

HRM : A Changing Paradigm

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Abstract

In the era of global integration, conventional HR practices of maintaining personnel data, catering to re-sourcing, training and motivation demand a more enhanced participation and managerial leadership. HR function now maintains and improves the human capital base, stimulates innovation and knowledge thereof and also provides leadership making organizational dynamics shift towards a new arena. New trends in training and development with a tinge of soft skills have occupied pivotal position in the HR culture. New possibilities for electronic data processing (e-HRM) have given new fillip to HR functions. Strategic HR now recognizes new areas like transaction services, employment services and relationships, professional and advisory services, corporate governance services and outsourcing. It has a shift in the changing role of HR which is functionally linked with strategic goals, objectives and sustainability of the organization. Consequently it has augmented the organisation's ethos and fosters a participative culture. The paper based on primary research through the methodology of interview of the senior company executives having experience in the field of human resource management, tries to find out the changing paradigm of human resource management.

Introduction

While conversing with the late ninety years old icon of human resource development and the most trusted lieutenant of JRD Tata, late Russi Mody surprisingly enquired as to what was so special about human resource management. "Has it become a subject now?" He quipped, "I do not know anything about it because for me human resource management is nothing more than normal 'humane' relationship with the employees. The essence of any good management is, I would say, 'morale.' Over the years dealing with different kind of people, I have developed one theory in my life: 'Do Unto others As You Would Have Them Do Unto You.'" Showing humane approach towards resolving the employees' problems and committing to look into their grievances 'personally' is what Russi Mody thinks the best way to manage human resource. In dealing with the employees, the manager ought to be natural and deal in the same way he deals with himself. A manager cannot go wrong in treating an employee with compassion, courage, and credibility the three 'C' principles of the legendary man. Giving reasons of the status of public sector vis-à-vis private sector according to Mody, public sector must be made ready to work and conserve wealth of a nation. What is required "is privatization of management and not privatization of equity", Mody commented.

Russi Mody's suggestive ideas of normal human relationship as the pillar of human resource management can be traced back to the days of craftsmanship, when there existed a close bond between the mentors and the apprentices. Conceptually the changing paradigm of HR (Human Resource), discusses the evolution of human resource management from those days of industrial revolution till its present enhanced status—from the traditional role of support function to the current role of active participation in the organization's strategic functions and goals. The era of craftsmanship at the master's shop or courtyard with a number of apprentices has evolved today as HRM (Human Resource Management) in corporate with number of rules, regulations, politics and strategies. The evolving human relations gave room to new ethos that improved productivity to management philosophies emphasizing employee communications, cooperation and involvement. Organizations have recognized the importance of human resource in the long term strategic planning. Today the human resource professional is charged with optimizing employee skills, matching people to jobs and maximizing the potentials of employees as valuable resources. Organizations have recognized the importance of human resource in long-range strategic planning. With the

influence of information technology, HR software solutions used by domestic and global market organizations are seeking to optimize their HR service delivery.

Now-a-days the pivotal responsibilities of the HR department are intimately associated to the strategic purposes and intents of the boardroom, which is again tactfully designed to frame the norms and policies that meet the employees' aspirations and goals. The conventional organization model has got a new shape in this era. The traditional tall layers of management got changed to flat layers of management, vertical flow of information got transformed to both vertical and horizontal flow of information, emphasis on rules and standard procedures got changed to emphasis on results and outcomes; emphasis on structure got changed to emphasis on process; standardized evaluation and reward systems got changed to customized evaluation and incentives. Strategic HR has fused the aspiration of the employees at various levels with the organisation's goals through suitable HR policies. The current trends have a focus on policies, motivation, relations, changed agent and quality consciousness. As the corporate world is escalating with high expertise and knowledge based jobs and waning off with low skilled jobs, the need for skill mapping through HRM initiatives came into being and at the same time multi-skill development has become another significant facet of HRM. Talent management, competency modeling, and assessment centres are the recent trends of HRM. De-jobbing is another aspect of the day. Employees are expected to have the ability to excel their efforts with a satisfactory result in multi dimensions. Today professionals are hired with a particular designation, but they need to manage varied fields of function. Certain HR functions like recruitment, consultancies are even operated and controlled from home. Succession planning is one of the core areas in the recent HRM system which has considered training, development and performance appraisal to be its integral part. Identifying the type of skills the organization requires in the next five, ten and fifteen years is a vital aspect of succession planning.

The new era has brought several technically realized systems to support different functions of HRM. As Leslie A Weatherly said, "from the HR perspective strategically using the information assets of the organization means that HR business process, organizational support system and HR information technology are aligned to continuously capture, maintain and utilize key strategic information assets (that is knowledgement and judgement) to improve business performance." In the past, branding in HR was only limited to the employment functions. But today branding in HR distinguishes the jobs for the employees. The four Ps in branding HR are people, pay, position and prospects. As the HR functions have begun to broaden its wings across the organization, there has emerged a need for treating HR to the employees, similar to that of selling services to the clients. Building a brand for HR department is significant because of attracting, encouraging and holding the most excellent and the brightest talents for the organization in order to survive the corporate competition. When the business strategy holds partnership with people's strategy, it creates a great place for work. The HR as a brand should build an alignment with the deliveries of the organization to the benefit of employees, shareholders and customers.

