

Strategic HR: Selective HR

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Based on twenty-two years of research, writing, and managerial experience at various levels, Baburaj V Nair writes about certain significant aspects of the invisible reality of HR.

Organizations maintain critical importance about the role of 'right people' - in achieving the goal of profit generation. Most organizations claim competence in recruiting the best or as best recruiters. However, 'translating idea in to action', though an often talked concept in organizational dialogues, does not seem to be translated into action in creating a pro-active people organization. It involves first, having clarity of ideas, then clarity about ways of translating into action, and above all a commitment to one's own awareness or espoused values.

In a world of incessant flow of information from global sources, there cannot be a dearth of ideas. Yet, the very availability of plenty and diverse ideas induces an extra load of differentiating the ones that are correctly relevant to the realities of organizations. Seldom organizations identify the key competitive differentiators for evolving a recruitment strategy.

Organizations need to consider at least four critical requirements in this context.

1. Lack of non-entrepreneurial dialogue
2. Inappropriate manpower planning
3. Non-commitment of senior management team
4. HR team lack 'creativity'

Lack of Non-entrepreneurial Dialogue

A proper dialogue on evolving a strategic HR model that is aligned to the business needs does not exist in many organizations. Despite the "wish" to build a sustainable organization, the focus of management review would be on what has been achieved in shortest possible duration. Because, the focus of top management is only on "growth" rather than the processes required for creating sustainable growth.

How values are espoused to create the growth? Values are important but not critical; therefore, seldom quality dialogue takes place around it. The head of an entrepreneurial business unit needs to be given the direction and support to help him build a team that is passionate about organization.

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In order to create "profit", the measures are more of numbers and rarely the Balance Score Card reviews the processes involved. A creative review of the processes needs specific skill sets such as patience, acute business acumen with a vision, strong value orientation, and an ability to listen to the unspoken words. However, in 'senior management' meetings, the echoing voice is "please listen to me", rather than "let me understand you".

Inappropriate manpower planning

Most of the times, if the business is growing, the decision will be to ramp up people. Eventually, this becomes an obsession. The most important matrix for that year for the HR function will be to recruit "x" number of people in a given time period. The tendency is perpetuated to such an extent that the process of manpower planning is initiated from down up, bypassing the reality of the size of the company and growth strategy. Identifying the critical positions and get the right people with right mind-set is considered a 'time consuming job'. Therefore, it is done as rapidly as the routine rounds of 'recruitment' visits to management institutes.

Non-commitment of senior management team

For many organizations, HR is either a functional role or an 'also-run-function'. To make effective people strategy, the top management needs consistency in speaking the same language which the HR tries to bring in as part of the culture. If the communication amongst senior management team does not have a consonance, it becomes difficult to bring in the required culture in an organization.

Lack of 'creativity' in the HR

The HR professionals are often hired for 'execution' and not for 'creativity and innovation'.

As the propaganda is focused around the 'HR score card', the HR professionals put their best efforts to show how they managed to recruit people within a given budget. Rarely anybody explores the process of recruitment; the structures, properties, potential, and quality of the recruitment strategy the professional has built.

The need for 'right' people is critical in HR too. The parameters of 'right-ness' must include competency to think independently and creatively, to convincingly communicate and present an idea or plan before the top management. Without such competencies the HR professionals cannot evolve organization-specific HR models. Instead they would perpetuate imitated models.

However, not many professionals or organization will accept these four points given above. But, a scanning of best management practices, and sustaining business success definitely points out specific actions

done to overcome these issues. A few examples of the ways of Strategic HR are given in Box below.

1. Singapore Airlines, one of Asia's most admired and most profitable airlines in the world, and consistently ranked quite high in ratings of service quality, is extremely careful and selective in its selection practices. Flight attendants are an important point of contact with the customer and one way in which Singapore Airlines differentiates its service.
2. When Subaru-Isuzu opened its automobile assembly plant in the United States in the late 1980s, the Japanese automakers have consistently emphasized selecting good people as critical to their success, and they have been willing to expend the resources required on the selection process.

