ROLES FOR HR PROFESSIONALS

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Abstract

The field of Human Resource Management has changed drastically in the recent past. The HR concepts, systems and practices of today are significantly different from the past. HR professionals of tomorrow would need the competencies to provide organizations with a strategic competitive advantage. The creation of this competitive advantage will provide basis for survival of future organizations. HR professionals have to involve themselves in the process of strategic planning, by coordinating with other functional departments. For strategic HR to be successful, its objectives should be aligned with strategic goals of the organization. HR professionals of future need to be more interdisciplinary in nature. To cater to the corporate needs of future, HR professionals would be required to work as cultural integrator in Merger and Acquisitions, diversity manager, functional expert and talent manager. They would have to implement and manage change as a change agent and catalyst and manage the careers and performance development of employees. In future they are required to play role of integrating strategy, technology and people performance. HR professionals have to allocate organizational resources, developing processes and systems to integrate HR framework with the business strategy.

Keywords: HR Professionals, Strategic Partner, Talent Manager, Change Agent, Diversity Manager

1. Introduction:

In today’s changing world, it is important for the organizations to understand that change is another name for survival for organizations and this responsibility lies upon shoulders of HR professionals. HR’s creation of true competitive advantage comes from continuously improving the organization to fit the changing business environment. It is the prerogative of the HR professional to remove these misconceptions by acting as a vital link between the strategic and operational functions in the organization. HRD managers of today do not have enough preparation in terms of skill-sets. They need to do more of professional preparation. The HR professional of tomorrow has to be more proactive and systematic. With the changing nature of organizations HR department has to assume interdisciplinary responsibilities.

2. Review of the Literature:

There has been a spate of research studies that have looked into the changing HR practices and roles of HR professionals. One such study proposed that to sustain the transformation of human resource functions, HR professionals must develop and demonstrate a new set of competencies to fulfill their changing roles and responsibilities (Yeung et al., 1996). Based on in-depth interviews with ten senior HR executives, they proposed an HR competency model which is both generic (i.e., able to encompass the key competencies that
are frequently used by Companies in different industries) and specific (i.e., able to highlight the competency differences in various HR roles). Research indicated that only 10-35% of HR professionals possess the required new competencies. They also discussed ten strategies that ten prominent companies use to bridge the competency gap of their HR professionals. Important levers for competency development include planning and assessment, communications, performance management, training, and development.

Research was conducted on the strength of HR practices in India and their effects on employee career success, performance, and potential (Stumpf et al., 2010). The study explore the role of HR practices for individual and organizational success via a survey of 4,811 employees from 32 units of 28 companies operating in India. Study focused on employee perceptions of the effectiveness of three specific human resource practices within their firms and the relationship of these practices to career success, performance, and potential. Companies operating in India appear to be creating strong human resource climates based on structured HR practices in performance management, professional development, and normalized performance ratings. The perceived effectiveness of these HR practices influences employees’ perceptions of career success and, to a lesser extent, organizationally rated performance and potential. Study also reports differences in perceptions of HR practices among national, international, and global companies and among the industries of information technology (IT), manufacturing, and services. The relationship of perceived HR practices and outcomes was partially contingent on firm’s geographic scope and industry sector.

Research has also looked into empirical assessment of human resource competencies with data from 12,689 associates of human resource (HR) professionals in 1500 businesses in 109 firms (Ulrich et al., 1995). The research work focused on an extensive assessment of HR competencies. It extended current HR theory and practice in two ways. First, it proposed specific competencies HR professionals may demonstrate to add value to a business. Second, it offered an empirical assessment of how these competencies affect the performance of HR professionals as perceived by their Associates. The results indicate that when HR professionals demonstrate competencies in business knowledge, delivery of HR, and management of change, then HR professionals are perceived by their associates as more effective. At the University of Michigan’s Business School, they performed the longest and largest ongoing study of the competencies of HR professionals. This project has been conducted in four major waves over sixteen years: 1987, 1992, 1997 and 2002. Via 360-degree surveys with thousands of HR professionals and over twenty eight thousand HR clients(line managers and peers), plus extensive reviews of academic work, they evaluated every mainstream HR competency in companies representing a wide range of industries and sizes from Europe, Asia, and Latin America as well as North America. The resulting insights were qualitatively different from most others in the literature. The key point revealed was that what HR professionals do best i.e. personal credibility, has only moderate influence on business performance. Meanwhile, what HR professionals do only moderately well i.e. making a strategic
contribution has almost twice the influence on the businesses where it occurs. Strategic Contribution has a 43% impact on business performance. Personal Credibility was found to have 23% impact on business performance, HR Delivery was found to have 18% impact, Business Knowledge was found to have 11% impact and HR Technology was found to have 5% impact on business performance.

