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| **HUMAN RESOURCES** |

## **HCM Professionals' New Agenda and Challenges**

### **Challenge # 4: Changing Levels of Productivity for Competitiveness**

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**I**n a global village concept, the most formidable challenge being faced today by entrepreneurs is competitiveness - competitiveness in respect of quality & affordable price of the product. The employees, 'man behind machines', play an important role in augmenting the organizational competitiveness ensuring quality. The stunning need is to maintain a consistent organizational culture. The HCM Manager, therefore, plays a critical role, mitigating dynamic organizational levels of productivity, competitiveness, quality and affordable price. The level of productivity is not stagnant, it is dynamic. It changes from time to time in accordance with the market scenario, demands and needs.

Organizational culture, therefore, plays an important role in shaping the minds of employees, which we call motivation. When we speak of the culture of an organization, we refer to the behavior patterns and standards that bind it together. A-Z culture encompasses everything it does and everything it makes, that is, it not only affects the manner in which HCM managers manage and consequently shape employee behavior, but it also affects the way in which the organization processes its product and provides services to its customers. Organizations that fail to ensure quality, price and productivity will be forced out of business race. .

Now let's examine why this is important?

Organizational culture and productivity are closely related. A simple definition of productivity is the art of getting the company's products and/or services to the customer at the lowest possible cost. But it is not so simple as stated here -- it depends upon three distinct factors i.e. it is related to quality, to customer needs and satisfaction, and related, to a great extent, to labor relations and management. In other words, productivity and good management are inseparable.

The success story of giants like Pepsi , Coke, Apple, IBM - they seem to be at constant 'war' in changing their business strategies - in product design, advertisement, customer loyalty, CSR programs, etc. One best thing they boast of is the batch of highly motivated employees they have who work to transform company strategies into reality. Similarly, car manufacturing industries are the fine examples of quality, price and productivity. In 1960-1970, US and UK including some EU countries were the market leaders. Mid 70s saw a shift to Japan; currently India and Brazil are coming up in the race and eventually will become the market leaders. The giant manufacturers like GM Motors, BMW, Mercedes Benz, Peugeot, Citroën will have only a very selective niche market but never the wide general market as will Japan and India do. Why is this? The basic criteria are: quality, price and productivity.

The professionals and management will have to take this in cognizance and design plans and programs in such a way that the organizational bond and culture become very strong. A poorly designed work environment will deplete employees' spirit and will lead organization into "slippery grounds". Apparently, even if things seem to work fine on the crust, there may be many situations when managers and employees are frustrated of their inability to complete plans and projects because of confusion, stress and pressure. People do not want to work in a company where rudeness triumphs and the ones that work there will lack motivation, communication and innovation. They will just do thing to be done or will do things just to be better than the other.

Another factor that contributes to the changing levels of productivity is 'Performance'. Because, performance and productivity of a firm are directly proportional to the organizational culture. It is the factor that can make or break a business. Every business has two dimensions of performance improvement -- Process and Culture. Quite often, entrepreneurs take measures for process improvement - buying new technology for example, but unfortunately they overlook its counterpart -- Culture. HCM Professionals will strive to establish a standard culture. Absence of this limits the organization from reaping the total benefit from process improvements obviously to remain at par with other comparators. HCM managers will keep in mind the following two most urgent factors that help grow a strong cultural bond:

Employee empowerment, motivation, loyalty, better productivity and less attrition;

Increased team cohesiveness among the company's various departments and divisions along with effective leadership.

The dynamism of changing levels of productive culture has its influence, first on a global platform such as for MNCs and 2nd on local companies. No MNC has succeeded in its business without having strong corporate culture and adherence to these norms. The MNCs believe in it and religiously follow.

Bangladesh Scenario:

Bangladesh is unique in its own ways. Most companies, unfortunately, do not have strong corporate culture save a few. Those companies who have established this philosophy have attained monumental heights in terms of business volume. This has been possible only because they have either successfully established congenial culture or are in the process of implementation. We may refer to Square, Beximco, Rahimafrooz, Viyallatex, a few that I know have superior market position only because they have been successful in establishing 'culture' that is favorable for competitive productivity.

Motorola : Google Story:

Recently, Google has acquired Motorola Mobility. The aftermath of this acquisition seems to

have different impact on various spheres of the business of both the firms, one among them being organizational culture. With this acquisition almost 19,000 people who were working for Motorola, overnight became Google's employee. Although Motorola Mobility is going to function as separate business but still it is an important responsibility for Google to maintain a cohesive culture between both the firms. If Google fails to do so it can result in the loss of quality talent and consequently the loss of business momentum. Furthermore, top employees may quit and join competitors. And all these factors will adversely affect productivity which will lead towards bad performance and less profit. Google is aware of this and consciously maintaining without hampering distinctiveness of each function.

This means that HCM professionals will have to make cultural assessment to identify what is needed to increase productivity, to capitalize on human assets and keep them aligned with business goals. It may happen that despite availability of all resources, tools and techniques, desired results would not be produced. It is because good policies and programs, tools, techniques are only good when they fit in with your organization's unique culture. The culture enables your organization to have a high level of employee training, participation and talent management which transforms business with higher levels of involvement, sense of ownership and responsibility. When a company has the right mix of all these basic factors of culture, it can make right strategies and get desired results of productivity.

But the crucial question is; how to recognize if a business requires cultural improvement or not? Obviously, no one can answer this better than the business itself. As business grows the existing culture may become obsolete. How do you know? This could be in the form of decreased production, reducing customer satisfaction with increase in complaints, inability to implement new processes and technology and/or increased employee turnover. If such things persist then HCM professional must take immediate measures to improve cultural issues. Culture not only manages human capital but also steer the business towards innovation, growth and development.

The HCM Managers must strive to establish healthy and congenial work environment. Because productivity is a result of motivation, and motivation thrives in a good climate. In order to transform this fragile good climate into a long-lasting culture for success, HCM professional together with the company management must focus on many factors, only a few may be suggested here:

1. Organizational Clarity - promote organizational clarity, involve all members of the organization in the goal-setting and planning process.
2. Decision-Making - make sure that there is a free flow of information for decision making throughout the organization.
3. Organizational Integration - cut through red tape, integrate people of different discipline.
4. Organizational Vitality- develop a system that encourages employees to take risks for the betterment of the organization without the threat of punishment and find ways of helping them learn from their mistakes.
6. Compensation - Develop a system of compensation that is equitable, competitive and related to long- and short-term performance.
7. Human Resource Development - provide opportunities within the organization for people to develop to their full potential. How does the company deal with obsolescence? Are old or unneeded people fired? Does management give credit to those outgoing employees for their contributions?

It is good to remember that behavioral scientist McGregor based his management theories on the belief that man is by nature an experimenter, a thrill-seeker and an inventor. They indicated that management should provide meaningful work and equitable compensation, that jobs should be whole and exciting work modules. Given this, the average employee would be happy to contribute, add new ideas and boost productivity.

The HCM professional's efforts are never ending; old problems will be solved; new problems will crop up. This is the great dynamism for the HCM professionals.

(Reference: web discussion; next Issue: Challenge # 5: Changing expectations of employer; welcome feed back at [ulfat@proedge-asso.com](mailto:ulfat@proedge-asso.com); )

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