

HR Redefined

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The business world has become radically different from what it was two decades ago. The new paradigm is that the primary source of a company's worth is its intangibles i.e. the Intellectual assets of an organization's people- the only assets that appreciate over a period of time. Further, technology has shrunk the effect of geography on business. Today people are able to collaborate from locations that are remote, thus intensifying the global competition for talent. This has resulted in climate with extreme pressures for productivity among the employees.

Amidst this chaos, the besieged HR department is charged with expanding beyond its traditional administrative duties to strategically leveraging companies' increasingly valuable, increasingly strained human assets. We've heard many times about the "need for HR to become more Strategic". Despite the fact that this strategic shift is precisely what CEO's expect from HR, only a few are satisfied with what they get. A Mercer survey found that only 9% of CEOs view their HR Departments as primarily strategic and a 2006 Accenture study revealed widespread executive dissatisfaction with HR's strategic contribution. What exactly are these CEOs looking for from a rechristened strategic HR department? What can be done to rise to CEOs expectations? Research indicates that forward looking HR Department should make conscious efforts to adopt a strategic step towards a new paradigm.

HR Metrics

Tangible asset measurement & analysis has been around since the inception of companies. However, measuring intangible assets have a long way to go to catch up. Accenture's survey revealed that CEOs are satisfied by HR data in only 13% of the organizations surveyed. According to research published in the AMA's Management Review, these executives place a very high value on information like employee performance data-yet a mere 16% trust the numbers HR comes up with. It's pointless to argue that measuring the cost of an employee is much easier than measuring the value or contribution of an employee. Survey after survey reveals that HR often fails to collect such basic statistics as absenteeism. And even though HR's contribution is ultimately measured by its effect on the bottom line. ROIs is rarely measured. If key data like employee performance metrics are collected, they're laced with inaccuracies. Since many organizations are unable to discern star performers from slackers, people fail to connect that better performance leads to rewards.

In the book *Winning*, Jack Welch made a statement that Human Resources in an organization needs to be elevated to a position of substantial power, possibly equal in importance to the CFO. This might sound heretical, but could quite possibly be the way of the future. After all, 60-70% of organizational spending comprises people-related costs, and sheer economics should dictate that HR be an important force in the organization. Furthermore, research has proved beyond doubt that HR really does make a difference to business outcomes. As HR evolves into a more strategic role, it will be able to have a greater say in where the organization is going.

"What gets measured gets managed" is a chestnut but has some weight. Today one has excellent measurement tools like Six Sigma or the Balanced Scorecard or a sound employee performance management system that can provide a bounty of information and, of course, wonderful technology tools to help you with deciphering the data accurately.

Technology

What seemed complex all along? Is now at the tip of your mouse pad in particular, with pertinent advances in HR software, the HR Dept has reasons to celebrate the doing away of mundane activities and focus on deliverables. However, research indicates that, many HR depts. have been slow to adopt technology.

Technology and metrics complement one another. When used appropriately, technology can integrate complex processes and save many productive hours and provides quality information and analysis.

Many HR interventions in terms of technology are making place in Human Resource Dept like the ERP, PeopleSoft Modules and SAP modules in HR have integrated human resources Dept in order to provide solutions that deliver unmatched global capability. Automation of core HR processes, such as employee administration, payroll, and legal reporting, increases efficiency and supports compliance with changing global and local regulations. The technology helps organizations throughout the world to increase their performance by helping to ensure an efficient, focused, and engaged workforce.

Replacing Performance Appraisal With Performance Management

Hewitt's classic 1994 survey documented huge productivity benefits (up to 35%) evident in companies practicing quality employee performance management. However, even today many organizations go through an elaborate exercise of once-a-year employee performance appraisal which is time consuming and yet nothing fruitful either for the employee or the management. At best, its leaves with lot of heart-burn and cynicism. These appraisals completely ignore the focus on overall development initiatives.

In contrast, performance management being a continuous process, helps in the unleash of employee potential, by consistently focusing on performance improvement. It sets progressive goals and look for ways to develop and integrate each individual employee's key result areas, aspirations and abilities to meet organizations goals. An effective performance management gives employees an opportunity to excel, which in turn results in high engagement and motivation. Strength of employees is perhaps an important means for an organization to leverage in a short lived competitive advantage that an organization has.

Strategy is Lifeless without Execution

Larry Bossidy and Ram Charan, authors of Execution: The discipline of getting things done contend that absence of execution "is the single biggest obstacle to success" Practically, every organization today suffers from this malady. A survey to find out how many employees actually feel accountable would be worth a study.

Accountability and execution is not just an attribute but also a cultural challenge.

Accordingly, setting of KRAs should give due importance to these two attributes, while evaluating an employee performance. Career advancement should have high premium on those possessing the quality

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of accountability and execution. A performance management system is sound only when enough care is also taken to track such accountability and execution in an employee.

Finally, this transformation is definitely not easy, but it's the order of the day. Any effort in this direction will definitely help organizations get pertinent inputs that can go a long way in sustaining the competitive advantage.

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