Strategic HR Requirements

Regardless of the nature and positioning of organizations, certain basic principles are essential for strategic HR:

- Defining clear attributes for selection
- Role vs. Skill match
- Focus on attitude and basic approach to work
- Rigorous selection procedure
- Assessment of selection process tools

Defining clear attributes for selection

Clear definitions of the required attributes for selection are a must for quality recruitment. Those who are involved in recruitment need to be trained for quality interview and selection process, and adherence to the process. For example, in Southwest Airlines, applicants for flight attendant positions are evaluated on the basis of initiative, judgement, adaptability, and their ability to learn. These attributes are assessed in part from interviews employing questions evoking specific instances in which these attributes are revealed beyond ambiguity.

Role vs. Skill match

Many a times the qualification and academic performance becomes the scale of reference for

selection. This trend continues, regardless of the often talked ideology of role vs. skill match. Carefully executed, industry specific talent could be ensured at a lower cost, and retention also would be better. For example, Rent-A-Car is today one of the largest car rental companies in the United States. In a low wage, often unionized and seemingly low employee skill industry, virtually all of Enterprise's people are college graduates. But these people are selected primarily for their sales skills and personality and for their willingness to provide good service, not for their academic performance. These employees make good sales people as they are able to chat up service managers and calm down someone who has just been in a car wreck.

Focus on attitude and basic approach to work

An important insight on the selection process comes from those organizations that tend to select more on the basis of basic attitudes rather than specific technical skills and abilities - which are more or less equally distributed in a group of applicant or can be easily acquired. For instance, Japanese recruitment seeks to find the individual with the 'proper character who can be trained'. The focus is on social background, temperament, and character.

Two firms that take a more sensible and pragmatic approach to hiring are Hewlett-Packard and PeopleSoft. It is reported that in the interviews of PeopleSoft, the recruiters asked very little about personal or academic background, except about learning experiences from school and work. Rather, the focus is mostly on whether the candidate saw herself as team oriented or as an individual achiever; what she liked to do outside school and work; and her philosophy on life. The specific question was "Do you have a personal mission statement? If you don't, what would it be if you were to write it today?" Moreover, the people interviewing the applicant presented a consistent picture of PeopleSoft as a company and of the values that were shared among employees. Such a selection process is more likely to produce cultural fit. A great deal of research evidence shows that the degree of cultural fit and value congruence between applicants and their organizations significantly predicts both subsequent turnover and job performance.

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The rigour of selection process

Firms serious about getting the 'right people' put applicants through several rounds of interviews and a rigorous selection procedure. At Subaru-Isuzu's U.S. manufacturing plant, getting selected involved going through multiple screening procedures including written tests and assessment center exercises and could take as long as six months or more. The fastest hire took nine weeks. Such a lengthy selection process has several advantages.

First, it ensures that those who survive it have been carefully scrutinized. Second, it ensures that those eventually selected develop commitment. Applicants selected become committed as a consequence of having gone through such a lengthy and rigorous process.

At Subaru-Isuzu, the selection process "demanded perseverance". The processes details were such that it ensured that those who were selected had "the greatest desire and determination". As certain degree of sacrifice on the part of the people is involved, it encouraged self-elimination and built commitment among those who survived.

Third, this type of process promotes a special feeling on the part of those who are finally selected that they belong to an elite and special group - a feeling that

causes them to enter the organization with a high level of motivation and spirit. Laurie Graham's participant observation study of Subaru-Isuzu concluded that "the fact that so much money, time, and effort went into the selection of employees reinforced the belief that the company was willing to go to great lengths to select the best".

Assessment of selection process tools

It is also important to review the selection process tools, once in three years at least, and also review the strategic model of review. As the organization grows, these models also may have to be re-looked at and modified. If selection is seen from a larger perspective of organization building, such insights would evolve naturally.

It is a surprising paradox of human intelligence that ideas seldom translates into action. Genuine interest and commitment to one's own awareness is essential to achieve that ability. If the senior management team commits to their own values of building an organization of values which they often talk about, and focuses on processes with an equivalent spirit with which they embrace numbers, HR fraternity will be able to provide solutions for more effective selection and building a more competitive and sustainable organization.

About the Author:

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