

I. Introduction

Human resource management has been increasing in interest the past few years as many corporations are operating in a global scale. Many corporations are conducting businesses in various market segments all over the world. As such the study of how business operate and build their organizational structure is of paramount importance to ensure the business is able to function in spite of geographical and cultural differences. The manner in which organizations are structured should be optimal for the company that allows it to produce better strategy development and conflict handling. More importantly, the structure should encourage better communication and information transfer.

This will effect the decision-making behavior of an organization most especially to be able to compete in a tight market. The organization should also provide motivation and innovation to prosper, as the company will find this useful as it enters in different markets. The large theoretical and empirical interest reveals some major advantages and implications for a strong human resource management. Human resource is increasingly seen as a critical intervening variable in work performance thus the study of it will have useful implications for businesses who want to operate in the 21st century. The challenges corporations are facing today is to create the right human resource management strategy that will produce balance and tolerance within the organization. The larger challenge is creating a strong organizational structure that will fuel the company's growth and increase revenue.

II. Human Resource Management

The human resource department of an organization is responsible for the expansion of human capital through the novel use a variety of approaches. This includes employee development such as training and education. This department is also responsible of administering employment and health policies that promotes continued efficacy of the

employees and employers. This will translate to a comprehensive use of employees as valuable assets that contributes to overall growth of the company. A great deal of human resource is organizing training and education through a series of processes, which allows employees to develop work-related skills which in turn improves employment efficacy. In many cases, human resource management is a strategic approach which links different areas of the organization together and more importantly linking employees to health and educational improvements (Yuruko, 36-39, 42).

The structure of human resources should be in line to meet the organizations short and long term goals providing what its best for the individual employees and contributing to the collective strength of the organization. Human Resource Management provides a strong framework, which prioritizes the growth of employees by allowing them to maximize their potential and further development of their skills. This is normally done through in house training, seminars and workshops. The department also supervises mentoring and coaching programs within the organization. All of these incremental activities leads to an increased fostering of the company's productivity. The primary task of the human resource management is to increase revenue through a maximization of return on investment in the company's human capital. It is also responsible for minimizing the financial risk of the company's human capital. The human resource management will be able to ensure this by screening and hiring the right individual best suitable for the job task and in line with the company's short and long term business plans. They are able to do this effectively by considering all factors such as legal, ethical and qualification of the applicant and carefully assessing if the applicant can support the current workforce (Saratoga, 1-4).

The human resource management develops strategies, policies, processes and systems in line with organization's target goals. These activities include resourcing, recruitment and selection of employees. The human resource management is also in charge of designing and

developing the organizational structure. They play a key role in change management scenarios and organizational restructuring. One of their responsibilities also include promoting better employee and industry relations. They are also in charge of developing and implementing a workforce analysis and employee personnel data management. As mentioned, they are in charge of the organization's learning management. More importantly, they are in charge of facilitating compensations, benefits and rewards. The human resource may do all of these functions itself or supervise the implementation with the company's managers, business functions or through external partner companies (Howe & all, 41-52).

One of the important roles of the human resource is its learning management capacity wherein they prepare employees to be able to increase efficiency and accept increased work responsibilities. The success of which determines whether employees are able to improve performance and tolerance for change in an organized learning scenario. The framework of the training first orients the employee with the organization's policies and his job task through orientation and training. Second, an organized education system supports the employee's personal career goals while meeting the business long-term target goals. The process should increase the employee's value to the present and future state of the organization. It is therefore increasingly important for the human resource management to upgrade employee skills including attitudes that enhances the corporate culture. This is the only way an organization can maximize its resources by attaining efficacy. The organization is interested in encouraging individual growth to better enhance the company's value. In this respect it is a tool in which on a business perspective to achieve its end targets (Delery & all, 802-835).

Human resource management should develop strategies that meet current and future requirements of the business by analyzing the core employees' skills, competencies, flexibility and abilities. This includes a comprehensive consideration of internal and external

factors, which affects the company's resourcing of new hires. It also affects the motivation and retention of employee personnel. Internal factors include the corporate culture, working environment and management style. This also includes ethical and corporate social responsibilities of the organization. External factors may be labor market trends such as educational attainment, political and economic climate (Cappelli, 74-81).