Methodology

Bedecked with primary qualitative research through the methodology of taking interview by the means of questionnaire from senior industry experts of manufacturing, engineering, marketing, service, consultancy, infrastructural, export promotion, multi-country deliveries, BPO and technology sectors, the article tries to capture the current trend in human resource management—in functions like recruitment, training, retention, competency modeling, strategizing, industrial relations, outsourcing, offering leadership to workforce, enhancing the e-HRM techniques and many more. In this context, the practice of recruitment in entertainment industry has also been captured where the process may not

conform to the so-called formal methods of recruitment. As **Rangan Chakravarty, the media exponent** holds, "Gender differentiation in job profiles also has its impact on hiring". He says, "The show-biz world does not strictly depend on the academic eligibility criteria for selection. Rather the industry depends on the talents of creativity, presentation, the ideal of beauty and finer artistic qualities where especially age is no bar. Recruitment in the entertainment industry is based on the classification of jobs. Broad job structure is classified as: a) In front of the camera and b) behind the camera. There is difference between software and hardware jobs, where different requirements for hiring are followed. "Separate set of parameters are maintained in recruiting human resource depending on the nature

of jobs that can be-casual contracts, verbal contracts and more formal contracts. There are provisions of self employment and full-time jobs through the guild especially in films. But these jobs through the guilds are different with other unionized jobs. Kinship patterns in employment and recruitment in both high and low profile jobs are evident", elaborates Chakravarty.

Questionnaire pertaining to respective sectors of industry were framed to take opinion of the experts experienced in HR practices for a long time. The senior HR experts who were interviewed were: the late Russi Mody, Ex-chairman and MD TISCO and Mobar India Ltd, Kolkata, Santanu Ghosh, Regional Head (East), Foils Division, Hindalco Industries Ltd., Subrato Bose, Head Trainer, Lee and Nee Software (Exports) Ltd, Janet Gasper Chowdhury, Head-HR Consulting Practice, Pricewaterhouse Coopers Pvt. Ltd., Udayan Sen, Group Strategy Development Manager, BP Plc, UK; Sayantan Datta, Associate Consultant, Infosys, Pune; Saumik Deb, HR Consultant, Private Educational Groups, West Bengal and Northeast India; S.R Saha, Chief-Industrial, (Eastern region), Exide Industries Limited; Rangan Chakravarty, Ex-Creative Director, HTA (JWT), currently producer of television programmes, Editorial Consultant, Anandabazar Patrika; Jay P Majumder, Owner of Sam Group of Companies, a multi-country company; Goutam Roy, General Manager, Systems and Modernisation, The Times of India Group; DK Sen, Vice President, Business Development, West Asia, Larsen and Toubro Limited, Mumbai; Ranti Deb Maitra, Executive Director, Engineering Export Promotion Council (EEPC), New Delhi; and Surajit Mukherjee, Head Human Resource, ECS, Alstom.

IR and HR

Industrial Relations (IR) in different economies are influenced by a variety of circumstances like political philosophies, economic imperatives, the role of the state in determining the direction of economic and social development, the influence of unions and the business community and in some cases the legacy of foreign domination. Over several decades IR in many industrialized market economies paid less attention to competitiveness than did the younger discipline of human resource management. IR fulfilled the function of providing employees with a collective voice and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry and sometimes across an economy. This was achieved through

freedom of association, collective bargaining and the right to strike. Today industrial relations cover the impact of globalization on both IR and the management system in the organizations with increasing emphasis on workplace relations. **Santanu Ghosh of Hindalco Industries Limited** says, "Unlike the past, today, IR is having developmental role, trust building functions, and also involved in decision-making of the organization, thereby having a balance between IR and HRM".

The influence of globalization has mitigated the employers' thrust for regulations of IR, standardization of the employment relationship and a greater focus is driven on the workplace as the centre of gravity of IR. A more strategic perception of IR's contribution to promote workplace cooperation, flexibility, productivity and competitiveness is the recent lookout of the employers. A more 'enterprise-based' view during the last two decades has drawn the picture of labour problems not only over terms and conditions of employment usually negotiated between unions and employers, but over other factors as well. Low productivity, absenteeism, high labour turnover, lack of job security, physical job environment, repetitive jobs, lack of motivation, failure to recognize the performance of individuals or groups inherent in standardized wage systems and lack of training are few factors that encompass the labour issues. "Many of these labour problems are required to be addressed at the enterprise level through appropriate HRM policies and practices with the objective of ensuring a union of organizational and individual goals and needs, or a reasonable balance between them", says Sriyan de Silva . The present trend in labour relations and HRM is to place greater emphasis on employee involvement, harmonious employer-employee relations and on practices which promote them. In the changing orchestra of IR and HR, employers are now compelled to view IR and HRM from a strategic perspective instead of only from traditional point of view of negotiating terms and conditions of employment and performing personnel and welfare functions. IR and HRM are directly relevant to competitiveness and how they are managed will impact the enterprise performance like, its productivity and quality of goods and services, labour costs, quality of workforce, motivation, prevention of disputes, settlement and aligning employee aspirations with enterprise objectives.

