

# Business Manager

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Making HR People Complete

**Pallavi Jha**

LS Murthy

**Dr. Prashant Rao**

Rajan Sinha

**Rakesh Seth**

Sharad Mishra

**Dr. Partha S. Raut**

Dr. Naresh N. Mehta

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HR Systems, Policies and Practices are to be deployed spanning across the continuum of two extremes ranging from high performance to more control oriented. The net effectiveness of any HR Systems, Policies and Practices depends on presence or absence of each other. If all of the HR Systems, Policies and Practices fit into a whole coherent system, the net effect on performance should be greater than the sum of the individual effects.



COVER  
FEATURE

**DR. NARESH N. MEHTA**

Founder Researcher, Transformatory - Shift The Paradigm, Ahmedabad

## An emerging role of training managers

**A**lignment of people and business strategies is extremely important for the practicing HRD and Training managers to create sustainable competitive advantage through people develop synergies and build resilience power of organization in competitive business environment. Synergy between people and business strategies fosters improved productivity, higher profitability, larger market share, exceptional creativity and disruptive innovation, enhanced customer value and happier people in the organization which leads to sustained competitiveness. In twentieth century, one of the major challenges faced by practicing HRD and Training managers is to understand business strategy of the organization. As a result, it limits their ability to design and execute an appropriate people strategy and bring alignment with business strategy to create synergies.

Let us take various examples to understand the scenario; any business conglomerate comprised of various businesses which are into different stages of their life cycle, like some SBUs (strategic business

units) in their incubation phase, stable and matured phase, growth and expansion phase and/or in their decay phase. In such a wide-ranging situation, the practicing HRD and Training managers have to design and implement comprehensive strategic HR systems at corporate level, which is the highest level in the organization. Whereas, at the SBU level, the practicing HRD and Training managers have to design and implement an appropriate HR policy to drive various employee-focused programs that influence the choice of various HR practices. Further, the practicing HRD and Training managers have to design and implement appropriate HR practices at departmental and at employee levels to achieve specific outcome in each SBU. (e.g. cost reduction skills of people working in SBU which is in decay phase, merger and acquisition competencies of people working in SBU which is in growth and expansion phase etc.). Let us take another example. An organization engaged in designing, manufacturing and selling stand-alone engineering equipments for a long time and now, the organization

**About the Author**

Fellow of AHRD and Ph.D. in management from Calorx Teacher's University. Naresh Mehta has worked over 38 years in manufacturing sector.



changes its business strategy to re-position itself in market place as a total solution provider. This change in business strategy calls for reviewing its people strategy in terms of vision, mission, culture, mindset of people, skills and competencies of people, business systems, structure and processes. The practicing HRD managers have to re-align people strategy (e.g. new skills for solution designing, selling skills for solution providing, project management capability etc.) of the organization in view of new business strategy. Let us take one more example. An engineering business conglomerate, knowing the market potential and core competency of organization, now decides to launch a new venture in the space of renewable energies as a part of their inorganic growth strategy by acquisition. The question to the practicing HRD and Training managers is that the cultures of two different organizations need amalgamation or stay as two different cultures. The practicing HRD and Training managers will have to re-align people strategy from the view point of multiple cultures of existing and newly acquired organizations that the people will now live their lives under one umbrella. (e.g. induction program, sensitize the people of newly acquired company about values systems and culture of existing organization etc.). One other example worth taking note of is of a business conglomerate operating in the space of B to B (business to business), B to C (business to consumer) and C to C (consumer to consumer) through various SBUs altogether. This business conglomerate would have offerings of engineering products, consumer products, banking, financial and insurance services, health care, hospitality, pharmaceuticals, IT and ITES, buying and selling on internet, infrastructure and power, steel and mining, automobile etc. under just one umbrella. For such business conglomerate, vision, mission and culture would also be different for each SBU. In addition to this, their corporate strategy, business models and business strategy would be different for each SBU. In such a wide-ranging business environment, the practicing HRD and Training manager working at corporate level will have to take a bird's eye view to design and execute people strategy in alignment with corporate business strategy at corporate level. Not only

would this, but the chief of the HRM will have to design broad level SHRM systems at corporate level. Followed by this, the practicing HRD and Training managers working at various SBU level, will have to customize HR policies most appropriate to their SBU along with various HR practices at departmental and individual employee level. Therefore, what emerging out is; (1) at the lowest level, *HR practices* reflect specific organizational actions designed to achieve some specific outcomes, (2) at a higher level of abstraction, *HR policies* reflect an employee-focused program that influences the choice of HR practices, (3) an *HR system* operates at an even higher level of analysis and reflects a program of multiple HR policies that are espoused to be internally consistent and reinforced to achieve some overarching strategic objectives. In this context, the HR Systems, Policies and Practices are to be deployed spanning across the continuum of two extremes ranging from high performance to more control oriented. The net effectiveness of any HR Systems, Policies and Practices depends on presence or absence of each other. If all of the HR Systems, Policies and Practices fit into a whole coherent system, the net effect on performance should be greater than the sum of the individual effects from each HR System, Policy and Practice alone. This leads us to understand potential significance of entire set of HR Systems, Policies and Practices when deployed together rather than used separately. Beside this, integration of technology, organization structure and processes for value creation is extremely important.

Now, let us take few examples. *HR systems* for several domains can be designed and deployed at highest level such as; (1) organizational competitiveness, (2) high performance work systems, (3) employee involvement and engagement, (4) digital culture, (5) commitment and organization citizenship behavior, (6) creativity and innovation, (7) value creation for customer, (8) occupational safety, health and environment, (9) administration and control, (10) contractual and out-sourced manpower etc. *HR policies* can be designed and deployed at lower level to address the basic needs of an employee in various domains such as; (1) develop knowledge, skills and abilities of employees to perform effectively and efficiently, (2) motivate employees and increase their effort levels and contributions to enhance organizational performance, (3) create opportunities for employees to perform and contribute outstandingly etc. *HR practices*, at the lowest level, for various functional areas under the umbrella of a particular HR system and HR policy domain can be designed and deployed

such as; (1) annual off-site Business Stimulus Workshop for strategy planning and communication as an HR practice as a part of HR systems for organizational competitiveness and within HR policy domain of "motivate employees and increase their effort levels to enhance organizational performance". Similarly, quarterly strategy execution meets to evaluate and validate strategy for achieving strategic objectives of an organization. (2) On-the-job, off-the-job, team and leadership training, continuing education, industrial visits to learn best and next practices, attending seminars and symposium, foreign study tours, visit to exhibitions as an HR practice as a part of HPWS, employee engagement and involvement, and HR systems for commitment within HR policy domain of "develop knowledge, skills and abilities of employees to perform effectively and efficiently" and "motivate employees and increase their effort levels to enhance organizational performance". (3) Knowledge sharing sessions, voice of an employee, empowerment, job rotation, job enrichment, job enlargement, autonomy, semi-autonomous teams, Gemba Kaizen Circles, cross functional teams, off-line teams etc. as an HR practice as a part of HR systems for employee commitment and engagement within HR policy domain of "create opportunities for employees to perform". (4) Statutory compliance, fair wage practices, equal canteen facility and other hygiene requirements for contractual and outsourced employees as an HR practice as a part of HR systems for contractual and out-sourced manpower within HR policy domain of "motivate employees and increase their effort levels to enhance organizational performance". (5) Production incentives, reward and recognition for superior performance, long service awards, committed employee of the month etc. as an HR practice as a part of HR systems for HPWS and commitment for all types of employees within HR policy domain of "motivate employees and increase their effort levels to enhance organizational performance."

Although, this sounds too basic, there is hardly any visibility of high performance work systems, policies and practices especially in small and medium scale of organizations which have tremendous potential and aspiration to become big corporations by remaining competitive. This calls for commotion in human recourses development philosophy and thought processes.

*Adoption of High Performance Work Systems, Policies and Practices is a matter of researching, deploying and continuously measuring effectiveness of "The Best Package of HR Systems, Policies and Practices" in varying competitive situations that offers competitiveness. B.M*