McClean and Collins (2011) examined the relationship between high-commitment HR practices and firm performance in professional services firms through the mediator of employee effort. They found that the relationship between effort and performance is contingent on the value of the employee group to organization’s competitive advantage, suggesting that organizations may only want to expend the effort and resources on building a high-commitment HR system for employee groups that are clearly tied to creating organization’s competitive advantage.

Ackermann (1986) proposed that HRM strategies follow business strategy and will contribute to organizational effectiveness and efficiency measured by criteria such as productivity, labour costs and behavioural indices such as turnover and absenteeism. Ackermann believed that HRM should be the subject of planning and decision-making in the interests of the organization and employees.

Kydd and Oppenheim (1990) with the help of case study research in four organizations proposed a two-dimensional contingency framework which offers guidelines as to how certain HRM practices should be implemented to gain competitive advantage. The first dimension is based on environmental challenges or turbulence that an organization faces. The second dimension is based on whether or not an organization’s key competitive thrust is to be an innovator. An organization’s position on each of these dimensions predicts what its approach will be to HRM practices and issues.

Schuler (1992) defined strategic human resource management as all those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business and proposed a 5-P model of strategic human resource management. In his model, business objectives are articulated and flow into the 5-P component enabling human resources management philosophy, policy, programmes, practices and processes to be established.

Another research study identified ten approaches that organizations can follow to establish the linkage between business plans and HR plans in an organization (Garavan et al., 1995). These approaches are top down approach, market driven approach, career planning approach, the futuring approach, performance diagnosis approach, artificial experience approach, pulse taking approach, the educational approach, interpersonal approach and the rifle approach.

3. Roles for HR Professionals: The Model

The model identifies roles that HR professionals are going to play in future to cater to the changing needs of the organizations. Organizational goals and HR Systems and Practices serve as basis from which the roles of HR practitioners are going to emerge. The roles might not be present in same proportion
in all organizations but would vary depending on the organizational vision and objectives, sector, environment, competition and competencies required from HR professionals to proactively work on and provide solutions to strategic business issues facing the organization.

Source: Author

3.1 Roles for HR Professionals in the model:

3.1.1 Strategic Partner:

HR department as a whole and HR professionals have to become a strategic business partner in developing a highly effective organization by aligning the HR strategy with the business objectives. HR managers should identify weaknesses that are affecting business performance, create value by shaping that organization around business needs, identify the core areas that need attention in terms of people and technology, provide input and take action to increase organizational and individual capabilities. The HR manager should develop systems to motivate employees for their long term commitment and stay and improve business and individual performance. HR professionals need to have a total business orientation. They need to be goal-driven and use HRD effectively as a strategic intervention and a future building tool. They must possess a high degree of cross-functional orientation. They need to align HRD very well with business and organizational goals. They have to be vision-driven and futuristic. They need to balance the present with future, short-term and long term systems and spirit. In order to use HR effectively as a strategic intervention, future HR professionals need to have business excellence and strategic and long term orientation
with HR competencies. HR practitioners need to increasingly focus on cross functional excellence such as exposure to other functions and internal customer service orientation. HR departments of tomorrow need to work on formulating policies and systems that are able to develop leadership qualities such as leading from the front, empowering nature, coach and mentor, a role model, value driven and culture sensitive. HR professionals need to work on strategic change management skills such as change positive, creativity, empathy and problem-solving skills. Also, with the Maruti incidence HR professionals of tomorrow need to be more people focused, work on familiarity with union issues, IR and strong leadership and administrative skills along with a vision for managing HR/IR function within the organization.

3.1.2 Merger and Acquisitions Facilitator:

People integration is a complex issue. The success of M&A always depends on how well the HR issues and challenges are resolved after the merger takes place and how well HR professionals facilitate the process of M&As. There are also some major HR concerns that need to be dealt with before the merger actually takes place. For most HR personnel, work begins before the actual M&A, when a company is scouting for a prospective. A cultural fit is a key to success of M&A deal which if not addressed could lead to high attrition later. Working out compensation structures and roles, and the swapping of best practices, follows. Sensitizing employees on both sides, the HR professionals must make it clear that there is no ‘loser’ in the deal. If the merger is cross-cultural, employees need to be briefed on the organizational culture of the partner. Key differentiating factor in the success and failure of M&As is going to be the ‘human factor’. It needs to be addressed at each stage of M&A activity. In order to fulfill the vision of Merger and Acquisition, organizations need to address concerns like differences in the culture of two organizations, ways of acquiring and retaining the right talent and establishing a sense of security and talent among employees.