Training, Innovations and Leadership

According to **Subrato Bose of Lee and Nee Software (Exports) Limited**, "New innovations are formulated to understand the need and want of the employees and then design the training modules for the workforce which also covers the objective of retaining employees. Currently training not only focuses on the employees' sense of belongingness to the organization, it also enhances the qualitative personality development of the manpower. Softskill sharpening is the agendum of the day because communication, the most important means of exchanging ideas and potentials is itself a very hard skill to be adopted". Training is an integral part of operation and innovativeness in training modules help the employees find their own potential. HR has to play a very significant role in identifying the training need of the trainees and their employees. The need of the hour is to understand the need and wants of the employees and design the training modules accordingly. "If the emotional factor is addressed most of the issues get resolved. This is innovativeness in today's context", commented Bose. HR department and the trainer have a specific role to play for one-to-one feedback and understand individual needs and wants. The basic objective of the trainer is to inculcate in the trainees a sense of involvement and belongingness towards the organization. The freshers, for example join a company with lots of aspirations. They have unending demands and retain the memories of their first job. Here comes the role of the trainer who must offer some of the most significant elements such as, belongingness, challenges, opportunities for development and contribution; growth, fun, rewards and excellent work culture. Each and every organization today is customer oriented and to achieve the objective, companies need to be people driven.

The art of communication cannot be underestimated in the process of achieving success. According to Bose, "tone of our voice makes lots of difference because 67% of what we say is communicated through our tone. Tone reflects attitude and mood of the person. The researched answer to the proportion of communication exercise shows – words used- 7%, Tone-38% and body language-55%. Going beyond the traditional role, HR and the trainer need to groom the new hires with induction process to inculcate in them the work culture and ethics of the organization. They are trained in soft skills as well."

After all the non-human resources are procured, it is the human resource that breeds life into them and gets them going. They must continue to operate in unison and at their optimum capacity in order to make the enterprise enjoy good health, competitive edge and profitability on an ongoing basis. This definitely requires a continuing motivated contribution from its human resource department. To a large extent motivation depends upon the proper management of human resource, through proper utilization of vehicles of participative decision-making, delegation, communication, feedback and management by objective (MBO) systems. Each of these vehicles require very delicate handling and careful balancing and when a manager succeeds in achieving these, he automatically attains the status of a leader.

Leadership rests on competence and character and unless these are incorporated by the boss in his management style and his personality, he cannot become a leader. Bose suggests that for overcoming the ongoing challenges and achieving optimal excellence, it is imperative to adhere to Theory Z management style. Such management style is characterized by mutual trust between employee and the employer, informal relationship, employee involvement in decision-making, non specialized career, slow evaluation process for employees, long-term employment, flexibility and adaptability. Although theory-Z management holds much promise, the transition to Z cannot be accomplished quickly. Bose has outlined five actions to test Theory-Z principles without changing their philosophy and structure. Such strategies are: to audit the firm's management philosophy and procedure; to make suggestion box a two-way tool of communication, to do more of 'Management by Walking Around,' to develop a modified quality circle and involve employees in establishing objectives.

Competency Modelling

Janet Gasper Chowdhury of Pricewaterhouse Coopers Pvt. Ltd. is of the opinion that in the changing workforce context employees seek a different sense of relationship – often called as 'employee value proposition' with their employer. There is an emphasis on a shared sense of responsibility for career development and personal development. Career development is more than just movement from one level to the other. It is a chance to learn and experiment and reflects the bend towards having long time association with the organization. Talent management

provides a range of benefits for doing so: for the talent, for the organization and for the professionals involved in doing the work. Companies that are implementing talent management are strategic and deliberate in how they source, attract, select, train, develop, promote and move employees through the organization. It also incorporates how organizations drive the performance management system.

Talent management can mean different things to different people. For some it is about managing 'the top 25%' while for others it is how talent is managed for the whole work force. As for instance, Pfizer is an organization which has successfully aligned talent management to its core strategy and has defined explicit values and expectations for leadership behaviours.

Case study of Wipro

Wipro, the Information Technology Company, follows a robust system of talent review and planning for all the middle and senior management levels and also has undertaken coaching exercise wherein senior level leaders have been identified as master coaches and trained in the same to mentor resources into leaders. IT bigwig Wipro starts its talent management strategy right from the stage of recruitment and goes on to having a successful and detailed on boarding which ensures that the employee gets inducted into Wipro way of thinking. It covers all aspects right from tackling the issue of job rotation. They have a very effective internal job portal which allows employees who has completed 18 months in an assignment to look for the change and apply for the same. There are multitude of trainings, both technical and soft skills to choose from, also detailed planning of deputation to onsite assignments as that is a big lure for the employees. There is a planned approach to leadership development wherein the identified set of top 20 percent are made to undergo certain leadership and project management related trainings and the same goes up till the senior management level as well. There is a detailed succession planning exercise which is a yearly event. It aims at identifying the top five per cent of the employee percentage at each level and identifying their areas of strength, development. All this combined has given Wipro the competitive advantage which has resulted in a consistent growth rate for the company and has also helped to maintain a low attrition level.

