

PROJECT DIVERSITY: Proposed HR Reform at Maersk

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“DIVERSITY OF THOUGHT IS THE END GAME AND
DEMOGRAPHIC DIVERSITY IS THE LEAD INDICATOR”



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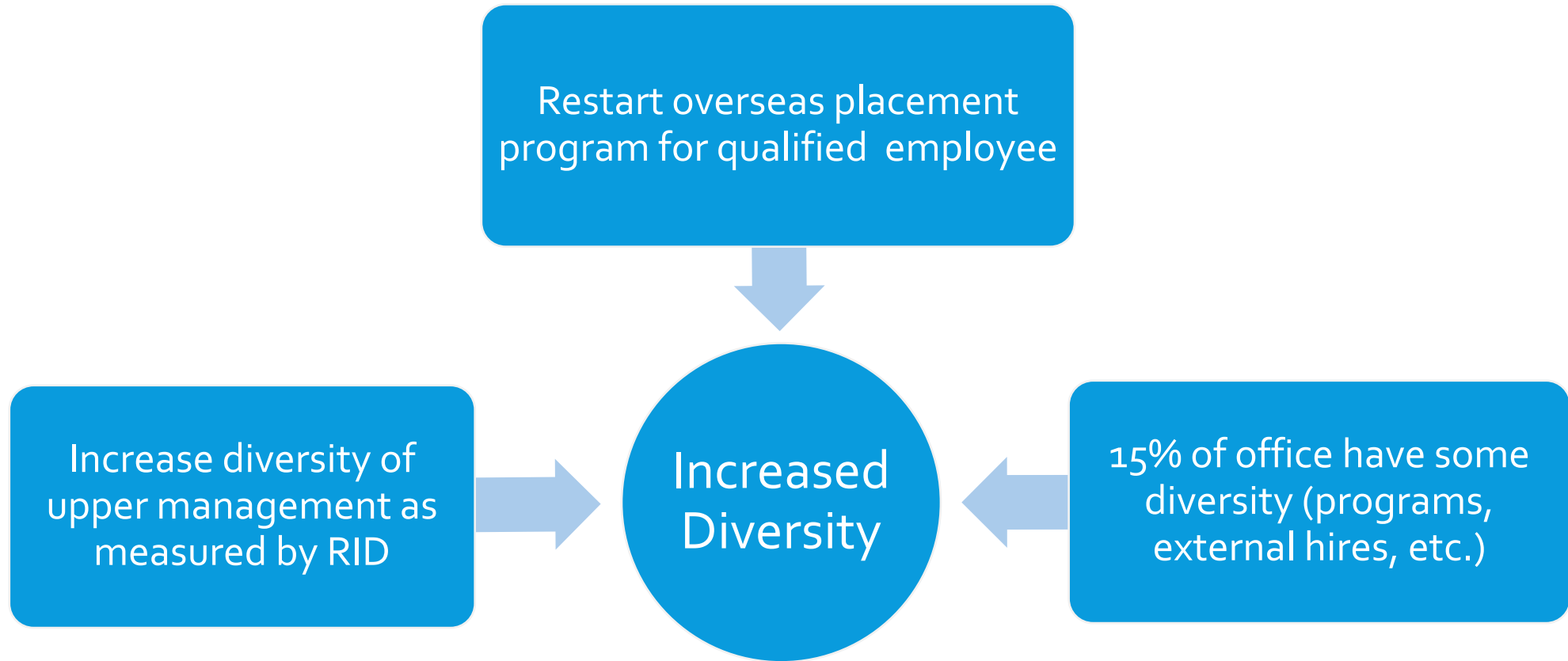
CURRENT SITUATION/CHALLENGES



Through the use of **Ishikawa's Fishbone** (see appendix 1) and **SWOT analysis** (see appendix 2), we determined the major factors contributing to the workforce diversity issue.



GOALS (OVERALL)



DECISION MATRIX TO ACHIEVE WORKFORCE DIVERSITY



Growth Option	Strengths	Weaknesses
1. Internal HR Reform Program	<ul style="list-style-type: none">• Internal allows for easy control• Takes advantage of Maersk's worldwide network of offices• Cheapest of the three options	<ul style="list-style-type: none">• Implementation time• Fear of change for employees
2. Outsource HR .	<ul style="list-style-type: none">• Simplest option• Cheaper than expansion• Easy access to employees	<ul style="list-style-type: none">• Only patches the problem• Does not fix retention problem, could even increase it
3. Expansion into a new market	<ul style="list-style-type: none">• Could also be strategically beneficial in terms of business• Simple logic: expanding to a new market is adding geographic diversity	<ul style="list-style-type: none">• Extremely costly• Only adds minimal diversity, does not change workforce as a whole• Geographic diversity is not diversity.