Human resource management is influenced by three factors demographics, diversity and skills and qualifications. Demographics are the characteristics of the employee base such as gender and age. Diversity means creating an employee base, which is a reflection of the society it works in such as providing equal employment opportunities for people with different sexual orientations. Skills and qualifications pertain to the need for the employee base to meet managerial capacity within the organization. Labor market trends therefore influence human resource management strategies. This includes careful consideration of the company's work to travel time, transportation availability and infrastructure development in the society the company operates in. The company's organizational structure also influences human resource strategy. It is also important for the organization to take note of employee personal characteristics and behavior. The human resource management is also in charge of managing expectations of applicants to the company (Amabile & all, 72-83).

The recruitment function of the human resource is vital as it is able to identify and secure individual that will meet the business' short to long term goals. Employee recruitment has also been increasingly competitive and human resource personnel face the challenge of finding a suitable candidate for a job task. The recruitment process is made easier through a standardized organizational structure with accurate job description and specifications. The selection process requires a well defined ideal candidate to be hired as well as providing industry standards wages and benefits. This is supported by strong human resource policies. The ultimate aim for human resource is to develop a strong employer branding and increase

employee internal engagement. This can be best fulfilled through a competitive recruitment policy, which can be further supported by a strong learning management. In this way, the company may hire internally to be more cost effective. Human resource management is engaged with employee performance enhancement, which includes succession planning and performance appraisals. Human resource can also make use of development centers to cater to developmental needs and assess employees' promotion potential (Skinner & all, 2004).

The competitive nature of the industry has led many human resource departments to hire third party or external organizations to assist in the recruitment process. This external company will help advertize in the media job vacancies, procure resumes and assist in the screening of qualified candidates. They may also do initial testing, job interview and qualification verification. The business environment is rapidly changing and greater skill and experience is required especially for company expansions more often than not internal employees cannot be recruited to fill in the gap. They may either be unqualified or they best serve the company by continuing their current job responsibilities instead of them taking in new tasks. External recruiters are headhunting consultancies or employment agencies. Many human resource departments make use of this practice especially if they are ill qualified to conduct the recruitment process themselves. A growing trend is to outsource all recruitment activities to an external company as organizations have learned that this the best strategy for their company. They feel their human resource department is best served dealing with other tasks. Headhunter consultancies are also closely collaborating with the human resource department to develop human resource management strategies and action plans (Newell, 2005).

III. An analysis of Boeing's Human Resource Management Practices

A. Company Background

Boeing is a billion-dollar company that manufactures commercial airplanes and contributes significantly to the global airline industry. Boeing is one of the biggest manufacturing companies in the United States. They do not only produce commercial jetliners but also provides military aircrafts for the United States government. All airline carriers use Boeing's products across the globe with more than seventy percent market share. Their aircraft vehicles are used in ninety countries. Boeing's innovation in aerospace engineering, NASA is one of their clients. The company also produces satellites, electronic and defense products that the American government uses. Boeing also supplies to other governments. The company's headquarters are in Chicago and is divided into two main business units. Boeing Commercial Airplanes mainly produces their number one product, airplane vehicles. Boeing Defense, Space and Security designs and innovates products used by the military and NASA. Boeing Capital Corporation handles the contracts and financing payments to their clients, which are normally government agencies. Each Boeing product costs millions of dollars and agencies negotiate payment terms. The Shared Services Group supports both business units, which is in charge for Boeing employees' needs. Boeing is listed in the Dow Jones Industrial Average and is run by a board of directors. Signs of growth can be measured in the stock price and dividend returns of Boeing (Newhouse, 2008).

Boeing's operational process is divided into business units that design and build products. The company's main strength is its engineering prowess in the field of aerospace. They utilize and develop the best information technology possible to produce world-class quality products that are unmatched worldwide. The 21st century operational process is

different and constantly changing. The company's organization had to evolve to retain its competitive advantage.

B. Integrated Defense System as a Human Resource Advantage

In 2002, the company's reorganization included an Integrated Defense system. This was to ensure a network centric program procedural management scheme throughout the different divisions within the organization. This new system allowed units within the organization to work independently much like an enterprise on its own. This new system was to maximize profit and improve internal integration as they strived to provide the best customer service and value for their product (Newhouse, 2008).

