

Human Resources and the Strategic Space – A Model

- *PM Kumar*

The significance of individuals in the HR Department has not kept pace with the shift in the importance of the function. Most people, in most organizations do not think much of the HR Chief and his lieutenants, even as they acknowledge the criticality of the function. The function can evolve and share the strategic space only if the individuals who staff the department refurbish their personal and professional credibility in the eyes of other people in the organization and amongst their senior colleagues in the top management.

Before proceeding further, it may be useful to layout the maturation process for a service function in any discipline. The process has four distinct levels of value addition:

Level 1	Maintenance	Involved in administrative support, hygiene and sustaining of well tested systems and policies
Level 2	Key Success Factor	Offers focused and specialized inputs in areas significant to organization success e.g. recruitment, performance management, compensation etc
Level 3	Strategic Support	Adds value to the thought leadership in the organization and attracts mind share and content in organization strategy.
Level 4	Strategic	The function itself becomes the core element of strategy

While movement up the maturity model is dependant on the nature and compulsions of the business, the life stage of the organization and the work culture, the incumbent who heads the function and her team play the most crucial role.

I believe that in most organizations in India, HR is at level 2. The finance function, in comparison, is at level 3/level 4, with the IT function at level 2/level 3. This comparison is important in a

context where these three functions share the emerging " Shared Services" platform. Returning to the point made earlier, given the high quality of individuals who have entered senior positions in HR over the last five years or so, the strategic position of the function falls short of it's potential.

Why is this so? What contributes to HR falling shy of the higher levels of contribution it is capable of? Here is some hypothesis:

1. The credibility of individuals in the HR Department: Many HR professionals are ambitious and self-seeking, concerned mainly with meeting their own career needs, in a buoyant, opportunity ridden job market. They have not been able to handle their impatience to 'climb', their opportunistic behaviour and their greed in a more mature and responsible manner. The quality of their institutional membership is in doubt. Strategic decision making in HR is essentially institutional, long term and 'ethos driven'. Therefore, those who contribute to HR policy must intrinsically feel and demonstrate a strong quality of institutional membership. And that is in doubt.

2. Not available to the "junta": Between moving freely within the organization, to connect with employees at all levels and restricting their attention to a few people at the top, the modern HR professional prefers to do the latter. By doing so, he has become distant from the voice and feelings of the larger membership of the collectivity. He needs to commission expensive surveys to compensate for his ignorance of the thinking at grass root levels. Consequently, his advice on 'people strategy' is likely to be experientially deficient.

3. The specialist identity: Many HR professionals prefer to groom their specialist identity. They seek expertise in specialist areas such as the Performance Management Process, Process Work and Facilitation, Trainer Skills, Compensation Management, Assessment Centres and so on. Very few HR professionals have sought to be and successfully crossed over to being business leaders.

Business leadership, acumen for business leadership or a very close first hand association with the business leadership process is essential to be granted entry into the strategic advisory space. Even a repertoire of many specialised skills will not suffice.

4. Disinterest in entrepreneurship: Perhaps due to the early training received and possibly arising out of proclivities as well, a large group of HR people is steeped in a "systems" view of organization issues. They feel a great sense of fulfillment when everything can be systematized, forms devised, and workbooks composed, policy documents released, duly numbered and the loop closed. They find it difficult to adjust to highly dynamic, chaotic, opportunistic and entrepreneurial work environments and prefer the "stable state organization".

5. Over reliance on linear and rational logic: All strategic decision processes are complex, paradoxical, simultaneous, multiple and non-linear. It is an arena that requires intuitive solutions supported by data, where values and beliefs emerge and where arrational subjective learning's, associative thinking and worldviews play a vital role, perhaps as much as "hard data". Many HR professionals find it difficult to deal with paradoxes and seek clarity rather than ambiguity. Because of inherent self-doubt, they rarely put their intuitive responses at stake, preferring to be risk averse and number friendly. Convictions that arise from their own values, life-space and life skills are ignored in preference for a more measured neutral stance on most issues. Membership of the strategic space requires sensitivity, freshness and candour.

6. Playing Facilitator Too often: Somewhere in the lexicon of HR, the concept of facilitation got embedded and has stayed ever since. Most certainly HR needs to be facilitative. However, some HR professionals tend to hide behind it. They remain detached from the situation. Facilitation often becomes an excuse for poor expertise and lack of attention to detail. Strategic spaces require a penetrative posture, characterized by high engagement- high expertise, often living at the edge.

7. Low on advocacy: Advocating a point of view, representing the views of various constituencies and negotiating differences with persistence are expectations of the HR professional. Many do

not meet these expectations.

8. Bringing a Presence: HR professionals must bring a presence. Encouraging, positive, energetic, listening, asking hard questions, giving courage and providing a safe place. The more internal equity an HR professional has, the more she will be listened to in the policy arena.

9. Relationship: CEO and HR Head: The relationship between the CEO and the Chief of HR effects the opportunities available to HR to contribute to strategic thinking. Often this relationship isn't what it looks like from the outside. There are covert issues of power - dominance, submission, and equalization - always lurking around and weaving itself into this relationship. Some CEO's expects very little from HR and run most of the crucial HR agenda from their office directly, leading to a negative spiral of disempowerment and apathy.

10. Reading and Conceptual Development: To be of strategic value, particularly in the field of HR, where new research findings are being published almost every day, the HR professional must read and be up to date. Not many read and keep abreast.

11. Behavioural Emphasis: Much of HR has a strong behavioural basis - sociological, psychological, existential, spiritual and so on. Most of this finds application in training and development and almost nothing is used in strategic thought. If the findings and fundamentals of applied behavioural sciences can be brought to the strategic table, many refreshing dimensions can be added to HR policy.

I am sure there are several other dimensions that I have not mentioned.

The intent here is not to appear over critical of my professional brethren. It is merely to prod some of us to build on some aspects, so that we can make a major difference to this profession, which is poised at the threshold of a breakthrough. I do believe we have the potential to navigate this function and the richness it offers to great strategic heights.

Strategic Involvement

At level 3 and level 4 some possible contributions may include:

- a) Building and sustaining the HR Brand of an organization, distinct and yet synchronous with its overall Corporate Brand.
- b) Institution Building
- c) Development of supplier and customer organizations
- d) Steering the organization from one life stage to the next.
- e) Turnaround and transformation of the organization - products, process, people.
- f) Cultural integration pre and post merger and acquisitions
- g) Divestment support
- h) Succession planning
- i) Sustaining a healthy interface between the family investor and the professional top team

While there can be additions to this list, I hope I have been able to communicate the flavour of Level 3 and 4.

Let me wind down now - all I want to share with my colleagues is that the individual leaders of the HR departments in various organizations can take their functions to strategic spaces provided they rebuild their credibility and stature - the compulsions of business and the wisdom and perceptivity of the Boards of Management and the CEO's has plucked this function from obscure and marginal positions and given it the centrality it is due, albeit at level 2 - we can now take the baton from here and move it to level 3, if not 4 for the moment.