"TRIPLE E" PROGRAM



A large, bold, blue letter 'E' with a slight 3D effect, centered within a light blue rounded square.

Enhance

A large, bold, blue letter 'E' with a slight 3D effect, centered within a light blue rounded square.

Enrich

A large, bold, blue letter 'E' with a slight 3D effect, centered within a light blue rounded square.

Embrace

Enhance

Enrich

Embrace



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WHY

Accepting
of others

New perspective

- No direct impact on performance
- Constructive *

Prevent
groupthink

HOW

Education

Exposure

Enforcement

WHAT

Online
Classes

Oversee
Placement
Programs

Qualified
Employees

Enhance

Enrich

Embrace



WHY

Increased retention of diverse employee

Return on investment

Long-term employees know best

HOW

Increase in:

- Jobs satisfaction
- Work motivation

WHAT

Dual ladder track

Skill variety

- Task identity, feedback

Keys:

- Seeing end result = task identity
- Self performance = goals/feedback
- Learning new things = skill variety/job rotation

Enhance

Enrich

Embrace



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WHY

To attract external hiring & boomerang

Develop diversity from outside

Boomerang-recapitalize

HOW

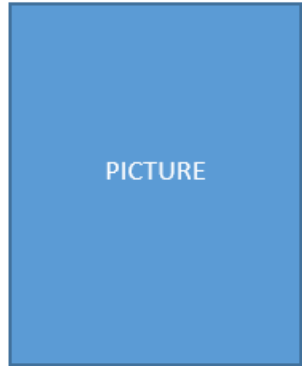
Formal steps for hiring/rehiring

WHAT

Database

Alumni Network

DATABASE & ALUMNI NETWORK



Name: <Insert name here>

DOB: MM/DD/YYYY

Start: MM/DD/YYYY **End:** MM/DD/YYYY

Reason for leaving:

Diversity Characteristic:

Foreign Experience

Skill Set

Big 5

EQ Test

FINANCES



	NOW	Recurring (Yearly values)	Total cost for first 5 years	Savings	Net
E1	\$ 26,250,000	\$850,000	\$29,650,000	\$90,345,000	\$23,495,000
E2	\$10,000,000	\$5,000,000	\$30,000,000		
E3	\$2,200,000	\$1,250,000	\$7,200,000		

PROBABLE RISK AND CHALLENGES



Culture clash

Significant cultural shift as there will be **an alternation in management** and **introduction of widespread** HR staff. Possible resistant to change.

ACTIONS TO MITIGATE

- Ensure a slow and gradual process
- Educate and make clear roles of additional employees

Technology and Security

- Database, online courses, evaluation tests, and overseas program all are **prone to technological failure**.
- **Privacy** of Employees' information

