

**A Multiple Case Study of Hyren Agrotex Global Success Enterprise: Application of the  
Warwick Model**

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## **AN ANALYSIS OF HUMAN RESOURCE MANAGEMENT (HRM) STRATEGIES EMPLOYED IN HYREN AGROTEX GLOBAL SUCCESS ENTERPRISE**

Starting up an enterprise is not easy, and especially for people who do not come from affluent background, agripreneurship is a financially demanding field as agripreneurs need to fund for a lot of resources in order to maintain their farm. Hyren Agrotex Global Success Enterprise is a paddy farming company owned by Hairinshah Haji Tahirudin, which was officially registered in 2016 (Musa, Pg Hj Idris and Basir, 2020). As mentioned in the case study by Musa, Pg Hj Idris and Basir (2020), the enterprise was set up by Hairinshah upon completion of his Belia Berpadi course which had taught him how to manage agriculture around the theories and models of agriculture development. As starting a farm enterprise requires a lot of resources including supplies and machines, it is very financially demanding and Hairinshah was only able to successfully build his farm with help of the micro-grant from the Youth Development Centre, from LiveWIRE, and from the Brunei Award Startup Funding Scheme (BASFS). Hairinshah also took several courses in order to learn how manage his agriculture which included participating in Belia Berpadi 2015, taking a course from LiveWIRE, and he took what he learnt and put the theories into practice; this tells us of his passion and dedication to setting up his own agriculture. According to the case study, we can derive that he had used an involved approach and had disciplined management which led to the success of his farm. Indeed, there are more challenges other than finances still unsolved in this farming enterprise, and this will be addressed further along this case study analysis. As observed from the case study, his human resource strategy can be said to be a strategic human resource management (SHRM), resource based view (RBV) where he took a high involvement approach with his employees in order to manage the farm. Adopting the RBV, according to Levallet and Chan (2016) (citing Barney (1991)), firms that own resources and competencies which are not easily copied by competitors will gain a competitive advantage. For Hyren Agrotex Global Success Enterprise to be able to gain competitive advantage, they would need to set a difference between their company and other competitors. Meanwhile, a competitive advantage that they already have would be the resources that have now; as starting a farming enterprise requires many supplies, machineries, and

fertile land, it is financially demanding as it would be hard for new businesses to obtain the required resources, unless they were extremely financially well off. So to be able to be sure that they were to have competitive advantage over their competitors, they need to set a unique value that cannot be copied by others, and this will be explained later on in this case study analysis.

## **CHALLENGES FACED BY HYREN AGROTEX GLOBAL SUCCESS ENTERPRISE**

As were stated in the case study of Hyren Agrotex Global Success Enterprise by Musa, Pg Hj Idris and Basir (2020), there were some challenges faced by Hairinshah in building up to the success of the enterprise which were, finance, quality of soil, lack of proper infrastructure, and lack of man power. The main challenge for most, if not all businesses is the finance. In order to maintain a business's infrastructure, money has to keep on going out for the maintenance, cleaning and servicing of the equipment, building, machineries and more. Not only that, the business has to keep on buying the materials needed for their products, where for farming, they need a supply of nutrients and fertilizers for the soil and for the crops to grow, and the things they need in order to store the products in a good condition. So the company has to earn enough profit that can allow for these maintenance, wages for the employees, taxes and more, to be paid. Once all the liabilities are paid, there should be more money remaining for it to be called a profit because a business cannot thrive if they were only to breakeven or worse, if they earn losses. This financial issue can be related to the issue of lack of proper infrastructure for Hairinshah's company; in order for the crops to grow well, they need a water pump or irrigation and drainage system that would let them get enough water supply, but without the proper infrastructure the crops would fail to grow as not enough water were supplied through the pumps. This is related to the financial issue because if they had more money, they might have been able to fix this issue, however as this would require an enormous amount of money to invest in, they were unable to fix this issue. The other issue was that the quality of soil was inadequate for the farming. Though the land was granted to Hairinshah by the government for farming purposes, the soil was not examined for the purpose and thus was found to be unsuitable for farming. This issue would be due to the inefficiency of

the process of choosing and preparing of the land. Had the government examined the land in accordance to the purpose the land was being granted for, this issue would not have arisen, but as mentioned, since the process was inefficient the land examination was overlooked and Hairinshah was granted an infertile land, unsuitable for farming. And finally, the issue of lack of work force also can be related to that of a financial issue. The reason for it also being a financial issue is that as they lack the financial resources to employ workers, they have to toil on the farm themselves, but this is time consuming and as they lack local farmers to work on the farm, they have decided upon employing foreign workers to work on the farm which in turn is still quite expensive. To solve this issue, it would be highly beneficial if more youths were to gain interest in farming and paddy cultivation and even more so if more locals can be employed to work for Hyren Agrotex Global Success Enterprise.

## **CASE ANALYSIS USING THE WARWICK MODEL**

According to the Warwick model which was formed by Hendry and Pettigrew (1990), there are five elements of focus which are the outer context (Socio-economic, technical, political-legal, and competitive), inner context (Culture, structure, politics, leadership, task-technology, and business outputs), business strategy context (Objectives, product-market, and strategy and tactics), HRM context (Role, definition, organization, and HR outputs) and HRM content (HR flows, work systems, reward systems, and employee relations). Also according to Rengshik (n.d.), the outer context consists of what can be said as 'macro environmental forces' and the inner context consists of the firm specific and 'micro environmental forces'. Using this Warwick model, we can identify and analyze from the case study, the areas that needs improvement.