HR practitioners at the stage of deal preparation need to identify the real cause behind M&A and work on M&A teams and identify the right leader to ensure smooth transition. They need to plan the process such that people dynamics are not affected. HR has to identify an integration manager who can spread the information in the right manner with effective interpersonal skills, good analytical abilities and good connect with the staff.

In order to succeed in the risk assessment and situation analysis phase HR department has to focus on understanding the composition of key performers and determining the risks associated with the target organization of losing them. The HR professionals’ biggest challenge is in assessing the target organization’s human resource and determining future thrust areas. The activities that HR department should be involved at this stage are to examine existing policies and highlighting inefficient talent management processes.
A due diligence review helps the merging organizations to identify the presence of any hidden liabilities for the integrated business and plays a key role in ensuring smooth merger of two organizations. At this stage HR needs to work on organizational culture and structure, ensuring effective employee compensation and benefits, IR, ensuring effective HR policies and procedures and talent analysis for talent retention.

Integration process needs to be in alignment with vision and mission of the organization. For ensuring integration HR practitioners have to motivate key employees and work on the best strategies to retain them. In the phase of integration HR policies and practices to focus on are talent pool integration, employee engagement and change management. During integration, organizations need to be highly focused on issues such as retention priorities and selection of teams. Poorly managed integration can lead to high attrition and reduced employee satisfaction.

At Post Integration phase, new entity gets created at the outset of the two organizations and HR practitioners need to work on evaluating the new strategies and structures of the new entity, assessing the new culture and understanding its long term impact on employees especially in the context of new entity created. Also, the new HRM policies and practices need to be assessed, concerns of stakeholders need to be understood, worked on and revised as and when needed.

Various HR issues can be addressed at this stage. These can be creating and evaluating the new structure and its impact on people, helping people manage the change, solidifying leadership and staffing and understanding people needs (especially motivation and job security issues).

3.1.3 Diversity Manager:

Managing age diversity requires HR professionals to work on strategies that encourage the transfer of knowledge and experience between generations. Setting up mentoring programmes where older employees serve as mentors for younger employees, helps the firm in ensuring that skills are passed on to new managers. As the older generation retires, it takes away its expertise and experience, accumulated through years of working in organizations, with them. Considering examples of few corporate houses, Nestle retains retiring salespeople to train and coach the sales force of its distributors and stockiest. Hindustan Unilever Limited’s Project Dronacharya’s also worked on a similar model. HR managers have a major role to play in managing age diversity through effective succession planning and introducing mentoring programmes. Human Resource managers must customize strategies for hiring, retaining and motivating employees belonging to different generations. The search for high-quality people has shaken up most organizations. Larsen and Toubro (L&T), when faced with fast approaching retirement at senior and top levels, drew up a succession plan that identified the next level of leaders for all positions where current incumbents are reaching retirement age.
3.1.4 Functional Expert:

HR professionals in the role as functional experts need to define and work on HR systems, structure, culture, processes, and procedures that need to be developed to move from present state to future state. HR professionals need to build effective HR systems and plan for HRD audit to keep a track on how HRD systems and processes are performing within the organization. HR professionals can contribute towards making human resources into a competitive advantage by recruiting and selecting people with the right intellectual, and emotional capital, training and development, organization design (including legal compliance and HR measurement), performance measurement, offering high quality work life, empowered work teams to enhance performance and continuous development and career progress.

3.1.5 Talent Manager:

Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture. Talent management means building within the organization a capability of recognizing inherent talents, skills, traits of people, planning their development and putting HRD systems in place for that purpose. The role of HR department becomes vital as they are required to place individuals, to plan their career, to train them in competencies which they are required to perform in order to allow them to contribute towards the achievement of the organizational goals. Organizations adopting a talent management approach would concentrate on coordinating and integrating recruitment & selection and ensuring that right people are attracted and get entry into the organization, retaining employees and implementing practices that reward and support employees, employee development focusing on ensuring continuous learning and development, leadership development to prepare present and future leaders and effective performance management ensuring focus on processes that support performance.