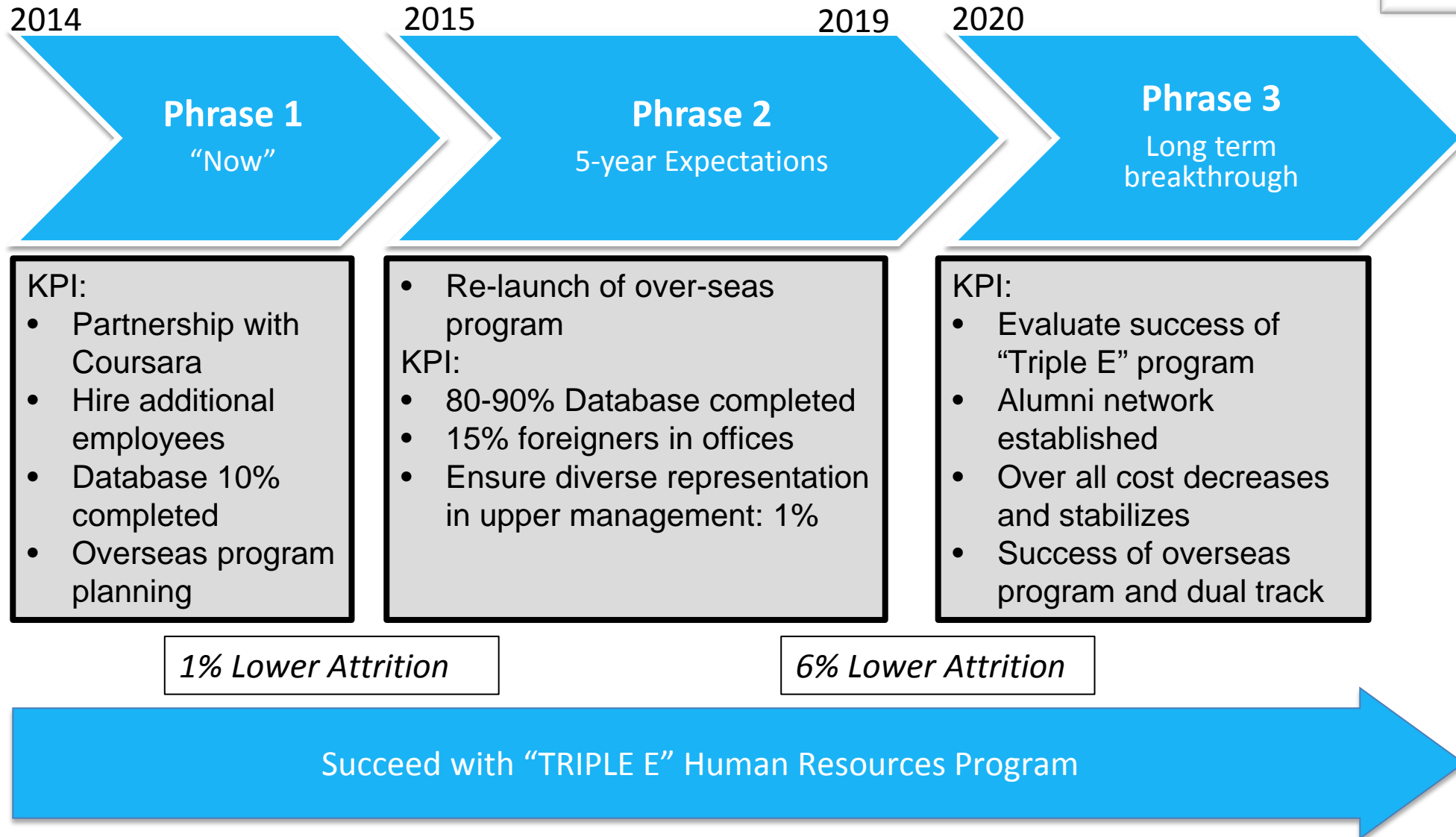
- HR Staff must be well trained to **execute programs** and promote its **availability** to employees in the respective offices.
- Emphasis on IT staff to secure data

Implementation

Program is heavily reliant on **widespread implementation** and worldwide **network creation** across all major HR offices

- Establish **clear standards** for each program
- Detailed **implementation plan**

IMPLEMENTATION PLAN



QUESTIONS?