The IDS was formed in order to be able to identify appropriate enterprise strategies utilizing the available resources and making sure these products and services catered to their vast clientele. The IDS is in charge of communicating business strategies in all of the units and making sure these strategies are aligned with Boeing's vision as a whole. The company has more than one hundred fifty thousand employees worldwide and this is the challenge of IDS. They should be able to make sure all the units act in cohesion under a common integrated response. As each unit acts like a separate enterprise under the whole organization, decision-making, budgetary concerns and operational management is done by site leaders. The main goal for Boeing right now is not only to be a pioneer in the aerospace industry but also to never lose touch with its customer base. This is the primary goal of the IDS as an operational process (Newhouse, 2008).

C. Boeing's Human Resources Management employs Lean Management principles

Lean management largely stems from the manufacturing industry as way to improve their production capabilities. It first began with Toyota as this Japanese firm found innovative solutions in the production line of automobiles. The philosophy of lean management is simple, increase the value of your products. This can be done by identifying

the areas of wastages and mistakes in the production line. Find an innovative solution to repair it by which you are maximizing profit, increasing the value of your product, avoiding unnecessary expenses and ultimately not transferring the price of the company's wastes to the consumer. This philosophy has allowed Toyota to manufacture cars in less than five minutes in the assembly line and forever changed the global car industry. The concept of lean management has also expanded to include other industries even those who do not produce products but instead provides a service to consumers such as service-oriented companies, construction, health care and governments. Businesses have come to realize that by increasing the value of their products or services, they are in fact maximizing profit, which is truly what the word lean means. The philosophy of lean management is never accepting things as good enough, which means businesses, need to operate in a continuous form of improvement. Lean Management allows a cohesion of goals from the company's business target down to each of the department's responsibilities. This allows a unison of objectives. Lean management paves the way for the elimination of operational processes that do not offer any value either to the customers or to the company itself (Hawken & all, 1999).

Top Quality Management is product of integrating lean management principles and human resource management since this involves improving quality within the organization. This is a comprehensive system that involves the whole organization including suppliers and customers. This is assessing the group horizontally to find effective productivity initiatives that will help the company's profits. Top Quality Management involves a participative management, an implementation of a continuous process improvement and teamwork. Top quality management allows for an open dialogue from workers to managers in the implementation of directives. This will empower workers as they take more ownership in the operational process. This program is successful when a company becomes more customer and process focused. The emphasis is on prevention through open communication

lines between management and employees. An important aspect of Top Quality Management is the utilization of teams to achieve business goals (Jablonski, 1992).

Lean management principles advocates continuous improvement, which is in line with human resource development. In order to achieve this, companies should always have long-term plans, which enables them to anticipate any adversaries. This will give companies a competitive advantage. Kaizen is a concept for the pursuit of perfection. There is no operational or organizational process that is good enough. A Kaizen approach advocates constant innovation and development. This approach will allow companies to expand its products and services. Genchi Genbutsu is an inspection approach by reaching a consensus. This can be done through open communication between company owners, managers and employees in order for the company to be able to make right decisions (Hunt, 1992).

These decisions should ultimately be aligned with business goals that will allow the company to employ the best approach to be done in the best possible time frame. The Japanese firm, Toyota who pioneered the concept of lean management utilized the values of respect and teamwork in their company. This has allowed Toyota to build automobiles in the fastest time frame and more importantly at the cheapest price. They were able to master this art in their assembly line that enabled them to produce less expensive cars compared to their competitors without sacrificing quality or innovation. The idea behind respect and teamwork is that everyone is a contributor to the growth of the company not only the stakeholders. Problems are easily solved in teams and both these values promote accountability of everyone within the company (Moore & all, 2000).

Lean Management principles may be about the elimination of waste and maximizing profit but this concept is also transforming the corporate culture, which is vital in human resource management. Studies have shown that a strong corporate culture is the prime driver for a company's growth. This means everyone in the company is performing at his or her

best, fully accountable and responsible to his duties on the job. The corporate culture allows for a united mission and vision wherein all parties are involved in attaining business targets such as sales for example. As lean management calls for an improvement in production flow through an elimination of waste this will certainly lead to larger revenue for the company. An improvement in production flow is the sourcing of the right suppliers that meet the company's needs. This may help them manufacture better and easier or will let them provide a service faster. Overall, lean management principles is the discovery of the most cost effective approach that will allow companies to have the most innovative production and human resource management strategies (Moore & all, 2000).

Boeing is one of the companies' who have been able to successfully implement a lean management strategy especially in its human resource management strategy. Numerous studies have shown how the company has been able to reorganize itself and change the way conduct business. Lean Management has helped the company in this period of globalization to truly become a world giant in the industry. Boeing reorganized itself using the principles from Toyota that emphasizes on respect and teamwork. Both values are integral to human resource development. This has allowed them to remove wastages in their company and has driven them to become innovative in the production and delivery goods and services not only to their external clients but Boeing's human resource department has been able to deliver the same quality service to all employees. Research has shown since the 1990's Boeing's production and organizational process has improved by seventy percent since the cohesion of lean management principles with the company's human resource development (Moore & all, 2000).

Although Boeing have a successful lean management system in place, as the concept entails there is still room for improvement. One of the challenges for Boeing under a lean system is the prevention of time delays in their manufacturing process. Boeing works with

external companies and suppliers. It will be a challenge for them to continuously improve the product value chain. The other challenge of Boeing is that many employees fear the concept of lean may actually mean “layoffs”. In theory, this may be true since lean management involves improving the production line, which may involve cut backs and the replacement of technology to do human tasks. Thus, Boeing faces the challenge of promoting the concept of lean to its own employees and continuing to boost morale. However, with a strong corporate culture that is passionate about innovation they will be able to find novel solutions soon (Newhouse, 2008).

D. Boeing’s Human Resources Department Programs

The human resources department of Boeing conducts year long programs that benefit their employees most. First, they offer a health risk assessment online through their cooperation with Mayo Clinic. This is an opportunity for employees and their spouses both of whom are covered in the company’s health plan to receive a personalized health report. This survey assesses their health risks and provides consultative advice to improve their health. More importantly, the company’s health care plan is extended to same sex domestic partners. Through the survey, Boeing will pay Mayo Clinic for coaching services if any of the employees or their spouses are found to have health risks. The company believes that prevention is the key and overall this program will help the company save on medical costs by mitigating the first signs of illness. The human resource department has also offered free wellness screenings to all of its offices in the United States. This free checkup includes blood pressure, glucose, cholesterol levels and body mass index. In 2007, the department conducted one hundred thirteen wellness screening programs with an attendance of more than twenty thousand employees. This is a complementary service to the online health risk assessment survey (Arkell, 2008).

The human resource department also administers a pay and benefits profile service for all its employees. This is online service allows employees to quickly check the total value of their complete pay and benefits. Boeing invests twenty billion us dollars annually in their pay and benefits program for their employees and families. The innovative online profile service is cost effective for the company allowing them to save five hundred thousand us dollars annually, which is a direct application of the lean management principle. It is also critically important for employees to be able to track their pay and benefits. The human resource department is actively engaged in its leadership development program wherein they use a leaders methodology to develop leaders by creating an open communication corporate culture, which promotes company loyalty and unity. Boeing strongly believes in developing leaders through constant employee engagement. The human resources department takes good care about how their employees feel and think about their job. Boeing believes this is the only way to attract and retain its talented and diverse employee base. Boeing believes in creating a one united company mindset that is disseminated through their leadership development programs which is available in all levels of the organization. The leadership development programs allow employees to learn about Boeing's Leadership Attributes. The human resource management has developed a strategy which is leaders teaching leaders, wherein managers can help their teammates how to apply the leadership attributes in their daily operations. The human resources developed the strategy in coordination with the different managers of the company. Together they we are able to define the leadership attributes, establish action plans for increased employee engagement and create a training module to be used by all the managers. The human resources department believes that better leadership is developed when the managers themselves are involved. Their knowledge, experience and expertise makes them ideal teachers as well. The lean management principle was used when the human resources department engaged in open communication and feedback from managers and

employees. Employees were also able to contribute by asking them to provide feedback on how they perceive Boeing's leadership attributes to be. In this way, all employees are engaged, learn from each other and feel a sense of ownership with Boeing. The program was so successful that when the human resources department conducted a survey, they ranked a high seventy percent in employee understanding about Boeing's leadership attributes. This clearly shows they made a strong influence. The response has been overwhelming as employees have expressed enthusiasm in contributing more programs to further improve the leadership development program (Arkell, 2008).

Boeing's human resources department's major responsibility includes training. The department oversees annual compliance training required for all employees in all areas of the business. This includes yearly training on computing security and acceptance of gratuities. The department also manages a wide variety of skills training and certification. They have recently improved their training system by streamlining the number and frequency of courses offered. This had lead to increased efficiency in terms of scheduling and they have provided the employees the option to take a "test out" on some courses, which means they need not attend the course training as long as they reach the passing score of eighty percent. This new method has increased employee satisfaction and made the training process easier and more effective. Boeing human resources management strategy is to improve service delivery through the application of lean principles that helps them develop methods that decreases waste and improves productivity more importantly they aim to create cost effective programs. The standardization of the training program has produced labor hour savings to at least one hundred sixty thousand annually. It has also helped the company save over forty three million dollars in training costs for the next four years (Arkell, 2008).

The human resource department also conducts an annual survey to measure employee engagement. This is in line with the department's strategy to maintain a diverse and engaged working environment. They even retooled the survey in 2007 to better measure employee engagement, which has shown some slight improvements between the years 2005 to 2007. The department's goal is to have higher levels of employee engagement. The process of gathering demographic has been improved to become computer automated. This makes the process more time and cost efficient. Employees are assigned anonymous ticket numbers, which has embedded demographic code in it. This makes the analysis of the survey more accurate and less time to complete. The computer administration of the survey only costs ten percent compared to the costs of using paper. This has allowed Boeing to become cost efficient once again. The computer system also provides managers a tool of survey action planning, which helps them identify key issues to improve. This even includes an email reminder for managers to remember the action plans they need to accomplish. The process was further enhanced by allowing local team manager to have access to the survey results this will enable local managers to further engage employees and ultimately increase employee engagement over time (Arkell, 2008).

The human resources department has also implemented a dependent eligibility verification. The department sees itself as a steward of Boeing's resources thus, a comprehensive analysis was done to determine who are the only actual eligible dependents of employees. This process has helped Boeing as a company save money but it also benefits the employees as well since it helps the company manage its health care costs better. They were able to do this by conducting a verification process that ensures benefit plans adhere to company policies. This proactive approach has helped the human resource department identify twenty two thousand ineligible dependents. The projected savings done by this initiative will yield to a decrease of health care costs amounting to thirty four million us

dollars in the next five years. This is another direct application of the lean management principle as the company is able to avoid wastages allowing it to provide the same quality benefits services (Arkell, 2008).

The human resource department of Boeing not only aims to develop other employees but they are also seeking ways to improve themselves. They have implemented a Functional Excellence Program, which is designed to streamline all human resource personnel using common tools and languages aimed to increase the department's efficiency. The primary goal is using a one-company approach so that each human resource personnel understands the department's strategies and is able to use business analytics in order to increase productivity and promote employee growth. The Functional Excellence Program provides a classroom style setting for the senior human resource personnel and also uses a regional conference style course so everyone across all human resource groups have open communication. This will help the department have a more cohesive approach in its human resource management strategy, which is an example of a lean management principle. The department's focus will always be service delivery with the use of technology and tools to help them provide quality service to Boeing's employees. The department uses an Internal Services Productivity tool, which is a work metric that allows them to make informed decisions pertaining to service delivery that ensures cost savings (Arkell, 2008). The challenge of the department is the tendency to overuse computers in order to reduce expenses. A key element in strategic human resource management will always be placing priority on human development. It is only through interaction that employees become more engaged and valued. One of goals of the department is to maintain Boeing's status of being the employer of choice and to be ranked as the best place to work. Certainly, with a committed human resource department with a brilliant track record of service this can easily become a reality.

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