The 'School of HR' that I belong to …….

By Shailesh Deshpande

A few weeks ago I had an opportunity to speak at one of India's leading HR institutes. While I was preparing for this session, I realized that over the last few years, I have developed certain strong views and beliefs about various aspects of HR, and unless I state them upfront in the session, the students may not be able to fully relate to many of my points. This was a very interesting – I realized that now I belong to a particular 'school of HR' – many beliefs, convictions that I have developed over last few years have become fundamental to the way I think about and work on any area of HR. I thought it will be a good exercise to put some of these points on paper – and that's how this article was born.

It is very important that I clarify few points – I am acutely conscious of the fact that I continue to be a 'student of HR', I am also aware that my limited experience does not qualify me to pass any 'final judgments' about HR issues. At the same time, I also feel that I have had the privilege of working in some of India's finest HR organizations and learning from some really wise and accomplished HR leaders. I have had the opportunity to get exposed to a wide range of HR matters and settings and I have thought deeply about things I have seen and experienced. I have learnt a great lot through my interactions with other HR professionals and I have also tried to maintain a basic level of understanding of the academic body of literature related to the field. All this has enabled me to form a certain 'point of view 'about HR. As I try and articulate the same in this article – I also look forward to refining my thinking further, based on the feedback on this article and the experiences I will gather in future. I believe that this article is a beginning of a dialogue and debate …

1. **Critical importance of leadership support and direction**

I firmly believe that people management in an organization is a collective responsibility of all leaders, people managers and HR. The HR function plays a critical role of the facilitator and expert advisor. In organizations where the senior most leader (CEO / MD / Chairman) believes in the importance of managing people well and personally leads these efforts from the front, great HR work usually gets accomplished. This top leader also ensures that her team members, i.e. the top team, also deliver well on their 'people responsibility' and that they invest enough energy and time on people matters. I can easily visualize an organization doing excellent job of managing its workforce – which is led entirely by the top leader and his team – formal HR function <u>may or may not </u>even exist. I know of many small scale / medium scale organizations that do a great job of HR but do not have a single employee in HR

function. But the converse is not true – no matter how capable the HR team of an organization is, it will never be able to manage the workforce well if the top leader and his team do not give importance to people matters.

2. Fundamental beliefs about people

All the work that we do is based on the fundamental assumptions that we have about people. Enclosed below are some my key beliefs:

a) **Individuals are infinitely complex and unique in terms of their personalities, life experiences and talents. Core personality of an individual remains relatively stable over long duration of time. For any individual, the most promising journey of growth usually involves a developing a deep understanding of one's own talents, honing these talents and identifying causes and things that motivate oneself and then having a go at them.**
From this belief it logically follows that I find 'detailed and standardized competency models' of very limited value. In its most sophisticated avatar the 'competency based HR ' promises a very neat and clean model wherein skills, attitudes and behaviors required for each position are defined through detailed descriptions and then individuals are ' measured and developed' against these frameworks. It is claimed that the same model then can be used to design hiring processes, career paths and capability development efforts. I think the fundamental nature of human beings and constantly changing and variable nature of work and roles makes this kind of a deterministic and mechanical system very unrealistic. Hence often the competency based systems fail to generate an adequate Return on Investment.

A better approach is to have only a broad, indicative competency framework (focusing on end results and not on manner of working) that provides a high level structure to organize thoughts about various roles and levels. The employee development and career planning process should be built on the assumption of uniqueness of the individual and be an effort to match the individual's aspirations, her growth journey with the organization's requirements. Development efforts should mainly focus on building further on an individual's areas of strength. Each Manager has to play a key role in understanding the unique value that the employee brings to the table and in leveraging this value appropriately in meeting the organization's objectives.
It also follows that psychometrics and measurement tools such as personality tests, Assessment and Development Centers etc. need to be used with great deal of balance and perspective. It must never be forgotten that each of these instruments look at an individual only

through a particular lens – they should never be used to form global and permanent views about individuals.

This also implies that 'recruiting right people and placing them in most appropriate roles' is more than 90% of the battle won. When right people are hired and tasked with the projects most appropriate for their profiles – things usually work well, very effortlessly for both the individual and the organization. As against this, all damage control efforts to rectify a hiring mistake or a role mismatch usually produce very sub-optimal results and if the position is at a senior level, then such mistakes can cause serious long term damage to the organization.