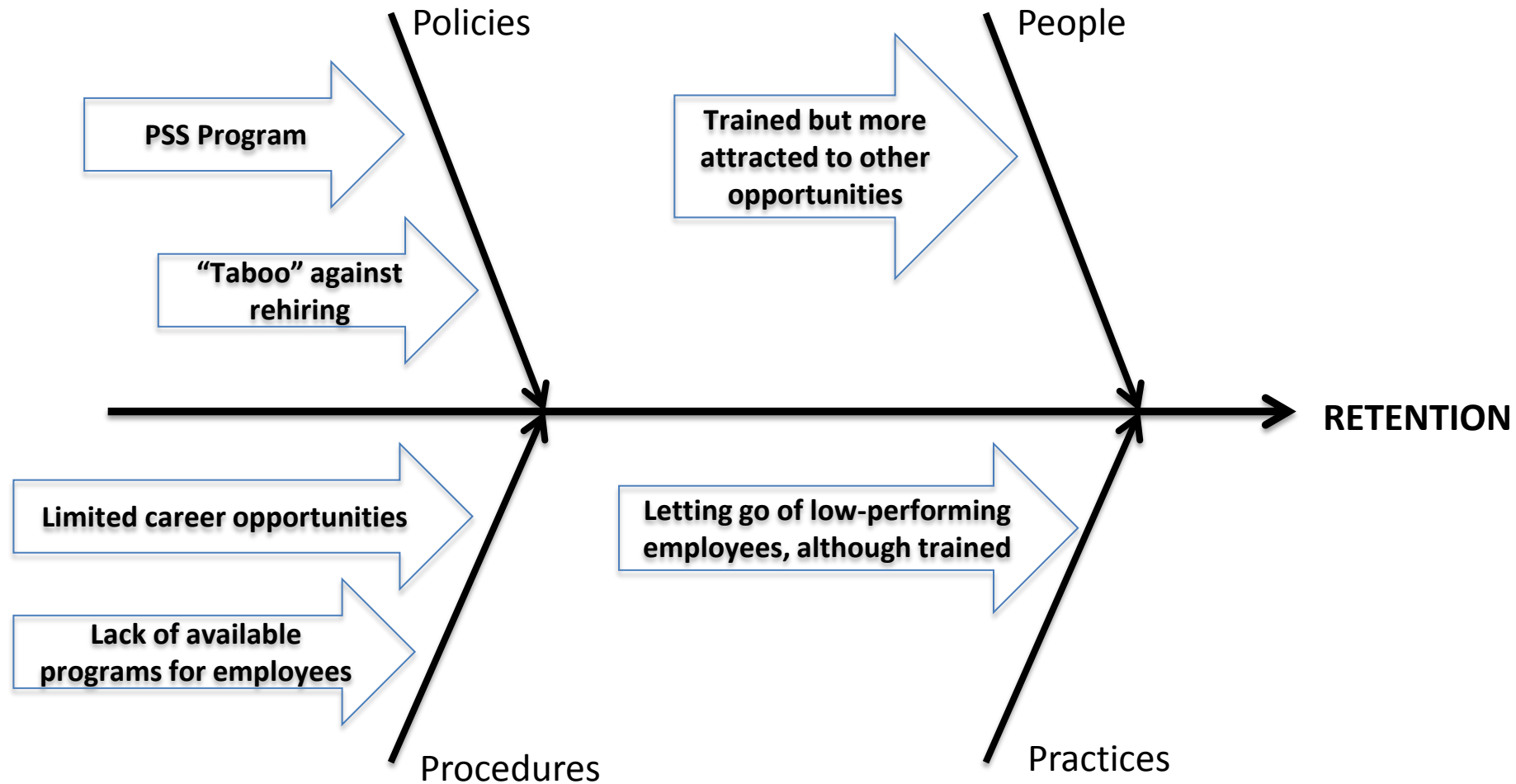


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APPENDIX 1: ISHIKAWA'S FISHBONE



- Helps determine the ramifications/root causes of the employee retention problem



APPENDIX 2: SWOT ANALYSIS OF CURRENT SITUATION



Strengths	Weaknesses
<ul style="list-style-type: none">• Experienced HR/Business Unit• Company name makes it easy to attract new talent• Skilled workforce from solid training programs (7 training centers)	<ul style="list-style-type: none">• High turnover rate• Cohesive culture makes it difficult to integrate new hires• Low diversity amongst upper level management
Opportunities	Threats
<ul style="list-style-type: none">• Changing market/employment demographics• China employment will grow by 25% (930 million people)• India grow by 50% (833 million to 1.3 billion)• Africa will grow 300% (328 million to 943 million)• Maersk has major offices in all these locations	<ul style="list-style-type: none">• Other companies are always looing to attract our employees• Conflict friction in setting cultural change to a more open minded and inclusive culture• Increase in potential for conflict• Regulations (Environmental safety, tax regimes in different countries)• Cultural barriers.

APPENDIX 3 : JUSTIFICATION OF GOALS



1. We compared Maersk with select top performing diverse companies, and want to match the diversity of senior management to those companies senior managements levels of diversity.s
2. Increases experience, develops inclusive leaders focused on knowledge diversity instead of skin-deep level, which will motivate workforce.
3. Most effect group size <10. In a group of 10, we want at least 1 person with overseas experience.

APPENDIX 4: ONLINE COURSE



- Online courses comes with a completion waiver
- Tuition of \$1,000 per course will be charged if the course is not completed.

APPENDIX 5: QUALIFICATION TEST FOR OVERSEAS PROGRAM



BIG 5 (Sample Questions)

I talk to different people at social events:	1-5
I don't mind being the center of attention:	1-5
I sympathize with other people's feelings:	1-5
I enjoy hearing new ideas:	1-5

BIG 5 TRAITS (What we're looking for)

