for it, and what they expect as a reward for this effort expended. The shareholders, by offering their capital and investments, expect profit and dividends. Employees, by offering their effort, knowledge and skills, expect wages, benefits, recognition and satisfaction. Suppliers, by offering raw materials, technologies, and services, expect profits and new business. Customers, in buying the products and services, expect good service, quality, and price. "Each partner continues to invest resources as they receive satisfactory returns and results." (Chiavenato, 1999 p. 06).

In short, it is considered that the benefits of the implementation of this system can achieve unimaginable results, everything will depend on the amount of talent that will be awakened within the professionals of the company.

#### **4 POSITION PLAN**

In this work, the implementation of the position plan will be the basis for a successful compensation strategy and competency-based management. It presents to the employees the way they should act so that they have the possibility of internal growth.

The position plan is nothing more than a detailed description of the duties of each position. For its effective implementation, in the first instance, a survey of the existing functions in the concessionaire will be carried out, and after this, the attributions of each function will be specified.

As a basis for career development, the network structure system will be used, thus enabling professional growth in the department itself or migrating to other departments, so that this migration occurs effectively, this will be accompanied by the management by competencies.

#### **5 REMUNERATION STRATEGY**

Strategic remuneration means valuing the employee and not the function he or she performs. It gives him the possibility to achieve a higher remuneration even without changing function, this is possible by the results obtained by his professional performance. As a result of this, the company has a partner by its side who will give all his strength to achieve the organization's goals, because in this way he will also achieve his own, thus bringing the result expected by the company.

When an organization chooses to adopt strategic remuneration, it removes several limitations of traditional compensation plans, such as those mentioned below:

Inflexibility by treating different situations homogeneously, not considering peculiarities of the companies;

False objectivity by appearing to have a rationality, thus hiding a reductionist view of the organizational reality;

Outdated methodology;

Conservatism by preserving hierarchy and reinforcing the bureaucratic structure;

Anachronism by holding back the development process in companies;

Divergence, because with a casted vision of compensation, organizations cannot get the most out of their employees to achieve the desired goals.

The strategic remuneration system has some essential components for its operation, which are listed below for a better understanding:

Functional compensation comes to determine a salary according to the function and the market;

The indirect wage, which includes benefits and other advantages;

The skill-based compensation that is determined by the training and education of employees;

Variable pay, which is determined by the performance of the individual, the team or even the organization itself;

Stock ownership, which will be determined by the company's profitability goals that have been achieved; and

Creative alternatives, which include prizes, trips, bonuses, and others.

In this work we will use the job plan, the strategic remuneration and the management by competencies together in order to obtain a better result. By combining these three tools, we will seek to assign the correct functions, determining the right salary for the positions using strategic remuneration and making people seek the possibility of internal growth through the management by competencies policy.

## **6 COMPETENCE-BASED MANAGEMENT**

The competency-based management model comes to value people who have the knowledge, present skills for their execution, and have attitudes to take the lead and make changes by presenting new ideas. In short, this system values the great talents.

For Fleury and Fleury (2000), competence is "a responsible and recognized know-how, which implies in mobilizing, integrating, transferring knowledge, resources, and skills that add economic value to the organization and social value to the individual.

The competency-based management comes to be a major contributor to the correct implementation of the Strategic People Management model. The study of the knowledge, skills, and attitudes of the partners (employees) comes to bring a new reality to the company, which can make good use of its employees, allocating them to the departments linked to their competencies and providing a right choice in new hirings.

Analyzing people's competencies makes them seek knowledge to supply what they lack, improving themselves through studies, training, lectures, among other various learning methods. This way, the company will have people with more knowledge and will repay them for it, consequently they will seek a constant evolution, which will bring new ideas that when correctly analyzed will become profit for the company. The competence of an organization lies in the competence of each person who works there. Uniting the competence of each person the company will conquer an essential competence, which is nothing more than adding value to its products.

## 7 TD&E - TRAINING, DEVELOPMENT AND EDUCATION

When talking about TD&E, not only are the needs of the company addressed, but also the meaning of work for lives is prioritized, analyzing the benefits that it brings to personal and professional life.

With the search for excellence in service delivery, companies have been investing more and more in training their professionals, enabling them to grow professionally and consequently increasing their revenues and customer satisfaction.

Training activities have existed since work has existed, because since the beginning men have had to teach each other ways to perform a task. The organizational function T&D emerged in the early twentieth century and since then organizations have been working with training more incisively, but over the years, the focus for these trainings has changed.

At the beginning of the 20th century, with the classic School of Administration, the objective of training was to make employees achieve the highest possible degree of productivity, considering only the mechanical aspects of the work. Some years later, training started to encompass also the psychosocial aspects, therefore, besides training, it started to include objectives focused on interpersonal relationships and the integration of the professional with the company. At the beginning of the 1940s, with the outbreak of the Second World War, the emphasis of training began to be on the preparation of managers and supervisors. At the end of the Second World War, the focus became leadership development. In the 1960s it started to have a systemic focus, involving the skills and knowledge of each professional and schematizing a way to implement the training, going through the diagnosis, setting up an action plan, executing it, and making evaluations after the implementation to analyze whether the result was beneficial or not.

With the impacting changes in T&D actions, the process started to encompass Education, becoming TD&E and acting in a more comprehensive and efficient way.

For Pilati (2006), the history of the TD&E actions has always been related to the administration models and has been influenced by different disciplines, such as psychology, sociology, among others, and their respective stages of technological development.

It is easier to understand the evolution of TD&E through the description of Bastos (1991, apud Pilati 2006) that divides such evolution into four waves. The first one is called the period of training for the work, seeking to aim only the manual performance of the employees, comprises the period from 1950 to 1970. The second is called training for management and supervision, which has as its main characteristic training actions for the operation of technological processes within the organizations; it comprises the period from 1960 to 1980. The third one aims at the importance of open and continued education, in which the professional himself identifies and prioritizes the training

needs, this one comprises the period from 1970 to 1990. The fourth began in 1980 and is the one that is still in force today. It emphasizes the development of the professionals' creativity, preparing them to make decisions and attributing greater demand for techniques to measure the effectiveness of training actions.

Pilati (2006) states that the fourth wave comes to present the DT&E in a different way within the organizations, seeking a strategic position

## **8 BENEFITS POLICY**

Over the years, companies have adopted benefit policies in order to retain their talents. However, nowadays, a good benefits policy is no longer a differential, but rather a complement for the new generation of professionals. However, despite not being so relevant anymore, benefits can add a lot of value and make a difference in retaining talent.

Before the implementation of a benefits policy, it is necessary to analyze which benefits policy will be implemented in the company considering several factors, such as the needs of professionals, their level of education, age, the company's line of business, among others. This data must be analyzed, because a company can reward its professionals with trips when they reach a goal, however, these professionals would prefer a professional development offer, such as MBAs and training, which for them would be much more advantageous.

In the past, providing health and dental insurance was already enough. In the current scenario the practice has changed. Companies must analyze the wishes of their professionals and try to meet their needs. Companies must question who their talents are and what they want to pursue; this way they can trace a route, aiming to enable their talents to grow internally, making them reach their goals and dreams.

Considering a car dealership that has several departments and in each of them there is a different public, one should question the possibility of implementing flexible benefits, allowing the professional to choose the benefit according to his needs.

## **9 IMPLEMENTATION OF STRATEGIC PEOPLE MANAGEMENT**

For the implementation of strategic people management, the tools mentioned during this work will be taken as a basis, executing them in the following order:

- 1) Position Plan: the description of all positions and functions present in the organization will be carried out;
- 2) Strategic Remuneration: seek a method to improve the remuneration policies, also benefiting employees who count only on a fixed salary;



- 3) Competence Based-Management: using the job descriptions and functions, analyze and assign competencies for each function;
- 4) TD&E: Intensify training by signing with a company specialized in courses and close agreements with colleges and specialized technical schools to encourage employees to seek to improve themselves through studies;
- 5) Benefits Policy: Study the ideal benefits policy to be implemented in the company, so that the collaborators can see that the company is concerned with their well-being.

The implementation method of the tools will not be simultaneous (insertion of all the tools in a single period), but it will also be necessary to be careful that the implementation of all the tools doesn't take too long, at the risk of jeopardizing the implementation process. The ideal implementation process is to first perform the job plan structuring, then implement strategic compensation simultaneously with competency-based management. After this process is done, it will be necessary to invest in the training of employees, starting the benefits policy that should be well structured within a year.

Before starting the implementation of the tools, it will be necessary to work with the organization's managers, reinforcing their function within their departments and especially for the company as a whole.

Every leader's objective is to seek a better performance, increasing productivity, thus reaching the expected results and seeking, as much as possible, the optimization of resources. For leaders to have this capacity, organizations must prepare their leaders and equip them with tools, and especially with talented and trained professionals. By following the guidelines of the Strategic People Management, the company will go through a calm implementation process, without many variables.

## **10 FINAL CONSIDERATIONS**

The implementation of the Strategic People Management system is a big step for companies in the market to remain competitive. As verified through studies and research, it was found that companies want to retain their talents and to do this they are making radical changes, sometimes even changing the culture of the company in order to seek constant improvement.

It can be seen that there is a lot of work to be done at Ópera Peugeot dealership to implement this system, since the processes adopted by it on this point are quite primordial and often non-existent. However, if the directors of Opera Peugeot decide to implement the Strategic Management of People, they will come out ahead of many dealerships if we compare the results obtained by the questionnaires applied, and they will certainly retain the talents that are already present in the workforce and attract more talent. In this way, its service, which is already considered one of the best, will generate even

more fruit and profits for Peugeot Opera, because its employees will be motivated and interested in the objectives and goals of the company, constantly seeking its triumph and consequently reaching its objectives.

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