Given this, the responsibility of HR is to create processes and systems that leverage and celebrate the uniqueness of individual employees and at the same time provide discipline and structure required for the smooth functioning of the organization.

b) **Work itself as a reward : I believe that for a majority of people, the work that they do matters significantly – it is an important form of their identity and they strongly desire to ' do a good job'. In fact breakthrough, transformational results can only be achieved by individuals who have very strong internal motivation.**

It is important that we take cognizance of this fact and see the limited importance of compensation from this perspective. Of course a competitive salary structure is a must – but we should not operate with 'money can buy us excellence and results' attitude. In fact multiple experiments have shown that if organizations keep harping about rewards contingent on deliverables – many self respecting employees actually feel offended due to the implication that ' if not for the money, one would not have taken efforts to get these results'

c) **Organizations as social places:** It is important to appreciate the significance of interpersonal relationships in the organization. Organizations where people feel respected, relate well with their coworkers and have fun working together usually produce great results. HR should create processes and **spaces** that facilitate building of strong social ties. A great deal of value gets generated through relationships that get formed across locations, functions and hierarchy.

d) **Need to belong to an entity higher than oneself:** All human beings have a fundamental need to be part of something that is much larger than themselves. Organizations that are known for excellent standards, good corporate citizenship behavior and taking care of their responsibility

towards all the stakeholders evoke great deal of pride and sense of belonging among their employees and fulfill this need.

3. **The ultimate reason for HR's existence is to ensure that people matters are managed in such way that the organization's objectives are met. HR's responsibility and skill lies in 'trying to do what is <u>right</u> for the organization as well as for the employees and striving for this delicate balance at all the times.**

It is important to remember that HR ultimately exists to serve the organization's objectives. We should not get carried away by fancy initiatives and complex processes and should always have a clear idea about the exact value delivered to the organization. Another very useful question that helps in clear thinking is 'What difference will it make to the organization if a particular initiative / process were not done at all? '

I think ' striking the balance between interests of employees and the interests of the organization' at all times' is probably one of the most important principles for HR. Situations that make this balancing act difficult are usually the greatest test of HR's capability.

4. **People processes should be owned and run by line managers. HR's role is that of a coach, facilitator and expert advisor.**

Only having great HR processes and top leadership team believing in value of people is not enough - how an employee experiences the organization is greatly influenced by the way the immediate line manager supervises the employee. Hence the organizations must articulate the role that the line managers are expected to play in managing people. HR and leadership team must ensure that appropriate processes are designed to help and coach the line managers in this regard. It is also important that the line managers are empowered to discharge their people management responsibility effectively. For example, if the organization expects the line manager to own up the performance rating of employees, it should give fair opportunity to the manager to have a significant say in the rating decision-making process.

Sometimes HR professionals have this tendency to overcomplicate HR processes and taking a stance that 'line managers need lot of training and handholding to play their people management role'. **I think the right approach is to keep processes logical and intuitive and putting a much higher faith**

in line managers' people management capability. In fact evaluation of people management capability needs to be done at the time of selection of managers and those who have a large deficiency in this area should not be given large people management responsibilities (no matter how good they are at the domain skill)

5. **'Organic' v/s 'Artificial' HR**

I firmly believe that the 'Business HR Partner' role is the most important link in the delivery of HR function. This could be the Factory HR Manager or the Country HR Manager or the Chief HR Officer role– reference here is essentially to the HR role holder who sits on the leadership team of that particular organizational unit. This person can ensure that the most appropriate HR processes are designed (that are in line with the context of the unit), in collaboration with the HR expert functions, the leadership team is coached well and he or she can also provide ongoing feedback and handholding on people matters. **By raising important debates and questions in the leadership team meetings, by advising, influencing the team well on people decisions, this role holder can shape the culture of the unit and raise the bar on people processes.** This person should be the 'conscience keeper' and the 'voice of reason' of that team. This, I call 'organic HR' – done every day, very naturally as part of the regular work. I believe this 'organic HR' is far more effective, deep and durable as compared to what I call the ' artificial HR' – which essentially involves launching a wide range of ' add on' interventions and HR programs (very often involving multiple external consultants) to tackle the various people issues facing the organization.

6. **HR : The sacred and moral responsibility**

As we discussed earlier, for majority of people, the work that they do matters a lot – they invest large parts of their life energies into their jobs. HR often takes decisions that can have a large impact on people's careers and lives. HR is also privy to extremely sensitive and confidential information about the employees. In this context, it is extremely **important that HR is objective, responsible and respectful in everything that it does.** For example, the compensation processes should be so objective and principle based that if <u>hypothetically</u> the Compensation Manager were to be asked to defend his various decisions publically, he should feel confident about doing so.

7. **Judgments made about capability and value system based on qualification, institute, age and seniority of people can often be wrong.**

HR's job is to make 'true' evaluations about people and we must remember that capability is not a monopoly of a specific set of institutes, qualifications or age groups. Nor can we assume that just because someone is very senior in the organization, he or she will be operating with high degree of integrity and principles.

Quite often, individuals who come across as quite difficult or very unconventional do bring in exceptional talents and capabilities – HR's job is to act as a bridge, and help organization assimilate such talent. I am sure all of us know individuals who are exceptionally talented in their domain of work, but may be deficient in generic capabilities such as communication, stakeholder management etc. Losing such individuals can mean great loss of value for the organization and hence HR and the line managers need to look out for such individuals and support them appropriately. At times this may even entail crafting specific roles that suit the profiles of such individual's better, instead of force fitting them into standardized roles.