First of which, we can say that the issues of lacking of proper infrastructure and unsuitable quality of soil falls under the outer context of the Warwick model. This is because they are considered to be environmental issues which fall under the macro environmental forces or technical category of the outer context. On the other hand, the issue of the lack of work forces falls under the category inner context; this is because

employees are present in the organizational structure of a business, and are significant product makers of the business which therefore falls under the category of micro environmental forces or structure and task-technology of the inner context. On top of that, as mentioned earlier in this case study analysis, the company needs to gain a competitive advantage, and with reference to the Warwick model by Hendry and Pettigrew (1990) we can also say that they can further improve their management strategy by focusing on the five elements of the Warwick model. Where, in terms of the outer context, inner context, and business strategy, they need to further develop by employing a better and more structured management where they should employ qualified people to give advice on managing the finances, marketing the products and not only that, they should also be updated on the advances made in the farming technology and use that as an advantage by utilizing the knowledge and advancing their technology to excel in the field. They should also develop and create a unique point of their business, for example, they can create a specialty product which only they can create, like a special sauce made following a secret home recipe to go with the rice product. Also, in the view of business strategy of the company, they should improve the marketing of the product by interacting with and introducing the product to the youths. Most of the youths nowadays have a platform where they can influence others and if they were to familiarize themselves with the product and promote it on their platforms, it would be a huge help and would allow the company to bring in more revenue. Using social media as a platform to advertise the business is also a marketing strategy that could bring in more customers for the company. As reported by Bandial in 2016 for The Jakarta Post, Brunei has the highest social media penetration in ASEAN with 69% which is more than double the global average. This means that most of the population in Brunei is engaged in social media, so if the company was to promote their business actively in the social media it would have a high possibility of bringing in more customers and on top of that, the exposure will also promote farming and agriculture as a means of earning money or potential business opportunity (Musa, Pg Hj Idris and Basir 2020). Hence it will be beneficial if the company was to be more strategic by marketing more and using social media as a platform in order to reel in more customers and perhaps creating a website for customers to learn more about the

company, which in turn may lead to an increase in youth participation in the agriculture industry. As mentioned earlier, few youths are knowledgeable in the field of agripreneurship and therefore, if the youths were to be more aware of and are exposed to it, they may be more open to the idea and may even think of joining the company as a starting point to learning how to manage a farm.

## **ALTERNATIVE SOLUTION**

In order to set a unique value to the produces made by the company, they need to come up with solutions that can help them create such advantage over other competitors. A solution that could help solve the issues faced by Hairinshah in his farming company while not adding on to his already present challenges would be to create another product using only the facilities available to the company at the moment. This way the company would not have to spend as much money for the resources needed for the production of the new product, and can save on costs for machinery. This new product has to be something trendy and something that can be enjoyed by the youth. The reason that the youth is held in high importance is because they have the most influence in today's society and have the power to spread this influence even to out of Brunei, which means that should the news of the product reach to outside of Brunei, they may even be able to enter other countries with the products. However, while this solution is optimal in cases of saving costs of machinery, there are still costs for the creation of the new product in terms of research and on top of that, while they can create a new type of product using the machines available to them, this means that the production of their original product would have to be cut down in order to accommodate for the production of the other product.

An alternate of the first solution would be to create more varieties in their current product, where they could create different types of rice with different qualities of nutrients or such. This way they could earn recognition in Brunei for creating a variety of types of rice with different health properties. With enough recognition, they might even earn help from the Ministry of Health where they could promote the different types of rice suitable for patients suffering from different types of illness.

However while this is highly probable and can be done with the machinery and equipment they have, this could still cost them a lot as they would have to pay for the research of rice and its health components.

Other than those mentioned above, another method is by focusing more on gaining customers from business sectors rather than individuals, where they could sell the rice product to those in the food business such as restaurants and become those businesses' regular supplier. In order for this to be possible, they have to network, pitch their business and create a bond with those businesses' owners in order to earn their trust and for them to hire the company as a supplier. By implementing this strategy, they could even get contracted by a partner company and this would allow for the company to earn a steady stream of sales. Furthermore, with this method there are fewer costs as they do not need any researching costs for new products and would mainly require the skills of a competent sales pitcher in order to persuade a business owner to work with the company.

## **RECOMMENDATION**

To conclude, by using the Warwick model by Hendry and Pettigrew (1990) to analyze the case study of Hyren Agrotex Global Success Enterprise, the optimal solution in order to further the success of Hyren Agrotex Global Success Enterprise is by focusing on the elements of business strategy and improving on their marketing strategies. The marketing strategies include starting to actively advertise using platforms such as on social media or creating a website in order to create more exposure of the company and familiarize the consumers with the product the company is producing, and also to start focusing on selling their product more to those in the business sector which can be achieved by pitching the company's products to those desirable companies and get them to hire the company as their supplier. This is the most desirable solution as it costs less and is less risky compared to the other suggested solutions mentioned in this case study analysis. On top of costing less, this solution would also let the company earn a stable source of sales, especially if the company is able to earn enough trust to get contracted with the partner company. Furthermore, the

company would be able to focus entirely on their sole product and produce quality rice as they do not have other products that they need to consider being produced in the same factory. Therefore, they should focus on first earning profits and a steady number of loyal clientele before they start expanding products and try farming other produces. By considering those factors we can safely say that the optimal solution is to continue producing quality rice and start pitching to companies especially in the food sector such as restaurants in order to gain a steady stream of sales, and also to start actively marketing using the social media platform in to gain support from individual customers and increase exposure of agriculture and mainly of the company.

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