Says Janet, "Organisations today have acknowledged that its not product superiority alone that they need to compete for , but a high performing workforce as

well, which will be the key to competitive advantage. Hence talent management has become the buzzword of organizations in the globalized world as it is essential for them to attain long term strategy". There is an emphasis on a shared sense of responsibility for the employee's career development and growth. Various new concepts of talent management are helping organizations and employees move towards a more valued relationship wherein both see the advantage of being associated with the other. To Janet, "An efficient talent management programme helps in: planning talent needs of the organization, attract the best talents, speed time to productivity, motivate the right behavior, develop the targeted capabilities and knowledge, retain high performers and enable talent mobility across the organization".

Any competency modeling exercise needs to begin with an understanding of the vision/mission and values of the organization. Competency models can consist of behavioural or managerial competencies as well as technical or functional competencies. To identify the competencies that are critical for the organization there are few techniques the HR has to take resort to: such as repertory grids, behavioral event interviews, and job analysis. These techniques are used through interviews and workshops with top management, function or business heads and job holders to understand what leads to superior performance. The constructs that emerge are coded and analysed to derive the list of competencies that will enable the organization to measure how employees are supporting the achievement of business goals. Some companies use secondary inputs as well as competency dictionaries which list out the various behavioural competencies that are relevant to organizations. These however should be verified and customized to the organisation's context, otherwise they get left as generic, often not fruitful in measuring the actual requirements. Once the competencies are identified and validated, they are further elaborated on by developing a maturity progression in terms of levels like basic, proficient, advanced etc. These consist of different behavioural indicators that need to be demonstrated by the employees and help organizations measure whether these are being met or not. They are typically observable behaviours. Once the competency model is defined, the unique roles and management levels in the organization are mapped to each of the competency levels indicating the expectations from the role holders which in turn can be aligned to many of the other HR systems such as performance

management, training and development, recruitment. Having an effective talent management system helps in engaging the employee's emotional energy which in turn helps gain commitment towards the organization and managing employee aspirations efficiently thereby reducing attrition.

Assessment centres are the most effective tools used for identifying future managers or recruiting the right candidate into the organization. It helps the company to identify the best talent, both internal and external (by means of recruitment) by evaluating their knowledge, behavioural traits, skills and competencies. The selected candidates are made to undergo simulations and situational exercises that are effective indicators of their abilities. The exercises range from leaderless group discussions, role plays, behavioral interviews and many others. Assessment centres can be used for a variety of organizational processes like recruitment and promotion, early identification of potentials, diagnosis and development of talent, organizational planning and also as development centres. They make it possible for the organizations to make use of the best methodology for assessing their employees. If the assessment centres are competency based, then the information available about individuals can be collated to provide data on the overall capacity levels of the organization.

Case study of Cognizant Technology Solutions

Cognizant has been using assessment centres since 1998 for identifying top talents and future leaders. As Janet Gasper Chowdhury continues, "It has till now assessed competencies of approximately 400 senior and middle management professionals across Cognizant. As a result of having the early mover's advantage, Cognizant today is reaping rich rewards by enjoying high levels of customer and employee satisfaction, which has resulted in consistent growth of their revenue and profit. The programmes include written as well as oral individual or group exercises that are designed to measure the proficiency in distinct leadership competencies and dimensions using myriad tools and instruments. The organisation has invested considerable effort in identifying managerial competencies and has nine major clusters of behaviours which are assessed over a two day workshop through a series of simulations. The leadership team at Cognizant has been sold out on the concept, wherein their managers and leaders are benchmarked against global standards of leadership

thereby ensuring that the quality of managers in the company is at par with global standards."

However, the reason the tool of assessment centres are not so widely practiced is because it is time consuming in nature and requires a lot of resources for the same.

Managing Today's Talent to Deliver Tomorrow

Substantiating the concept of talent management, **Udayan Sen of British Petroleum** is of the opinion that managing talent to deliver in the long-term requires concerted actions today to secure conditions for success tomorrow. He says, "The issue is how much traction the leadership of the firm has on people agenda and what awareness exists about scope and scale of the challenge for the future, as the demand-supply footprint changes with demographic and economic transition in the next couple of decades. Talent retention happens as a result of how a leader inspires and motivates the team and seldom by sheer change."

Strategy delivery is as much of a leadership act as strategy formulation, and the difference lies in accountability. Strategy delivery happens across the organization and it is important for leaders to communicate the vision and provide the necessary context to enable individuals to perform knowing where they stand in the organization's value creation process. To develop and retain the most talented people requires more than short term tactical actions. It require leaders of today to plan for the succession of tomorrow, and in a radical sense make themselves dispensable for a generation that is in their late 20s and early 30s today. The boss, and the leader in him or her, is an important aspect of how talent retention happens, often as a result of how a leader inspires and motivates the team, seldom as a result by sheer chance.

Managing talent for delivering longer term strategy has traditionally been not ranked high in organisation's priority and there is a case for change, more in some business sectors than others. To take an example, the oil and gas industry today is facing severe resource crunch and the ability to grow is limited by capability, not capital. This phenomenon has its roots more than decade back as low oil prices induced downsizing, industry consolidations, start-stop recruitment and cost cutting initiatives that impacted the talent pipelines for many technical disciplines. Since the turn of the century, oil prices have witnessed an unprecedented sustained upturn ,

underpinned by economic fundamentals of demand and supply, but also to a large extent by externalities like geopolitics and concerns of energy security. However, the ability to grow production in the medium term is limited by capability — not as many skilled people resources resulting in sustained high energy price environment as demand and supply stay finely balanced.