1. Extraversion
2. Agreeableness
3. Conscientiousness (Key)
4. Emotional stability
5. Openness

APPENDIX 5.2: EQ TEST SAMPLE



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	Completely true	Mostly true	Somewhat true/false	Mostly false	Completely false
	1	2	3	4	5
1. I adjust my behavior depending on who I am interacting with (e.g. calm and friendly with a child, serious and professional with my boss, etc.).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. I tend to postpone or avoid discussing touchy topics.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. I find myself feeling nervous about situations or events, and I don't even know why.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. If asked to list my top three strengths, I would have hard time coming up with them.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. I have certain compulsive habits that I just can't seem to stop (e.g. overeating).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Once a pessimistic thought pops into my head, it's like a floodgate opens - my thoughts get more and more negative.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I like learning new things.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

APPENDIX 5.3: PERFORMANCE MATRIX SAMPLE



Potential ↑	John Brown	Alicia Taylor	Blair Smith	3: High
	Mary Ferns	James Alex	Terry Burns	2: Growth
	Thomas Price	Jane Ericks	Kate Ritz	1: Limited
	1: Needs	2: Meets	3: Exceeds	

APPENDIX 6: DUAL CAREER TRACK



Fields: 1. Management

2. Technical

Steps:

1. Two routes for promotion
2. Fits life goals of individual employees

Hiring

1. Apply/review
2. Phone interview – first impressions
3. Physical interview
 1. Psychological analysis
 2. Company fit
4. Final review/acceptance
5. Transition to role
6. Autonomy

Re-hiring

1. Possibility of alumni network referral
2. Application
3. Evaluate file from data base
4. Review reason for first leave
5. Phone interview
6. Physical/mental test to ensure same competencies
7. Reintegration program

APPENDIX 8: EXPANSION AND OUTSOURCING



Organic growth

- Strategic goals can be achieved
- No crashes in culture
- Cheaper compared to acquisition

- Acquisition
 - Bearing the issue of acquired company
- Diversification
 - New market risk
 - i.e. Maersk Air
- Outsourcing
 - Patch but no solve problem

APPENDIX 9: COST ASSUMPTION



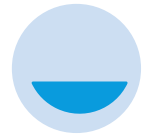
Database

Creating (paying oracle) - \$1 mil

Maintenance - \$1 mil

- Servers
- Staff

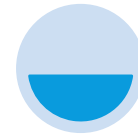
Scalability



Overseas placement program

Big 5 test

- License of test - \$100/employee; \$10.5 mil
- Lost employee time - \$100/employee; \$10.5mil
- Hire proctor - \$250 (5 @ \$50)

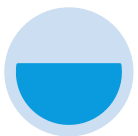


Online Classes

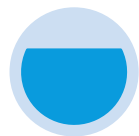
Piggyback on Coursera - \$500/person * \$150k * 2/3 people; \$5 mil

4 profession + supplies; \$600k

\$40 million on the first year, \$20 million to continue



Dual Ladder Track



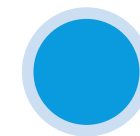
Skilled variety

1 HR staff/office, \$100k * 50 = \$5mil



Feedback

Training management \$100k, 1 week/MGMT, 50.office * 50; \$5mil



Alumni Network (Headquarters)

4 HR staff; \$200k

APPENDIX 9.2: PROJECTION ASSUMPTION



Based on: <http://www.asanet.org/images/journals/docs/pdf/asr/AprogASRFeature.pdf>

Racial Index of Diversity (RID)

