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Challenges of HCM Professionals

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The role of Human Capital Management (HCM) or HRD professionals has long been a subject of scholastic discussions worldwide. The transformation of these professionals from Admin to Personnel to HR took a long way to grow as Human Capital professionals as a concept. The issue behind is the value you create for customers, employees and investors alike. The poignant point here is how these professionals can be agents of collaboration to create an organization that can change, learn, move and act faster than the prevailing competition of the business world. Given the challenges of today and tomorrow, the professionals of Human Capital holds key to future success.

The first and foremost requirement in their role is to have a change in their thought process - a change in mindset from "what I do" to "what I deliver". In order to make this transition happen, they must assume the role of admin expert, employee champion, change agent and strategic partner. In the macro scenario of an organization it is the responsibility of the HC professional to see through eyes profitability through growth of the organization, capacity for change, use of technology, and the impact of globalization. When human capital practices are aligned with the needs of internal and external customers, organizations are more likely to succeed. It is time they came out of the conch shell of mere policy police and regulatory watchdogs to become partners, players and pioneers in delivering value because the issues that the Human Capital deals with are at the heart of the organizational success.

How can HCM (Human Capital Management) add value to organization is a million dollar question? There is no short cut answer to this question. Human Capital, in short, may be described as competencies, knowledge and personality attributes to perform labor or specialized tasks such that they add economic value to the organization. Many theories refer to it simply as "Work Force", one of the three factors of production - Land, Labor, Capital.

Let's ask a few questions to ourselves and try to find answers to them. Who does Human Capital Management work with? Are they line, staff, investor or external vendors? What are the best definitions for HCM Professionals? Are they partners, players, pioneers, architects, leaders? What are the criteria for successful HCM practices? Are these financial measures, employee morale, market share? All these are the new realities and challenges that the role of HCM is confronted with. Professor Dave Ulrich at the School of Business, University of Michigan, highlights that the competitive challenges ahead for HCM professionals are impact of globalization, establishment of value chain; profitability through growth, capability focus, change management, adaptation of newer technology, etc.

Impact of Globalization:

The global village concept is gaining popularity. The world is becoming smaller through telecom services, information superhighway, and free flow of ideas. The resultant effect of such globalization is opening up newer frontiers and establishing industries in foreign lands. The multinational companies (MNC) go through a severe challenge of competitiveness with other local or international companies. The complexity of such operation entails hiring of local people, rapid movement of products, people information, compliance with local laws and also establishing company's own culture. They grow with the growth of local people. HC professionals will have to recruit, train, retain and frame out pro-employee programs along with meeting the economic goals and objectives of the company. The role for them is to create a capable workforce so that the company can become a global player and withstand all competitions. The professionals must, therefore, be people of global understanding.

Ensure Profitability:

Profitability of an organization is always a vital issue. One of the many ways from where it comes is a combination of increased revenue and decreased costs. HC professionals have to take up the most pragmatic course of action which might include downsizing, re-engineering, restructuring, consolidation, productivity increase, improving work process flow and cutting costs as a means of becoming more profitable. In other words, under all circumstances, revenue growth is the equation. MNC's tend to merge, acquire or go into joint ventures. The role here of the HC professionals will be to support growth while simultaneously controlling costs, hire people who can grow the business while reducing overall labor costs, make an organization structure that provides empowerment needed for growth and the discipline needed for control.

Focus on Firm's Capability:

Organizational capability - personnel, employees, technology, resources - is one of the most important ingredients for competitiveness. Organizations do well over others due to their ability to compete with others. How do they compete? For example, the ability to create new marketable technology or the financial resources to respond aggressively in the market for sustainability or the ability to do TQM in an appropriate manner such that they move faster than their competitors. In organizing all these what HC professionals need to do is create the capability first amongst the employees (man) and then later with technology (machines). It is not merely hiring, selecting, training or rewarding the employees; these activities must now be focused in creating a set of organizational capabilities. HC professionals must routinely ask questions to them and regularly solve these questions:

- What capabilities exist now in the organization - both in terms of man and machine?
- What will be required to meet these challenges?
- How can human capabilities be aligned with overall business strategy?
- How can appropriate practices & SOPs be created to meet the needed capabilities?

Answers to these questions may vary from company to company depending upon the nature of business, however, the HC professional must continue to probe these issues and will take all state-of-the-art measures to address these problems.

Be a Change Agent:

Many phrases define the meaning of Change Agent - transformation, re-engineering, culture change, adaptation, flexibility, etc. - they are all the same. Employees and organizations must learn to change and adapt to the new situations, newer technology, improvised system, innovative ideas and above all the new culture. HC professionals need to help their organizations to change, first by changing themselves; second the entire company. They need to define a model for change, disseminate the model throughout the organization through training and orientation. They will have to sponsor and implement its ongoing applications. A few steps may be suggested to invoke change:

- Unlearn what they have learned;
- Learn from the past but adapt to the future;
- Engage the hearts and minds of everyone to change;
- Devise training plans to learn rapidly keeping pace with the change.

It is interesting to note that most executives give passionate speeches on 'need for change' but ironically the speakers themselves don't change. You must remember that employees follow what executives do, not what they say. HC professionals have the unique obligation to implement the new model. They must insist upon everyone to follow. Persistence and doggedness in implementing the new system will be the HC professional's challenge to change.

Retaining Competence and Intellectual Capital:

Sourcing and retaining talent has always been a continuous source of pain for the HCM Specialist. Most successful organizations hunt aggressively for the best talent. Few qualify, majority don't. Successful organizations will be those that can quickly attract, develop and retain these talents to compete with the ever growing global and local business competitiveness. More you secure the intellectual capital more you upgrade the frontline leaders. In the modern day management, leadership is team focused and shared rather than a monopolistic drive. New ideas must be generated and must be shared by all. Ideally, organizations must be able to disseminate ideas and innovations quickly amongst the entire organization, in a global setting across the state boundaries. A significant challenge of HC Professionals will be to maintain, retain and update intellectual capital in future.

Newer Technology:

Technology has brought the nations under one fold of global village. This has made our world smaller, faster and closer. For example, the internet, video conferencing, networks, computer literacy make it easy for us to share ideas, information analysis, monitoring market situations and opportunities. The organizations that adapt technology quicker than others are sure to take lead over others. The challenge for the HCM Professionals, therefore, is to adapt, train, and redefine work such that technology becomes a viable and productive engine. Technology will dramatically affect work and company growth. Therefore, they need to be at the helm of affairs and learn to leverage technology for business results.

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