Some traditional thinking would suggest that talent management initiatives for the long term are HR driven. HR does play a very important role — one of standardization of process, partnership with businesses and continuity over a time horizon that spans the career of the individual, as against just the current role. “But the accountability to pull through talent in the organization is a line responsibility, driven from top. Senior leaders often find themselves unable to focus on the proper agenda in their efforts to fight the mundane rhetoric of daily routine. This has to change and if a talent culture is not intrinsic to an organisation’s culture, induced changes through performance management and reward tools need to be put in place to begin the process of culture change. Again this is a top down process and leaders must set examples for the organization to gain momentum,” says Udayan Sen.

Identifying the right people for the right jobs is probably the first step to develop talent. Creating work experiences that are most likely to develop individual competencies, more and more companies now offer job rotation as a way of moving talented people horizontally and vertically across a breadth of roles achieving talent synergies in the process. An accountant leading a business is not uncommon, as increasing number of CFOs step into CEO roles at the highest level, setting the precedent to follow similar cross-functional or business moves in the wider organization. Some companies have created an internal talent market which is a way to promote individual self-interest to identify and seek a potential role. It is designed to encourage company-wide participation the success of which is dependent on fair, transparent and merit-based selection process by a sufficiently broad-based panel. It allows for the hiring manager to select the best resource from a pool of talented candidates. The role itself is a result of personal choice and appeals more to the employee as it is the best fit of individual aspiration and the opportunity set available. The internal talent market scores over traditional model as it is based on resource ‘pull’ as against ‘push’ — attracting the best talent where it is needed most. However, it is less applicable

from middle to small sized companies where the hierarchical and often an informal model are most prevalent and probably more relevant as the talent pool is relatively small. Large global companies that have internal talent market include BP, IBM, American Express. Besides on-the-job developments, most companies have structured developmental programmes that hone skills of individuals to harness the full potential of the talent in diverse situations. These are as important as learning on the job and complement the skills and competencies in a controlled way. According to Udayan Sen retaining talent is a leadership master act which depends on individual style and personality. Sen suggests few illustrative behaviors that are associated with a leader who inspires and motivates the team:

First, communicating and encouraging a two-way communication. The two-way communication is a critical aspect of delegation, where the subordinates can seek guidance, challenge convention and where necessary prioritize to deliver on the agenda.

Second, providing timely feedback is communicating but with an objective to develop people and can be part of formal, like year-end performance review and informal process. It is often the informal feedback that helps to take corrective actions as one has time to reflect and work on. Again seeking feedback can be empowering to the subordinate and allows for a healthy relationship with the boss.

Third, the ability of a leader to adapt and change in an evolving world instills confidence in the team that fleet-footedness is not an option, but a necessity often to maintain status quo. To be a step ahead one needs to break away from the path, out-think rather than out-manoeuvre others. Enabling others to perform while taking accountability for outcomes that allows for failures is a leadership trait that differentiates the average from the great.

Fourth, an ethical leader is not just an honest person, but the leadership style reflects the personality, beliefs and values. This may mean adopting a best fit of personal style with an organisational need — successful leaders often find a sweet spot that allows sufficient flexibility to stay true to oneself while finding one’s place in the organization. Talented individuals often role model themselves on one or more leaders. Hence it does not mean that leaders need to be aware that they are under watchful eyes of not only their bosses, but also of their subordinates. There is a ‘parental advantage’ that needs to be played out responsibly.

Fifth, the real test of leadership is the ability to share the learning to the next generation and develop successors who are eventually even better leaders. Developing leadership potential from existing talent requires investment—on the job and off it. Most importantly it requires time and effort of existing leaders who as mentors, coach, boss or simply a colleague can influence behaviours and outlook more than what most formal classroom training programmes can offer.

Finally, challenge excites most employees and often lack of adequate stretch can create as much stress as abundance of it. Some organizations have responded to the issue of challenge by grafting managers into leadership roles early on in careers. Difference between 'managing to lead' and 'leading to manage' is subtly different and probably defines the fine line when managers become leaders. People seldom recognize that making things happen can be different from making things possible and managers who can do the both have transcended to become leaders. This is also the best retention tactics that has long-term pay-off – the best people have age on their side and have wealth of experience by the time they are in their forties. This has led to the age of the executive leadership in organization to fall over time, as is evident in top companies today.

In the real world most progressive companies that have taken the challenge to pursue people agenda in right earnest are on a journey. So talent management is elevated to a higher pedestal in the organizational priority action need to be taken to create a talent culture and this may mean doing things differently, or doing new things altogether. A talent culture is in existence where the leadership visibly demonstrates the value of their people as a strategic differentiator and exercises sufficient care to secure the trust and confidence of the employees who develop a deep sense of belonging to the company they work. It is important that the talent culture exists company-wide and not limited to a small pool of so called 'high performers'. Like most top players in sports, there are career highs and lows and the ability to out-perform consistently over time separates the average from the extraordinary. An organization that has an embedded talent culture will continuously high-grade the 'portfolio of high performers', through healthy internal competition, as well as an element of bottom slicing—removing under performers in a merit based organisational construct. There need to be a process of merit recognition, well communicated and understood across the company and the leadership

is open and transparent in picking winners and celebrating success while motivating others to join the party. It is important to lose the consistent under-performers before the cost of carrying them becomes enormous and peer morale gets adversely affected.