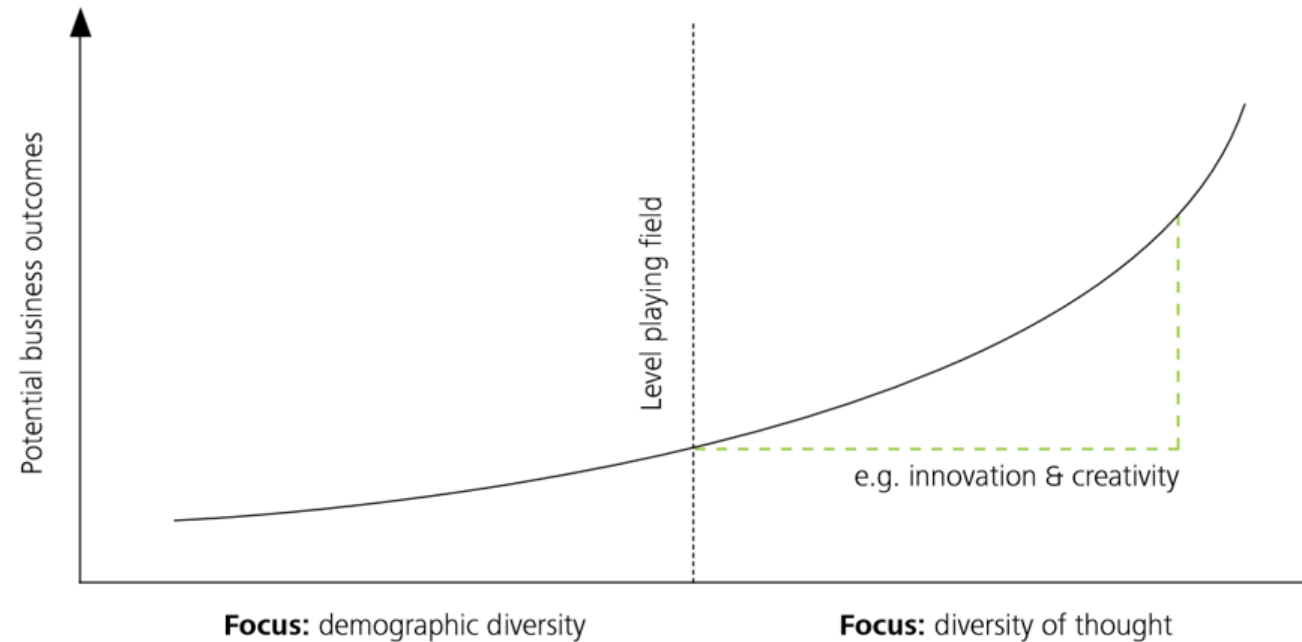
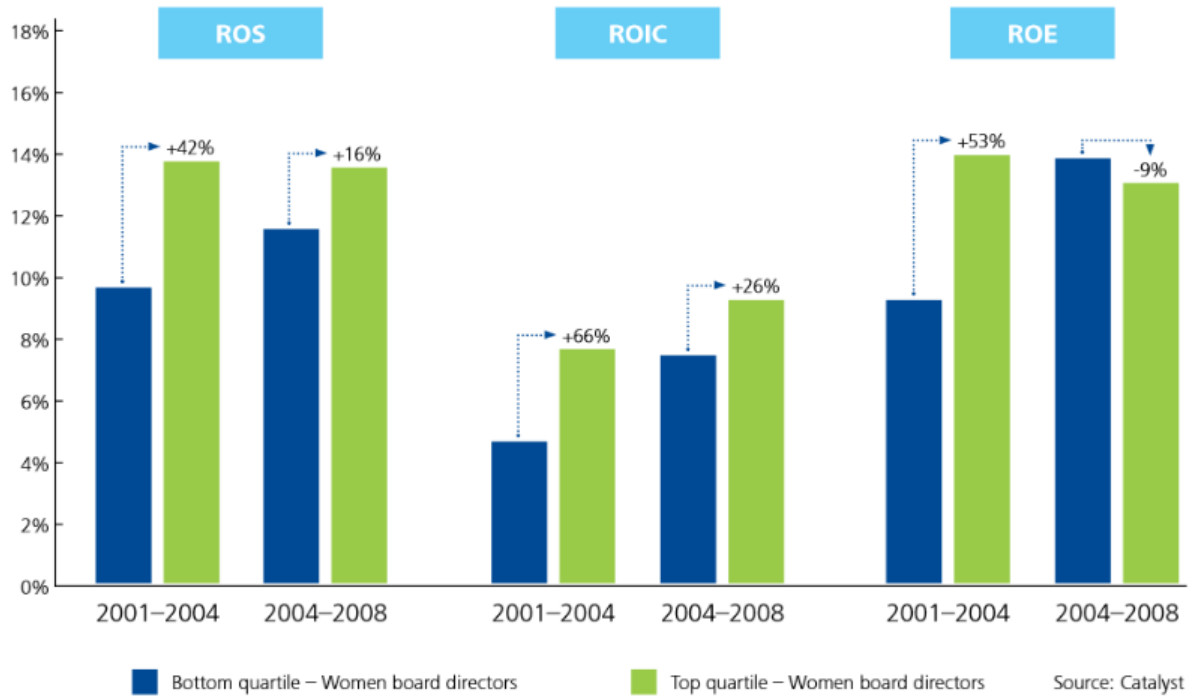
$$RID = 1 - \frac{(\sum_{n_i} (n_i - 1))}{N(N - 1)} \frac{1}{1 - (\frac{1}{l})}$$

- ❖ N = Total population
- ❖ Ni = population in separate racial groups
- ❖ l = number of racial groups

APPENDIX 9.3: LINK BETWEEN DIVERSITY & BUSINESS



Comparison of economic performance by Fortune 500 companies



APPENDIX 10: LAYERS OF DIVERSITY



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