



IQRA NATIONAL UNIVERSITY

Subject: Cases in HRM

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ID No. 15635
MS: (Management Sciences)

Title: Internal Marks Assignment

Date: 20th June, 2020



Patty McCord is the founder of Patty McCord Consulting and the former chief talent officer at Netflix.

Article for internal marks

How Netflix Reinvented HR

Trust people, not policies. Reward candor. And throw away the standard playbook. by Patty McCord

Q No 1:- What did you like or dislike about the readings?

Answer:- It was really an interesting reading. What I like or dislike is discussed in below points.

→ Likes:- (1) The HR manager understood the behaviour of employees and knew how to deal with them when they faced a problem or how to compensate them properly on a job well done.

(2) The HR manager would engage the employees on regular basis and find out how to utilize their potential for benefit of Company.

For example with a conversation with John, she realize that the best way to help the Company and John do this job, is to employ "A" category employees. Employing Sub pas employees would hinder not only Company growth but also cause problems for John to fulfill this job.

③ She was never afraid to do right by the Company even if it meant letting go of one excellent employee we found two examples in this Article,

one when she let go of Laura, who was an excellent book keeper for Netflix before IPO and second example when the Engineer named Maria was let go when her expertise were no longer required.

④ She acknowledged the Contribution of employees and would compensate them with good Severance package if let go -

⑤ She understood that conventional HR policies and practices would never work in a company like Netflix and there for implement an informal HR practices.

Reason behind such step was that with rapid change of technology, the environment, needs and goals of Netflix as a company

were evaluating as well and implementing rigid HR policies would have caused more harm than good.

Two best examples are of how Company managing its travel procedures and Company hiring policies in case an employee expires become absolute and no more required.

⑤ Netflix management knew that the Company culture should be established by the behaviours of the leaders. The communication between upper management and lower employees was a regular occurrence of the day to minimize the feeling that either the lower staff is doing all the work as vice versa. When the upper management establishes the culture of hard work and dedication, there is no way the lower staff won't follow.

What I disliked about Netflix:.

They always assumed that people (employees) would do the right thing for example:-

① when managing time apps, the employees were given an honor system to follow believing that they would always do the right thing.

② while managing expenses of the company the employees were given free hand to manage their expenses like travel or buying gadgets etc as long as these expenses results in company best interest.

Most of the HR policies of Netflix were formulated on the principles that all employees would show responsible behaviour and they would always work in the best interest of the company, but in real world that is not always the case.

Q No 2:- What are the Some research ideas that you have formulated based on the reading and research questions that left you Pondering?

Ans: The Research idea and the questions are as follows-

① Netflix approach towards policy making was very direct and informal, they would always take steps, other companies would follow lengthy procedure before taking, was it really the right thing to do. Meaning, they have already assumed the out come ever before following the other companies would follow.

(Refer to the passage where Maria was fired)

② Netflix hiring policy is to have always the best and "A" players. The problem with that approach is that when too many alpha personalities work in same place, how do you

Control their eyes, how do you make them compliment each other instead of contradicting each other.

③ Assembling the best employees under one roof does not always mean instant successes. It takes time to develop chemistry among different employees to understand one another and eventually compliment each other and company.

④ Netflix believes that employees would always act responsibly and work in the company best interest but is it really that simple? It is really the case every time.

The questions need to be asked because people do not always act responsibly. People are prone to mistakes and that's why I believe there are areas which were not fully highlighted in this article.

⑤ This article is purely from the perspective of one person. This one person telling the story. I am

not saying it's not the truth because the Successes of Netflix is not something unknown, but really there are things which were not highlighted to be told from a different perspective and then we may understand the corporate culture of Netflix properly.

⑥ The Training and development program of the employees is either non-existent or completely ignored because we have seen that when a particular skill set of a very competitive employee is no longer required - they have fired them instead of giving them a chance to adapt to the changing environment through proper Training and development.

Q No 3: How does your personal experience fit with the reading and how they are inconsistent?

Ans: My personal experience is inconsistent with the approach of Human resource management discussed in this article, because the approach of the Talent Management of Netflix is informal, organic and mostly based on Common Sense rather than policies and Corporate formal practices. Such kind of informal approach to be implemented in an organization in Pakistan is considered scary because the literature in this regard is almost existent.

Additionally Convincing Companies to adopt such informal practices is almost impossible because organizations which are established would not agree to change a thing because:

(a) Business is running and making profits

(b) The economy does not provide opportunities to perse and tweak with an already established business because of limited resources-

On other hand what little opportunity we have to convince start ups and new business is to employ such practices, this would open a door to know new kind of literature in a developing economy and also help the business community understand. The feasibility and practicality of unconventional talent management practices in a developing economy of Pakistan.

Qno 4: What are some research ideas to pursue in the context of Pakistan that would allow us to correct the mainstream literature?

Ans: The Netflix case study in context of Pakistan, in my opinion is very innovative approach to the Human resources management. In Pakistan almost all of the corporations have implemented the conventional approach to Talent management. Therefore implementing the non-conventional and informal approach in a start up or an established corporation would be a challenging thing to do. If implemented properly and successfully would open doors for research that we don't even know existed. Therefore company needs to be encouraged to implement this approach, if not fully then at least on trial and error basis so that doors to research areas are opened and innovative process in the field of HR can at least be initiated.