Strategic HR: Managing Workforce Diversity

Presently recruitment has risen from being a functional resource-skill-role-fitment task to an extremely core policy driven function within an organization. Today HR manager is not only restricted to recruit, appraise, reward and retain at an operational level but must also have a view of the business end-to-end and his responsibilities and tasks must be designed and deployed in this perspective as also to contribute to develop strategy based on his understanding of the human resource. As **Sayantana Datta of Infosys** holds, "Although the key responsibilities of the HR management in any organization remain the same, now they are more closely aligned to the strategic intents of the boardroom."

In traditional economy, the role of the HR dept. would be managing the aforesaid responsibilities from an operational perspective, supplying bodies to attain operational objectives. People were distinct from organizational process and the strategy driving them. With organizational dynamics shifting towards an increasing 'market-and-customer-oriented' approach, the role of HR needs to be revisited and interpreted in a more inclusive context. For example, in manufacturing dominated economy, HR is mostly limited to recruitment, training and managing the HR, so that the capital assets would function smoothly. However, in an increasingly knowledge driven and service dominated economy, success and failure depends largely on how the HR aligns with the strategic goals and objectives of the company since the outcome of employee performance is directly linked with the performance and growth of the company. To make this growth sustainable, HR must address core issues of employee satisfaction and motivation thereby creating a business model driven by the employees. Some of the direct outcomes are: Higher employee initiative, lower employee attrition, motivation to create and contribute to knowledge and ownership to roles and responsibilities.

There are several factors that influence an organization's recruitment strategy. Employee branding is an indirect branding effect in which the communication of company employees serve to characterize the employer's brand. Employees are

today the face of the company to the larger social stakeholders in a larger measure than ever before. Thus to be able to propagate a positive brand image every organization must recruit in alignment with the image and standards it projects. For ex. In recruitment into National Defence Academy of India, the high standards of physical and intellectual capabilities, the challenging campaigns, tough selection process, are all aimed at recruiting the toughest and the smartest. This is directly in line with the strategic intent of the Indian army, to breed a fearless, patriotic and strong defence lineage that defends the country from security threats.

Intellectual capital is the possession of the knowledge, applied experience, organizational technology, customer relationships and professional skills that provide a company with competitive edge in the market. In the intensely competitive market today, it is important to breed and retain the right intellectual capital. Hence it is extremely important to recruit employees with the capability to create and apply intellectual capital for the company and the customers. Continues Sayantan Datta, "We have seen the growth of small companies into big corporations in the last two decades. Ex, Reliance, HCL, Dabur, sunpharma, Piramal Group,, new economy countries like Infosys, Polaris, Mastek. What separates these companies from others is their capability to attract and recruit talent that has boosted them into powerhouse of knowledge. The recruitment function today must align itself to upholding corporate culture through careful selection who would fit and align to the corporate culture. Recruitment cannot operate as an operational function fitting skills to roles but must have a view of the business from its strategic objectives, convert these to role definitions and recruit to right fit the organization as a whole rather than a function of procurement manager or programmer". India is no more a country where there is abundance of low cost talent, as the demand for talent grows exponentially with time. This gives rise to two immensely important areas where HR must act and take strategic initiatives. For example performance appraisal was used to decide whether or not the salary or wage of an employee was justified. In the modern organization there is a strategic emphasis to grow talent in-house as this reduces a great deal of recruitment cost. Now it has become a key to employee engagement and development thereby addressing the issue of developing resources to take higher responsibilities fulfilling vacated or newly created positions. It must provide a framework where

every employee can explore career possibilities and work towards fulfilling higher goals. Similarly rewards are not only in terms of growth of salary but also in creating recognition for the out-performer. This satisfies the out-performer and also the others to be motivated to achieve higher goals resulting in enhanced performance. It is also important to be able to set correct expectations around rewards and remuneration mechanism maintaining a fine balance that would allow all employees to participate and perform. A key step to improve employee performance is counseling and coaching.

"People management today is not the sole responsibility of the HR as a department, but must be a necessary skill of every member or manager of teams from the lowest ranks to the top management," says Dutta. Instead of limiting himself with operational details of attaining business objectives, the current HR manager takes the additional role of managing people. He must understand how corporate strategy rolls down to the entry level employee and design and deploy control systems to ensure that managers at every level work in line with the frameworks laid thereof. The emphasis on people is the fulcrum for change in a successful company. One of the most important competitive advantages of any business in perspective is its ability to create knowledge and retain this within the organization and deploy it towards sustainable growth. The Human Resource Manager is not only restricted in his responsibilities to recruit, reward and retain at an operational level, but must also have a view of the business end-to-end, and his responsibilities and tasks must be designed and deployed in this perspective as also to contribute to developing strategy based on his understanding of the human resource. Recruitments have risen from being a functional resource-skill-role-fitment task to an extremely core policy driven function within any organization.