8. **Content MATTERS , appearance is not everything**

I do agree that branding and communication of HR initiatives helps to create buzz in the organization and to capture the share of mind of employees. But at the same time I do get worried when I see HR professionals spending more time and energy in thinking up fancy names; designing the logos and collateral materials for initiatives as compared to the time they invest in designing the actual initiative.

This point also has a larger significance with reference to organization culture. **The senior leaders of the organization need to ensure that people get rewarded for the actual work and real contributions made to the organization and not just for the good perception and ego management done by them**. If the senior leaders do not take care of this aspect, organizations run a risk of creating culture of sycophancy that can seriously damage organization well being.

9. **Classroom training is just one small component of employee development process. The real skill of HR and people managers lies in facilitating development through other means**.

While all of us know the potential of 'non classroom' developmental inputs, my sincere submission is that HR has not done justice to the great potential that these offer. While the nature of work, careers, employee attitudes have changed so dramatically, most of us still continue to do typical 'Training Need Identification, Annual Calendar, Generic and Functional programs' kind of work. We

all know that we develop through our personal and professional experiences, by working with different people, by undertaking challenging, complex and diverse projects, by reflecting on our experiences, by exchanging notes with others, by reading, by seeing others in action – just to name a few things.

A few individual managers have such remarkable ability to develop people who work with them that an entire department increases its capability during such manager's tenure. These managers usually achieve this by actively facilitating learning through means mentioned above. And for them, facilitating employee development is not 'one more HR chore to be mechanically done away with' but a very natural way of working, an integral part of their efforts to achieve work objectives. We need to actively identify and hire such managers with transformational abilities; we need to create processes that facilitate such learning and consciously develop these abilities in all our managers.

It is also important to state the expectations upfront – the individual employee is the main stakeholder in his/ her development, with the line manager and HR playing important process and facilitation roles. Employees can't operate as passive recipients and claim that it is primarily organization's responsibility to develop them.

10. **Do not relegate 'Industrial Relations' to a second class citizen treatment but look at it as a means to extend the same core HR principles in factory / unionized settings. Use factory HR stints as great development opportunities for young HR Managers.**

In our country, as the HR job market has become hotter over the last few years, staffing factory HR roles with top quality HR talent has become a great challenge. Also as service sector has grown and contract manufacturing has become the norm, the relative importance of factories for manufacturing organizations has come down. In this entire process, 'Industrial Relations' has suddenly become a peripheral HR activity, with a dwindling share of mind from senior HR and business leaders. I believe that this is a great loss of opportunity – **organizations stand to certainly gain a lot of value by extending the same advanced HR principles to the factory settings**. This can be achieved to a certain extent by sending young HR talent on factory postings in the first two-three years of their career. For these HR professionals it's a great development experience where they get a chance to hone their 'Business Partner' skills early on, in the relatively manageable setting of the factory.

Even from a long term risk management perspective, it is important that organizations continue to build strong Industrial Relations capabilities because industrial unrest can strike an organization at any time. (Mr. R. Gopalkrishnan of Tata Sons has been frequently highlighting importance of this in his recent writings)

11. **Be conscious of the long term impact of HR processes**

Organizations are like living organisms – they are slow to change, have long memories and strong habits. Since HR processes are usually about critical people matters and touch lives of most of the employees, **they cannot be modified frequently**. In fact getting them right in the first place is highly desirable. Critical HR aspects such as competency models, long term incentive schemes, grade systems, performance management system have a huge long term impact on people matters in the organization and HR must do long term scenario visualization to understand pros and cons of the processes it designs. For example, a highly attractive long term incentive scheme may result in near zero attrition, but harm the organization in the long term because it stops even the healthy churn of talent. In such scenario the organization may realize (painfully late in the day) that the near zero attrition has actually lowered the performance standards, resulted in complacency and prohibited assimilation of fresh talent from outside.

Believe in the power of HR

There is no doubt about the fact that HR is a challenging function – it gets constantly pulled in different directions and deals with the most complex subject on the earth – i.e. human beings, individually and collectively. Striking the difficult balance between organization and people in the ever-changing and competitive environment is not an easy task. HR often gets seen at worst as master manipulator and power broker or at best as a well meaning, but ineffective touchy feely function living in it's own world. Unfortunately we as HR professionals are to be blamed for getting cynical and having serious self doubts about power of our function. But I am convinced that if practiced with the right set of values, competence and focus and supported adequately by the leadership team; HR can have a transformational impact on the organization. It can be seen as the ultimate custodian of organization's values and a master of the **'tough love'** that the organizations of today need to show towards their people.

- - - -