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How does one define 'powerful' people in an organisation? Insightful? Great leaders? Highly persuasive? Influential? Somewhat shrewd? Is the super talented marketing manager who never misses his sales target considered powerful? Or the hardnosed brand manager who always gets what he wants? Or the savvy executive who lunches and parties frequently with the CEO? Simply possessing these traits is not enough. Powerful people weren't born powerful. They are skilled individuals who go on to become powerful through the respect cultivated through their consistent use of time tested resources. But at some point in time, they were challenged, tested, confronted and most importantly empowered! And experts in the corporate world are suggesting just that in an endeavour to empower HR. Read on to find out more....



ILLUSTRATION: SACHIN VARADKAR

Power to the people

'EMPLOYEE EMPOWERMENT' HAS BEEN A POPULAR HR JARGON FOR LONG. HOWEVER, THE LATEST BUZZWORD IN CORPORATE PARLANCE IS 'HR EMPOWERMENT', REPORTS VIREN NAIDU

POWER CRISIS

Experts gathered at 'Personal Swiss', an HR exhibition held in Zurich, Switzerland claim that only a few HR executives are involved in core strategic planning activities. One of the reasons for this may be that HR, in many enterprises, is seen as a cost factor than a value factor, and HR targets are often set with a focus on short-term cost reduction rather than long-term value generation, they emphasised. This is unfortunate as a great deal of challenges that lay ahead will affect the HR domain greatly, but are often overlooked by key executives. "Many enterprises today have a

Chief Information Officer to assist the CEO in developing and improving an efficient IT architecture, so why not create the position of a Chief HR Officer? Quite a few major international corporations already have done so, and we will hopefully see this in smaller companies as well in the near future. Many companies, especially in Europe with its current lack of engineering specialists, are beginning to realise that an enduring and foresighted management of their HR capital may be just as important for lasting business success as the development of cutting-edge products and new markets. Therefore, the role of the Chief HR Officer has to be empowered," says Dr. Lothar Schmidt Group, Managing Director, Dr. Schmidt & Partner,

a fully integrated HR services company that focuses on recruiting, HR advertising and employer branding which has offices in Germany and Switzerland.

The top management still ranks ROI (return on investment) as the most important factor of measurement of success in their companies whereas HR ranks human capital as the most important factor. If the company without shifting priorities also considers people too as a reflection of their success, the management will take more proactive steps towards empowering HR. "The management has to give HR the chance to prove that a well managed human capital is a key factor to success too and in return, HR can through regular conducted employee surveys

suggest and implement improvements in communication, work environments, career planning, mobility etc. By making their actions visible, management can directly measure its impact on business results," adds Rolf Röhlsberger, Partner, Versus Systems SA, a consulting company based in Geneva. Deborah Sanders, Vice President, HR, Fujitsu Consulting, USA gives her perspective on HR empowerment, "HR today not only facilitates the growth of every associate but also plays a major part in strategising and implementing major processes. Hence, HR should be given the power of veto when it feels the management decisions may not be conducive to employee welfare."

POWER RANGERS

In a study of about 50 CEOs, Hewitt Associates found that CEOs and other business leaders are most frustrated by HR's lack of business competencies. Even after decades of hopeful rhetoric about HR becoming a 'strategic partner', the truth of the matter is that most of the HR professionals are not even close to exerting any influence on management decisions, says Ajay Soni, Practice Head, Talent and Organization Consulting, Hewitt Associates. He adds, "As far as the top management is concerned, it does not matter

how many candidates HR interviews or how many training programmes HR conducts. What they are interested in and care about is whether their talent supply needs are met, and whether the organisation has the right capability growth and high performance to realise its business strategy." If Soni was ever given a chance to empower the function of HR, he says that his first step will be to empower it by restructuring and redesigning it around broader, more integrated core processes like talent supply, leadership and key talent capabilities, high performance, employee relationship and business structuring. He will also assign process owners who have end-to-end accountability and are empowered to take decisions with respect to the process. He

POWERING THROUGH

Alexander R. Petsch, CEO, Spring Messe Management, a company based in Germany that organises HR exhibitions in different countries explains below why the concept of 'HR empowerment' will take time to be implemented:

1. RETHINK: In order to empower HR for more important functions, besides administrative, the management has to revise their thinking. They have no practical experience in sales, production or distribution and they lack sound practical management experience. This is one reason why sometimes HR is not able to sell its services well within the company. Hence, the management often underestimates HR's valuable knowledge.

2. REALISE: Most companies discuss the role of HR as a business partner but don't know how to marry HR needs with that of the management's. What are the tasks shouldered by a business-partner, which functions the company should leave to special 'competence centres', under what situation should a 'shared service centre', a team that offers a common service provision of routine HR activities be used and how can HR bring value to the table, are a few questions lurking on their minds.

3. REVISE: For HR to be taken seriously by the management, they have to deliver reliable figures. However, since the resource of human capital often isn't measured due to lack of adequate controlling instruments, HR struggles to be accepted.

But Petsch also provides three ways through which the role of HR can be empowered:

1. PARTNER: A business partnership is only possible if HR is given the decision-making power and for that, it should be represented in the highest executive committees including the board of the directors.

2. POSITION: For the HR department to have more capacities for new strategies, administrative tasks should, if possible, be transferred to shared service centres.

3. PRACTICE: Empowering HR also means strengthening their skills and expertise to face bigger challenges. New trainees need solid economic qualifications and should have very good social skills. Business knowledge is a must, as well as basic knowledge of the respective operations. Unfortunately, university education does, up to this day, not meet these requirements. Hence a stronger orientation towards further education is crucial.

adds that he will focus on upskilling his HR staff, especially around business competencies, and drive greater specialisation in the team. Andreas Kuhn, CEO, know.ch AG, a consulting firm based in St. Gallen, Switzerland, that specialises in HR key figures benchmarking and employee satisfaction surveys has quick suggestions for organisations who take HR empowerment seriously: 1. Employ specialised HR managers and not administrators. 2. Stop communicating top management decisions through

HR. Use a corporate communication function instead, and 3. Measure HR initiatives with clear targets, like number of candidates hired, success quotient of a training programme and other key figures and force them to measure their activities.

It will take a while for Indian organisations to implement the philosophy of HR empowerment in their organisations. But experts claim that sooner or later, it's bound to happen!

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