Sustainability and Growth with New Face of HR *Outsourcing and Consultancy*

Globalization and the spectacular economic growth of India have widened opportunities for the knowledge worker. In the perspective of "economic revolution through globalization", human resource has been designed as the prime fuel to run the engine of growth. Today, like never before, human resource factor is expected to act as the capital of the enterprises and also to deliver the winning edge. Globally, the focus has been shifted from the orthodox intra-

department reactive functions to a dynamic mix of strategic development of core competence and outsourcing. According to **Jay P Majumder, Owner of Sam Group of Companies**, "Usually restructuring of HR starts with outsourcing low-end operational processes and gradually caters to more sensitive areas of business through a confidence building exercise." Presently, India is considered to be the largest pool of human resource and as a result is placed at top in the outsourcing market. More and more Indian companies are turning towards rationalizing the in-house HR and shifting towards a balanced mix of core area development and outsourcing. In most cases firms grow from domestic, to international, to multinational, and finally to global operations and thus their profile as well as corporate culture undergo the required changes. Each phase requires a different model of HRM incorporating new operations, strategy, structure, HR profile, training and motivations to cater to greater economic viability and competitiveness. Globalization has not only deleted geopolitical boundaries but also infused revolutionary ideas and style in management of human resources.

It is widely recognized that an organization's employees represent a major investment since human capital is the company's knowledge asset. Business often does not have the staff or the budget to properly handle the nitty-gritty of human resource. Consequently more and more businesses are outsourcing their HR needs to HR consultancy. Consultancy is the comprehensive advisory service that includes assessment of staff, recruitment, job evaluation, building competency frameworks, succession planning, management development and assessment of training needs. The main issue is not so much about taking the right action to put people management issues higher on the agenda. **HR Consultant, Saumik Deb** says, "Setting measurable objectives relating to the key factors that impact people performance and constantly measuring the performance of managers against these objectives are the main factors in HR consultancy. Consultants provide the means for companies to establish an International Human Resource Management (IHRM) strategy that clearly aligns IHRM with the business values, philosophy and goals. To remain competitive in the global marketplace and to optimize the international human resources to be most productive, companies must maintain a 'global view' and keeping the pieces of the IHRM puzzle fitting snugly together into the picture defined by their IHRM strategy".

Retention of Employees

In current context most serious HR issue is retention of employees in the organization. Due to widening scope and multiple opportunities for human capital within a country's periphery or beyond that, retention of the knowledge workforce has become a challenge for the HR department. Hence **SR Saha of Exide Industries Limited**, suggests, "it is to be borne in mind that retention of an employee starts with the first step of HR function that is recruitment and subsequently every HR function plays a vital role in retaining employees. An organization has to be committed to the development of the employees. It starts with the annual appraisal of all employees. In addition to annual appraisals, the other aspects that need to be incorporated in order to motivate and retain employees are: internal and external training programmes, performance rewards, encouraging for higher studies, deputation to sister companies and myriad extra-curricular involvement". Every employee has certain self-imposed targets for their career growth and unless an organization has plans in place to satisfy those employee targets, they are bound to have a high employee turnover which is very costly for the organization. Since motivation of the employees is given highest priority for retention, office committees are also set up for joint consultation with the senior management. This helps employees to be involved and gives them the opportunity to influence decision-making. There may be financial partnership with employees like share ownership. There are organizations which set up autonomous work groups with responsibility within a defined area which helps in job enrichment and involves participation. A thorough research is indispensable for the understanding of employee morale and thereby motivating them and retaining the employees for betterment of the organization. The employees should be given an opportunity to express their views to neutral personnel so that their individual opinion can be considered. In this respect recruitment, training and induction and career growth plan should be given immense importance. The ultimate aim is to hone skills of employees and impart necessary knowledge, increase the effectiveness and equip them to take higher responsibilities resulting in promotion.

Technology Rollout

Digitization, open systems standards, development software and supporting technologies for the application of new computing and communications

systems – including scanning and imaging technologies, memory and storage technologies, display systems and copying technologies – are now helping users realize the potential of the IT revolution. HR process has gone a drastic change after implementation of Enterprise Resource Planning (ERP). Right from evaluation of performance to on line recruitments, ERP packages offer all in one. Though companies are investing in core HR functionality, they are also making investments in new HR application tools, which is beyond managing employee data. The goal of this holistic approach is to create a link between enterprise performance management, core HR, and Human Resource Management. IT and HR need better alignment to deliver corporate objectives. HR software solutions used by domestic and global market organizations are seeking to optimize their HR service delivery. Customization options allow organizations to implement an (HRIS) Human Resource Information System that best meets their business needs. “Thus HRIS and e-HRM usage allow the human resource professional to become a strategic player and has given a new shape to HR”, says **Goutam Roy, General Manager of The Times of India Group.**

Re-defining the HR and the Line

“From the organisation’s point of view”, as **D K Sen of Larsen Toubro Limited** shared, “with a major shift in HR, human resource is becoming a more strategic contributor to business success, that is, more business-oriented, more accountable and to demonstrate value for money”. However, in assessing the practicality of the application of such changes in the long run Sen suggests that “pragmatic challenges need to be apprehended by the organization especially in case of establishing a balance between ‘what are’ and ‘what should be’ HR and line manager responsibilities for people management and development.” Moreover, the present trend of aggressive head hunting by HR functions might put even the most stable organization into a state of constant fear of losing their valuable performing employees. Consequently a major portion of time is being spent by management to devise innovative ways and means to retain its talents by ring-fencing them with continuous rewards and growth prospects. Also the organizations are trying to maximize outsourcing of its routine and less important functions to ensure a trim structure of highly remunerated employees. In such a process Sen says, “a large gap is created in the remuneration structure of the outsourcing organization and the outsourced organization which in the near future will

have an adverse impact on the industry and society as a whole.” This in HR function has created a huge shift in the way it delivers services and in its relationship with the rest of the organizations in order to increase business focus. “With the changing dynamics of HR, organizations need to restructure themselves to sustain growth and sustainability in such fiercely competitive market from domestic as well as foreign competitors, especially with some of the challenges that need to be tackled at the right time,” cautions Sen.

Sen suggests that the process of restructuring should start from redefining the role of HR and the Line. While HR discovers the natural talent and places them in appropriate roles, the Line has the responsibility of utilizing them with care to ensure that the talents are cultured, developed and retained for becoming eventual leaders. Earlier if a person resigned and if it was accepted by the Line Manager, there was no way to find if there was any major grievance of the employee. Disgruntled employees leaving the organization can cause potential negative marketing to make a major dent on the company’s image. But with changed face of HR today such grievances can be known and amended. Hence HR managers should be given the necessary power and hierarchy to question the Line manager in matters relating to talent management. Now organizations are entrusting HR for conducting leadership programmes to select top talents. These 5-10% top talents are being groomed as future leaders through fast track promotion, high rewards and early leadership which is leaving the remaining employees demoralized. Hence organizations must review its reward policies and find innovative means to ring-fence its useful employees. This requires HR to have high touch engagement with employees to provide the required support.

The changing HR has given a great challenge to the corporate. **Ranti Deb Maitra of EEPCC** has commented that, “Strong competition has forced the organizations to make strategic plans and tactical ways of implementation to let them hold a firm footing on the path of long-term survival with an incessant growth”. While the HR professionals now increasingly spend more and more time in strategic inputs aimed at meeting base targets, improving efficiency, performance, reducing costs, etc., their most time consuming task remains, providing support to line managers for people management. Organizations must replace the old system of performance reviews with a system based on value creation and employee

development. Most critical component is measuring how much value was created for the customer, since objective of the organization is not just to make money but most importantly to provide value to the customer.

Employee-Employer Relationship

Against the backdrop of changing HR management, the employee-employer relationship has also undergone a significant change. The knowledge worker has emerged as the clear winner, as a significant category of the workforce. They are now treated as resources of the company unlike the earlier concept of treating employees as 'costs.' According to **Surajit Mukherjee of Alstom**, "the traditional relationship that was paternalistic had superior-subordinate authoritarian relationship where the employee was satisfied to accept unconditionally the subordinate status. But now there is a discernable shift for the preference of an equal partnership both by the employee and the employer. The employer no longer takes a lifelong responsibility for the employee and the employee on the other hand is extremely conscious of his mobility. Dignity and respect for the individual, and treatment as equal partners in progress does make a difference in the psyche and morale of the workforce, which translates into higher productivity". From the employers' side, the concept of life-long employment and long-term career development is fast receding, particularly in the sun-rise industries of the emerging high-growth sectors. With time industries find more and more people with contractual or part-time work, an improved male-female ratio in the work place and more people working in the services sector. Project based services help in creating a robust performance management system in terms of having clearly defined objectives and timelines. Employers today understand that motivating people to work is a complex process where the employee considers himself as an equal partner and hence expects to be trusted rather than controlled. So there is rise in people working from home, availing flexi timing and working in an office environment which allows hot desking.

"The other aspect of change is in the employees' employability. The employer expects that the employee is employable and is up to the job offered. He should be motivated, self-confident, committed, adaptable and flexible. He must have the wherewithal

to take charge and deliver. That he will do whatever it takes to perform", says Mukherjee.

Conclusion

Culturally paternalism has been replaced by performance orientation and seniority replaced by meritocracy. Structurally organizations have become more agile in the way they are organized and in the way they respond to the marketplace. Complex matrix structures to improve team work have been taken over from functional silos that existed earlier. Outsourcing of non-core areas, especially all routine transaction based HR work has become the norm. Behaviourally, employees have become more commitment conscious than entitlement conscious. Traditional rewards and recognition systems in organizations have changed from life-time employment, perks and cost of living index based rewards to contribution based recognitions like performance pays and merit increases. As for instance the customary employer-employee relationship in the USA is designed with a new tool called as 'employment at will'. This policy has kept the way open for the employees to quit the job at any time and the employer is also free to terminate the employee from work at any point of time. A survey in UK, commissioned by Chartered Institute of Personnel and Development (CIPD) has found that relationship between employer and employee in many work places have worsened by poor communication and low levels of trust resulting in underperformance, low productivity and high staff turnover. Mike Emmott, CIPD advisor says, "Many employees feel like neglected spouses. With only three in ten employees engaged, the findings suggest that many managers just aren't doing enough to keep the staff interested. Lack of communication means many employees feel unsupported and don't feel their hard work is recognized. As a result the sparkle has gone out of the relationship, damaging productivity levels in many UK businesses. This study clearly shows how much management practices affect people's attitudes towards their work."

Hence as business is going global, HR has to go beyond engaging employees and take care of how people can be encouraged to deliver value and remain effective under different conditions and diverse environments. Employee effectiveness thus is more important than only employee engagement for HR.