HR professionals have to become part of the team which formulates business or corporate strategy and the HR strategy should be drawn from business/corporate strategy; ensuring that the talent strategy is closely aligned with the corporate strategy must be a priority. In developing a talent strategy, both internal and external factors should be taken into account. Talent development should be linked to other learning and development initiatives. Appropriate learning and development interventions are required at relevant stages in a career path for talented individuals to achieve their maximum potential. Development of high potential workers with the support of continuous training and retraining is seen as a core element in the development of competitive advantage of the organizations.
3.1.6 Change Agent:

HR practitioners of tomorrow have to increasingly contribute to managing organizational transformation in their role as change agents by diagnosing the existing state of the organization, focusing on business issues that would affect the success of the organizational transformation strategy, planning and implementing important aspects of transformation process e.g. training and development, reward, communication etc., developing and retaining employees who can deal with change, managing employee resistance to change and encouraging organization-wide participation in managing change. HR has to be a change champion providing the change management skills to align the right people with the appropriate knowledge and skills base to meet the shared goals of the organization. In simple terms this would mean that the HR professionals should become capable enough to be ‘change management professionals’. HR professionals have to encourage ‘learning as a way of life’ in organizations to facilitate management of change. HRD is a system or process involving organized series of learning activities designed to produce behavioral changes in human beings in such a way that they acquire desired level of performance for present or future role.

HRD systems should attempt to balance the current organizational culture with the changing culture. HR should be given autonomy such that it can properly plan the future functions independent of the organization’s short-term goals. The organization should be able to establish and project the significance of having an autonomous, proactive well-respected and responsible HR department. Only then it can expect HR to bring in cultural changes in the organization. Usually, people will be prepared to change if they believe in its overall purpose. Hence, HR should take up the onus of articulating the need, goal and plan of execution at different levels and through different media. Once the employees are clear on these things, they would be more willing to change.

HR professionals need to play a more meaningful role in change management. Unfortunately in many mergers and acquisitions, HR function is not involved which creates a HR leadership vacuum. Rather than responding to the changes in an organization, HR can rise to the occasion by assuming the role of a change agent to facilitate improvement in various fronts of the organization. This requires a ‘proactive dynamism’ among HR professionals; that alone could manage the change process, and work towards organizational objectives.

HR management team should be powerfully persuasive to convince each employee of the workforce to accept the change and become capable of adapting himself to it. HR team should develop the ability to identify the skills, existing, fresh or trained, in the backdrop of the
organizational change contemplated or brought about. HR team has also to be involved in managing the employee expectations at the time of change. One of the vital tasks of HR team is to develop the ability to identify the roles for the employees in an organization reshaped by the change. This might require a well-documented strategy that is integrated into the business strategy, training and retraining the employees in required skills, and evolving a mechanism to retain people.

HR managers as change managers need to be aware of the dynamics of change, change management technology, OD interventions and diagnostic skills and change management tools and should have leadership qualities to ensure the process of smooth change.

3.1.7 Performance Manager:

Performance management is the process of creating a work environment or setting, which enables people to perform to the best of their abilities. HR practitioners of future need to ensure effective performance management by developing clear job descriptions, selecting appropriate people, providing on-going coaching and feedback, conducting quarterly performance development discussions, designing effective recognition systems that reward people for their contributions and providing career planning and succession planning system within the organization. HR professionals should be able to prepare organizations to meet future challenges. They should help organizations increase enabling capabilities such as development of human resources in all aspects. As a developmental tool, performance appraisal can help identify career needs of employees and motivate them to perform better. Performance feedback, 360 degree performance appraisal, coaching and counseling are all tools that need to be increasingly used by HR practitioners of tomorrow for ensuring an effective performance management system nurturing creativity and innovation within the organization.

3.1.8 Career Manager:

Career management involves understanding individual competencies, aspirations, personal goals, organizational requirements and person-job fit. HR professionals have a key role to play in future to manage and develop the career of employees. HR need to partner with people, set personal career goals for them after understanding their capabilities and competencies, and finally developing strategies to achieve them. While individuals can be helped in managing their careers through self-assessment, mentoring and coaching, the organizations may implement succession oriented training programmes through HR professionals to enable their human capital to focus on career choices and accordingly work towards developing a succession planning. Effective career and succession planning can also help develop better Industrial Relations climate within the organization.
4. Organizational Performance:

Effective performance of HR professionals in these roles can lead to individual, team and organizational effectiveness. Also it can contribute towards high performance level of human resources within the organization.

5. Conclusion:

In the organizations of tomorrow, HR professionals have to contribute to the development and accomplishment of the organization’s business plans and objectives. The linkage of HR with other departments of the organization needs to be well established. HR professionals need to work on formulating the strategies directly contributing to the business strategy. The role of HR is increasingly assuming significance as it has to manage people keeping in view the strategic needs of the organization.

References:


