CHAPTER VII

STRATEGIC HRM

OF 21ST CENTURY
BRIEF INTRODUCTION:
The decade of 1990 had thrown up a great challenge in terms of market orientation and phenomenal development in technology and information technology. The changes in the geographical boundaries of nations, in socio-political, technical and market dimensions have never been conceived before. Even the management Gurus could not speculate the emergence of such a society and forces arising out of change which we face and live today. The global change, paradoxically, has given rise to phenomena from emerging configuration of ethnic groups and redefining the political thoughts. Once the one had, narrow boundaries of nations were created due to fragmentation and, on the other hand, emergence of WTO, after Uruguay Round created borderless business world and liberalized thought process for the market. This is also an anti-thesis to possessive cultural ethos. Even amidst all these changes, transparency in thought and actions increased across the globe because of the technical possibilities through I.T. accessible to all. The old schools of thought on management from the time of F W Taylor and Henry Fayol and ever lasting spirit of Peter Drucker were time and again referred to for grappling with changes confronted by business world. To remain compatible with repeated and rapid changes in business scenario as well as handling human asset, many management Guru, such as Tom Porter, C K Prahlad Stephen Covey and many others tried to grapple with turbulent times. It has been recognized than even if all players in business may have access to capital, technology and a market to sell, the difference will be perceived by the quality of human resource one possess matching with the world today and tomorrow. While we think about future i.e. next decade, the importance of current state can not be ignored, as the success story will be built on the strength of the present with reference to requirement of people in future.
HR TRENDS – PUNE CITY

HRM started with personal management based on personal relations at the beginning of industrialization in Pune i.e. from 1946. In the second phase, HRM focus was changed to welfare and was fully bloomed within 1950s because of different welfare legislation. In the third phase, HRM was shifted to Personnel Management, which centered round industrial disputes settlement and management of unions with the help of labor legislation. This continued upto 1980s. In the fourth phase, HRM focus has been changing gradually to HRD from 1990 onwards, i.e. transition from reactive to the proactive management of Human Resources.

RESEARCH SURVEY DATA ANALYSIS

PART I
THE 21ST CENTURY HRD PARADIGM AND CORPORATION

Guidelines for filling questionnaire:
Please fill up the questions in all respects and don’t keep any questions unreplied
For each question, there will be 4 options viz.

1. Strongly Disagree
2. Disagree
3. Agree
4. Strongly Agree

Under each question, there are 4 option brackets with numbers from 1 to 4, please ✓ the bracket of your choice

1. Individuals are the main pillars of the organization. Organization are built around individuals

1. Strongly Disagree
2. Disagree
3. Agree
4. Strongly Agree
2. An organization of like minded people will be more successful than an organization with diverse people

   | 1 | 2 | 3 | 4 |
   | Strongly Disagree | Disagree | Agree | Strongly Agree |

3. Intellectual ability to override loyalty and average performer

   | 1 | 2 | 3 | 4 |
   | Strongly Disagree | Disagree | Agree | Strongly Agree |

4. Down sizing of organization will be issue of tomorrow’s organization as against head count management

   | 1 | 2 | 3 | 4 |
   | Strongly Disagree | Disagree | Agree | Strongly Agree |

5. All HR policies and culture of tomorrow should essentially focus on individual growth and contribution rather than the performance

   | 1 | 2 | 3 | 4 |
   | Strongly Disagree | Disagree | Agree | Strongly Agree |

B. What will be the importance of the followings in the 21st Century Corporation? Please re-arrange the following statement in order of merit as per your say

1. Creating the right structure
2. Creating functional skills
3. Managing knowledge
4. Managing Organizational process
5. Getting strategy right
6. Managing individual intellectuals
7. Sharing vision

C. Please ✓ your response for the following statement

1. Conflict within organization is inevitable and desirable - I Agree / I Disagree
2. There are two types of working individuals - Thinkers and Doers - I Agree / I Disagree
3. The number of part time employees will increase in organization of tomorrow - I Agree / I Disagree
4. Change management will become easier in the organization of tomorrow because intellectual individuals will seek change - I Agree / I Disagree
5. The organizational structure of tomorrow will be flat and lean instead of tall and giant - I Agree / Disagree

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D. For following statements, please mark a position indicating your opinion towards each of the statement

1. Data based decision making will be on basis of data and will be free rather than with friction

2. Specialist in organization and the important of specialist in the organization

3. Managers will prefer simplicity (Organizational option) preferred

4. Diversity in a team will be the key to organization’s success A collection of like-minded individuals will make team successful

5. Cross functional team will be the key of organization success Like minded individuals organization will be successful

E. Please arrange the following statements in order of merit as per your opinion

1. Individual generation and result orientation
2. Idea generation and result orientation
3. Intellectuals will win and will override loyalty and average performers
4. System Thinking and People Priority
5. Top performers, Employee Loyalty

F. Please answer the following two questions by striking out irrelevant statement as per your contention

1. It is important to resolve the question “Who comes first, the individual or the organization?”. Yes there is a need to resolve it / No let the dilemma continue
2. My choice for the dilemma of the previous question is The Individual determines the organization / It is the organization that determines the individual.

The Researcher has deliberately inserted the chapter related questionnaire as the topic is the most important and forms central idea of the Thesis
THE AUDIT (Part A)

The interactions in the form of questionnaire and personal interviews were related to the 5 statements. Their evaluation is done as following scale

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GRAPHICAL REPRESENTATION OF SURVEY DATA
There are 7 industrial units of representative sample of research and 5 questions of research. The responses are graphically represented as under:
INFERENCES:
All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences:

1. Individuals employees and managers are pillars of organizations. 21st century organizations will be people oriented and economy will be knowledge and information oriented.

2. People with positive performance will be preferred to honest and loyal average performing employees.

3. Organizations will be downsized from time to time.

4. 21st century corporate culture would be performance oriented.

THE AUDIT (Part B)

The interactions in the form of questionnaire and personal interviews were related to the 7 statements and they were to be arranged in order of merit.

Distribution Table of Responses as per questionnaire

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INFERENCES:
All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences in the matter of order of merit of functions of 21st century corporation. As per the responses the research statements are arrange in order of merit.

1. Getting Strategy right
2. Managing organizational process

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3. Creating functional skills.
4. Managing knowledge
5. Creating the right structure
6. Managing individual intellectuals
7. Sharing vision.

THE AUDIT (Part C)

The interactions in the form of questionnaire and personal interviews were related to the
5 and they are answered either in affirmative or negative.

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INFERENCES:
All HR professionals of the seven units of Representative sample have given the
responses, which lead to following inferences:
1. Conflicts within organizations are advisable.
2. Working individuals are of two types – 1.Thinkers, 2.Doers
3. No. Of contractual and assignment basis employment is increase in
   organizations of tomorrow.
4. Change management will be easier and effective in organizations of tomorrow
   as intellectual individuals would seek change.

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5. Future organizational structure would be flat.

THE AUDIT (Part D)

The interactions in the form of questionnaire and personal interviews were related to the 5 research statements and they are answered on the basis of 1 to 10 marks.

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</table>

There are 7 industrial units of representative sample of research and 5 questions of research.
INFERENCES:
All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences:

1. It is partly true that decision making will be frictionless on the basis of data.
2. Generalists would be preferred to specialists so as to develop versatile workforce.
3. It is partly true that managers would preferred complexity to simplicity.
4. Diverse teams and cross-functional teams will developed collection of like minded individuals.
5. Organizations with like-minded individuals would be successful.

THE AUDIT (Part E)

The interactions in the form of questionnaire and personal interviews were related to the 5 statements and they were to be arranged in order of merit.

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INFERENCES:
All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences in the matter of order of merit of functions of 21st century corporation. As per the responses the research statements are arrange in order of merit.

1. Top performers and employees loyalty
2. Individual generation and result orientations.
3. Idea generation and result orientations.
4. Intellectuals will win and will over-ride loyalty and average performers
5. System thinking and people priority.

THE AUDIT (Part F)

The interactions in the form of questionnaire and personal interviews were related to the two questions and they are answered either in affirmative or negative.

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INFERENCES:
All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences:
1. It is unanimously resolved that organization is always the first and then comes the individuals.
2. It is unanimously resolved individuals determine organizations.

The survey data analysis let to following inferences in general for 21st Century Corporation
1. People are the main pillars of the organizations.
2. Organizations with like-minded people will gain more success.
3. Intellectual ability will over-ride honest and loyal average performers.
4. Down sizing of organization will be the main issue.
5. Conflicts in organizations are very much desirable.
6. Contractual employment’s will increase.
7. The intellectuals will prefer change management.
8. Future organizations will be flatter in size.
9. Cross-functional teams will develop like-minded people.
10. All organizations will be people oriented and market oriented.
11. Knowledge and information will be the key sources of economic.

ISSUES FRAMED ON THE BASIS OF SURVEY, DATA ANALYSIS AND PERSONAL INTERVIEWS
Future role of HR professionals is largely based on following trends:
2. Globalization.
3. Cost Containment.
5. Knowledge as an important capital.

INTERPRETATION
All four types of HR management i.e. Personal Management, Welfare Management, Personnel Management and Human Resource Development are being protracted in industries of Pune in different degrees. The focus has changed to meet the need of time and industrial environment. Noticeable change in HRM has taken place during the last five years because of transition from License-Permit-Quota-Contract Raj to open market economy. This transition has made business increasingly competitive. It is a system where only the fittest can survive. Government of Maharashtra has also realized that to attract investment in the industrial sector, it will have to compete to ensure congenial work environment.
The equation between labor and management has altered drastically in the last five years. This is reflected in the steady reduction in the number of strikes. The trend indicates that a shift in the balance of power has taken place. The main day loss figures suggest that the management’s flexing their muscles by loading out units rather than union forcing the hand of management through strike. Management’s still prefer to down shutters rather than settle outstanding disputes. Management’s view this shift of paradigm was long due and now the saving is in their favor. The new spirit of wage agreement is based on “I listen to you, you listen to me.” Workers want more money and management wants higher productivity and established work culture.

The industry barons have started tightening the screws by compelling the unions to accept terms under what are being called as agreements for survival. It seems the boot is now on the other foot. Unlike the past, when the unions presented their charter of demands, which formed the basis for negotiations, the management is now coming up with a counter-charter, a typical ‘take-it’ or ‘leave it’ offer which has virtually questioned tripartite process of settlement of disputes. The working class now understands that they can earn higher wages, only if they act by the new rules dictated by the market forces. Their aspirations for upward mobility and better lifestyle have increased their financial commitments. They now prefer to opt, for money rather than working class rights. They are reluctant to resort to stoppage of work, which would deprive them of wages. The excess staff is being trimmed to make the organization slim, more cost effective and a leading edge. To minimize the overhead expenditure of the organization, the jobs like housekeeping, security, canteen, transport are being contracted out. In the managerial cadre, tenure based appointments are being made to get the time-bound output.
TRADITIONAL HR ROLES:
The traditional roles of HR have emphasized such HR activities and functions as staffing, labor relations, and compensation. These roles, like the activities associated with them, have grown more complex over time as external environmental forces (such as changing laws) or internal organizational needs (such as downsizing, mergers, and reorganizations) have exerted more influence. The evolution of the HR field has prompted HR practitioners to adopt such roles as administrator, counselor, labor/employee advocate, and HR functional expert. Expanding on this role definition, today's criteria for defining HR roles have varied from a focus on activities (What do HR practitioners do?) to time (Where do HR practitioners devote their time?), to metaphors (What value do HR practitioners create?). The evolving role of HR practitioners has proven useful to the organizations they serve e.g. HR practitioners' functional expertise has had an impact on organizational performance. HR practitioners serve in the sometimes conflicting but necessary capacities of employee advocate and business manager. Their actions help create competitive advantage. They are now beginning to link their plans to business strategy, and their role in building organizational capability is increasing. In short, HR practitioners are presently meeting the demands and expectations of their organizations. Activity-based HR has given HR practitioners their current roles. The HR field has evolved over time from practitioners doing what they are asked to do to offering internal performance consulting advice to managers.

TRADITIONAL HR COMPETENCIES AND TRANSITION
The competencies required of HR practitioners have changed over the years, depending on how the HR function was expected to work with its internal customers. During the mid-1980s, the HR function evolved to following a service orientation philosophy.
The focus was on improving the quality and cost effectiveness of services delivered to the business units. Overall, the purpose of the HR function was one of the satisfying internal customers. Under this philosophy the HR function placed greater emphasis on regularly collecting information from internal customers on their satisfaction with HR services, as well as on benchmarking these services against external vendors. This philosophy was oriented toward meeting the needs of particular business units. During this time, it made sense that HR practitioners needed knowledge, skills, and abilities (competencies) – ranging from basic problem-solving skills to financial awareness, mostly in the areas of compensation and terminal benefits to be effective in fulfilling their required roles. In the 1990s, it has become necessary for the HR function to follow a business orientation philosophy. In this philosophy, the HR function is charged with the responsibility of advising and counseling line managers in people-related business issues. To accomplish this successfully, HR practitioners need to become familiar with the external customers, competitors, and regulators of the businesses and need to add value to business decision-making processes from a people management perspective. The philosophy also adds value to the corporation as a whole by requiring higher levels of teamwork among the HR function, senior management, operating units in the field, labor unions, and external advisers. Competencies are increasingly becoming the foundation for HR programs and a key means by which to integrate HR functional areas. Competencies are being used increasingly to guide staffing, training and development, performance management, and compensation practices. This finding suggests that the HR function have to respond to defined organizational competencies or capabilities. In general, of course, a competency model for HR is a description of the characteristics leading to successful performance among practitioners. HR priorities are changing vastly as well as the areas of focus are also changing. The following table rightly elaborate the same.
### CHANGING FOCUS AND PRIORITIES OF HR

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<th>Author</th>
<th>Key Concept</th>
<th>HR Priorities</th>
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| Lawler (1995) | HR is a major player in creating organizational capability | • Development of people and organizations  
• Leveraging competencies  
• Managing learning linkages  
• Building organizational work redesign capabilities  
• Leadership development |
| Urich, Brockbank, Yeung, & Lake (1993) | HR has a new strategic agenda | • External customer satisfaction  
• Horizontal process management  
• Management of change  
• Teamwork capability  
• Culture and systems to support Total Quality Management |
| Towers Perrin (1992) | HR actions gain importance for creating competitive advantage | • Business directions, problems, and plans  
• Rewarding employees for customer service and quality  
• Identify high-potential employees early |
| Schuler (1990) | HR issues are people-related business issues | • Managing for employee competence  
• Managing workforce diversity  
• Managing for enhanced competitiveness  
• Managing for globalization |
| Geerglades (1990) | HR areas have great impact on organizational performance | • Leadership  
• Organizational culture  
• Strategy in the management of HR |

The above discussion examines the role of HR from traditional arena and the reasons for evolving HR role from time to time. Let us now turn to the future of HR role.
HR ROLE IN FUTURE:

HR practitioners are presently at cross roads. The expectations from them are increasing as Corporate India is solely dependent on HR professionals in the phase of their battle for survival. In this complex scenario what will be the road of success which HR professionals will follow? is the much thought over and vital question.

There are 3 distinct phases, which can possibly tell us about future of HR roles. These are as under:

**THE FIRST PHASE**

In this phase, most of HR activities will be divided and out sourced. Reputed consultancy firms will be engaged for deciding salary package and fringe benefits package of managers and employees. Such firms, colleges and universities will undertake salary package work on contractual terms. Placement agencies will complete bulk part of recruitment. HR policies will be implemented with the help of line managers. There is a possibility that same organization may have different HR policies for different department and branches as per expectations and aspirations and cost consciousness of individual managers.

**THE SECOND PHASE**

Second phase will be a fine mixture of pessimism and optimism. HR policies will be proactive and on account of proactive HR policies HR professionals will be retained. Existing jobs will be more enrich and will be more internal performance consulting work. Knowledge and information will be the key sources of second phase.
THE THIRD PHASE

This will be essentially visionary phase of HR functions. In future, activity oriented HR will be out source. HR practitioners will move beyond internal performance consultancy to assume major leadership responsibility. HR will become the training ground. Human Resources professionals will be knowledgeable and will emerge out as a key performer an important asset of organization.

They will strive hard to gain competitive age and exert break through leadership. HR professionals will shift their focus from inside organization to outside organization – a strategic leadership. Their new role will gain increasing recognition as people knowledge and capital will be the key sources of organizational success.

A VISION OF NEW HR FUNCTION:

The new role orientation is that of HR leader – HR function will assume the greater part in business strategy with leadership orientation. HR practitioners will provide leadership, which will be the highly assertive, high-risk efforts and high interest in business. They will operate on long term (strategic) and short term (operational) modules. All the sections of formal organization from CEOs senior managers to academic observers are calling for HR professionals to move beyond managing transition to improving human performance. HR professionals must become change agents as well as transformation agents. Thus, the role of HR is showing a paradigm shift from today to future. The Researcher has developed the following table to emphasize this point.
### REQUIRED SKILLS

<table>
<thead>
<tr>
<th>HR Executives - Present</th>
<th>HR Executives – Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fine acumen &amp; business savior</td>
<td>A global businessmanship</td>
</tr>
<tr>
<td>Leading organizational change</td>
<td>Business developer and financial savior</td>
</tr>
<tr>
<td>Thorough knowledge of HR techniques</td>
<td>Strategic, visionary and problem solving skills</td>
</tr>
<tr>
<td>Strategic thinking and planning skills</td>
<td>Expertise of I.T. techniques</td>
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<tr>
<td>Developing impact of HR on people</td>
<td>Developing impact of HR on business</td>
</tr>
<tr>
<td>Analytical and conceptual thinking ability</td>
<td>Change management skills</td>
</tr>
<tr>
<td>Functional analysis and cost conscious approach</td>
<td>Organizational effectiveness</td>
</tr>
</tbody>
</table>

### ROLE CLARITY OF HR PROFESSIONALS:

HR professionals’ role clarity can be divided with hexagonal operation skills and effect of each one on organization. The details are as under,

1. Partner – Works with line managers as a team member to communicate strategic imperatives.
3. Model Manager – He is a role model and an exemplary leader before people.
4. Oracle – He is an active team member to assess business development.
5. Conduit – He is a supporter of staff and must develop interactions with them for seeking important information.
6. Change Agent – He is a change agent to effect business results.
VISION OF 21ST CENTURY

Organizations are progressing for future, based on the changes caused by research and development, marketing potential of different kinds of products and services and strength of human an intellectual capital. They are trying to progress through the collective efforts. Individual organizations are striving hard to protect their products through development or strategic alliance.

All the business policies are linked to marketing orientation, it therefore necessary for organizations to precisely define the vision, which will lead to strategy on which business will be developed. The most important strategy will be to define behaviors of all people who would contribute to achieve the vision. It is in this arena where HRM will play a dominant role. HRM efforts will be continuous to match vision of organization and it’s short term and long term plans. Vision of organization will have threefold effect, the details of which are as under,

1. National Level: The competition between nations and trade blocks during the next decade would be governed by the extent of human developed and consequent HRM. Therefore, vision at the national level also may have to be very clear with reference to positioning in the competition and global perspective against which the vision of enterprises would be evolved to promote particular sphere of activities, so that creation of products and services could be achieved accordingly.

2. Economy Level: With liberalized economy, Human Resource Development and Management of Human Resources and Technology will not remain monopoly of any particular group in company in future.
3. Industry Level: With easy access on abandoned technology, knowledge will be the key source at industry level and handling intellectual capital will be the main challenge and success will depend on the success of the same. Knowledge will be thus main ingredient of HR professionals. In a nutshell, HR professionals will act as responsible corporate citizens leading to varieties of actions of HRM.

THE NEW PARADIGM:

Industries of Pimpri Chinchwad belt have spent a long time in deep slumber. The signals of warning have been ignored by them. This has proved too costly and their existence is at stake. A survival strategy is the need of the hour and calls for an action plan. The industries are required to make up the lost time and need to be contemporary in respect of following:

1. Changing technology to be geared up to value creation.
2. Increasing globalization to attain world class standard.
3. Cost containment.
4. Increasing speed in market change.
5. Growing importance of knowledge capital.
6. Increasing rate in magnitude of change.

We will discuss each of this aspect in details.

1. **THE CHANGING TECHNOLOGY**

Technological changes are the most profound changes in business today and are simultaneously the most profound challenges for organizations. Reasons of changing technology are driven by a continuous cycle of innovation and information. The main reason of change is the need for survival and the need for information drive demand for technology.
The 21st century vision has identified many causes of changing technology which are given below:

**CONSEQUENCES OF CHANGING TECHNOLOGY**

- Smaller, more productive organizations
- Growing need for training on how to use technology
- Increasing need for people to cope with the expectation that they can perform anytime or anywhere
- Increased productivity
- Flatter organizations
- Emergence of heightened sensitivity to employee rights in the workplace, such as the right to privacy
- Increased efficiency
- Reduced interpersonal contact

**OPPORTUNITIES AND THREATS OF CHANGING TECHNOLOGY**

The opportunities and threats of changing technology can be broadly classified as under-

- Market focussed approach.
- Inclination of industries to offer new products & services.
- Access to global markets.
- Enhanced productivity.
- Do or die competition.
- Work procedures & processes.
- Constant Training.
MARKET ORIENTED APPROACH

Each developing or developed organization needs to be more market focused. Each organization should be necessarily customer driven organization. A detailed information about market, a close eye on competitors activities and their strategies and customer’s expectations, all put together will form a marketing strategy. Operational cost of organizations are exorbitantly high, customer wants top quality at a fetchable price is a big challenge. In order to offer the product to the customer at a reasonable price, organizations are cutting their costs heavily as a surviving strategy. The strategy of Researcher’s representative sample for Research consisting of 7 Industrial Units is as under:-

1. **TELCO**: Cutting heavily on costs and trimming work force.
2. **SKF**: 30 % cost reduction in each department is the target.
3. **Bajaj Auto Ltd.**: Cost reduction, trimming work force and market orientation.
4. **Bajaj Tempo Ltd.**: Heavy cost reduction.
5. **Kinetic Engineering**: Trimming work force, cost reduction and market orientation.
6. **THERMAX**: Transformation from loss making from profit making organization.
7. **Finolex**: Consolidation of strong gains of earlier years.

INDUSTRIES OFFERING NEW PRODUCTS AND SERVICES

Domestic markets as well as international market have attained stagnancy level and are showing declining trends. Industries are therefore innovating their existing manufacturing set ups and are coming out with various new products and services as a part of their diversification and also as a part of gaining competitive edge in markets. All sustained efforts are put up by organizations to have advantageous position in markets.
ACCESS TO GLOBAL MARKETS
Changing Technology is developing trade, reduces the impact of national borders and increases the speed of change. The global marketplace is also creating opportunities for technology for suppliers and companies. All organizations are striving hard to keep a pace technologically. Thus technology can provide the means for rapid growth.

ENHANCED PRODUCTIVITY
All organizations’ business equations are largely dependent on increased productivity. Sophisticated technology is greatly contributing to enhanced productivity. Individual productivity is increasing. Changing technology necessitates changes in organizational structures, job designs, hiring practices and compensation structures. It also contributes for increased need for training and employee relations. As technology is changing faster so much ways of becoming complicated.

DO OR DIE COMPETITION
Impact of information technology is so vast on organization that it has led to stiff competition in markets. All newly set up units are strongly contributing in markets and well-established players are finding it difficult to compete with nascent units. In fact small, flat and flexible organizations are gaining competitive edge as compare to large and tall organizations.

WORK PROCEDURES AND PROCESSES
Changing technology is changing organizations, job designs and recruitment practices. It is also changing work procedures and processes. Wastage is eliminated, man-hours are getting replaced by machine hours and output is tremendously increasing.
CONSTANT TRAINING
Changing technology / new technology is constantly developing the gaps between actual performances and desired performances. In order to attain the objectives of changing technology, constant training programs are undertaken so as to bridge the gap between actual performance and desired performance.

ROLE OF HR PROFESSIONALS FOR TECHNOLOGY
HR professionals have a vital role to play for smoother and well-accepted implementation of technology. HR professionals can broadly function on the following lines to meet the purpose ;- 

- Each change should be clarified in terms of business needs and competitive advantages. A change in technology should be impressed on the minds of workers with positive outlook.
- Identify the variety of solutions and invite openhearted suggestions with active involvement of employees.
- Chalk out the plans for smooth implementation.
- Group dynamics should be followed for effective change.

THE EFFECT OF GLOBALIZATION
Globalization has emerged as the most important trend of 1990s and there is no end to it. Every manager is presently concerned with global competition. It is therefore necessary to understand these trends.

The main trends of globalization are technology, need for competitive position in market and need for information. Let us discuss each of them in details; -
TECHNOLOGY
It is crystal clear that technology is major clause of Globalization. The internet and satellite communications have connected all points of the globe, there by making it possible to conduct business, place orders and communicate with customers and other peers. Video conferencing is one of the classic examples of Global Business enhancement. Thus technology is the major contributor for Globalization.

NEED FOR COMPETITIVE POSITION
The second major contributor for Globalization is the need for competitive position. Competition is increasing in markets both in domestic and international markets. Due to globalization economic relations between the countries are strengthened and thus there is exchange of trade at international level. Some of the Indian Entrepreneurs are toying up the ideas of setting up their factories abroad to gain competitive advantage. Organizations are aiming at most critical markets like export markets and services. They are dreaming to be a world player and establish themselves globally. Organizations are also aiming at market size and share. The gains of global markets are very substantial. And they are gaining competitive position also. This is indeed a dynamics of present industrial scenario. There is rat-race to gain competitive position in markets, as a result a lot of diversifications, amalgamation, takeover and mergers are effected with the sole consideration of competitive position in market.

NEED FOR INFORMATION
There is growing need to seek information of global markets. The excellent example of this is Internet facility. Satellite News, Television Broadcasts and Films have contributed to a global mass market. The need for increased technology also necessitates need for information. It is also true that detailed first hand information is proving beneficial both in local and international markets.
ROLE OF HR PROFESSIONALS IN GLOBALIZATION

Globalization and globalized markets are the hottest and widely discussed issues. Every small organization as well as large established organizations are striving hard to secure permanent position in globalized markets. The main reason for the same is that the domestic markets are showing all declining trends. HR professionals have multidimensional role for global business and markets. The details of which are as under:

- To identify and to retain talent at all levels.
- Staff issues associated with foreign trade.
- Managing cultural diversity with training programs.
- Job rotation for global position.
- To provide leadership for international business and issues linked to foreigners.
- To establish parity of pay scale between internal and external environment and develop attractive compensation package.

HR Guidelines for Developing Global Managers

- Develop a strategic approach to international assignments and avoid succumbing to a reactive, hastily contrived selection decision.
- Increase predeparture and in-country language and cross-cultural training for the expatriate, as well as for the spouse and the entire family.
- Modify the performance evaluation system to incorporate the distinctive conditions of the local country.
- Send strong signals that international experience is critical for promotion to top management.

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21 Strategic Human Resource Leader, William J. Rothwell, Ph.D., SPHR Robert K. Prescott, SPHR Maria W. Taylor Jaico Publishing House, Mumbai Page No. 95

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• Set up a repatriation team for each expatriate consisting of the expatriate’s supervisor, another expatriate who has returned from the region, and a corporate HR practitioner. Ensure that the specific return position is consistent with the original strategic purpose of the global assignment.

**HR Guidelines for Promoting Shared Vision and Values Worldwide**

• Clarify and communicate global vision and values during management development programs.

• Build informal global networks by holding international seminars and conferences, sponsoring international task forces, and designing developmental action learning experiences at career transition points.

• Develop a shared vision of the HR function as a strategic player. Attend business meetings both at corporate headquarters and abroad to focus on implementing business goals.

• Develop a shared vision of the HR function as a source of competitive advantage.

**HR Guidelines for Building a Global HR Network**

• Disperse corporate HR expertise into regional/local subsidiaries to be with business.

• Integrate this increasingly, capable global HR network and keep it focused on overall corporate goals.

• Transfer HR practitioners between corporate and regional or local subsidiaries as well as between subsidiaries to integrate the network more closely.

• Give HR practitioners personal international experience to improve their ability to manage expatriates’ global assignment cycles.
ROLE OF HR PROFESSIONALS IN GLOBALIZATION

There was a conference organized by the Indian Society of Training and Development (ISTD) and the National Institute of Personnel Management (NIPM) at Hyderabad on 14th and 15th November 1997. In the conference, HR role in globalization was discussed. The details of which are as under:

- Developing cutting edge through skilled and trained manpower in the open economy.
- Change in technology.
- Reducing wastages.
- Shift from input orientation i.e. emphasize learning rather than on the number of people trained / being trained.
- Training not connected to the ground realities.
- Sending the wrong person to be trained.
- Training programs not synchronized with the business cycle.
- Employees are given the techniques but the underlying issues of attitudes are not dealt with adequacy in the training programs.
- Tackling cultural differences and language barriers in training and operations.

Increasing globalization poses a dramatic challenge for HR professionals. Proactive HR policies and HR system are necessary for managing global recruitment, selection, training and other important HR functions. Information is the key source for making these systems workable and flexible. HR professionals are expected to help the global managers to attain success with different cultures and languages. They are also required to keep global managers abreast a varying ethics, laws, practices, customs and technologies as per the requirement of new global business work place.

HR professionals have these difficult tasks before them. of communicating changes, measuring results and implementation of changes.
HR professionals of 21st Century will thus function as change agents and transformation agents. They are required to provide dynamic leadership to reap the benefits of globalization. This role of establishing international business standards is very crucial and very vital role of HR professionals for organizational development and particularly as a surviving strategy.

As organizations go global, it is bound to have problems on HR Agenda for successful globalization. They are required to pin point the major issues and offer specific recommendations about them to key decision-makers. This is certainly not easy task before HR professionals.

COST CONTAINMENT
Cost containment refers to efforts to maintain cost at current level even in face of present complex scenario and inflation. Cost reduction refers to efforts to reduce costs and to find new sources of revenues and also to increase outputs while holding input steady. The major reasons for cost containment are globalization of business, bad shape of economy and past mistakes. There are several action plan and strategies for organizations to pursue in addressing cost containment. This trend requires executives and employees at all levels to adopt well-planned cost cutting measures. These strategies and action plan details can be as under:

- Develop focus for cost cutting.
- Identify expected results.
- Anticipate consequences of cost control measures.
- Review outsourcing with long term objective.
- Educate employees about their role in cost control.
- Quantify HR processes.
ROLE OF HR PROFESSIONALS IN COST CONTAINMENT

HR professionals have very vital role in organizational cost containment. A systematic cost containment over the next 10 years would afford many business opportunities. The role of HR professionals in cost containment can be summarized as under.

• Identify a business problem.
• Calculate cost of problem with hard number.
• Develop HR system to address cost containment issues.
• Conduct suitable training programs for cost containment and educate employee for the same.
• Compare staffing issue and the bottom line.
• All administration function to be scrutinized to reduce cost.
• To assign accountability and measure performances relating to cost cutting.
• HR will be more proactive, consultative, strategic and less administrative in cost cutting measures.

HR professionals will lead to cost containment that balances short-term productivity issue and cost saving with long term human capital investment. HR professionals are required to do the skillful and integrated implementation of strategies for rewards and recognition and employee relations for organizational effectiveness.

Industries in and around Pune and particularly Pimpri Chinchwad industrial belt are curtailing costs by following measures:

• Trimming of work force.
• Saving of telecommunications by preferring other modes of communication like telefax, e-mail facility.
• Heavy saving of use of electricity by making sparing use of air-conditioners, electrical gazettes and equipment’s.
- Curtailment of printing and stationery.
- Contractual employment.
- Outsourcing services.
- Workable wages settlements.
- Curtailed use of company vehicles.
- Elimination of wastage in every form.
- Inventory controls of raw materials and finished goods.
- No future recruitment.

HR professionals can curtail costs in recruitment staffing and selection by developing the system to meet staff needs in time. They can control the cost by employing expertise employees so that trimming of work force will not affect organizations.

SPEEDING UP OF MARKET CHANGE

Speeding of market change means rapid shifts in terms of consumer wants and also to narrow the gaps by rapid actions in terms of innovations, designing, developing, manufacturing and marketing new products and services. This particular change is followed by all organizations to remain in markets. Increased consumer expectations and introduction of new products and services is the typical 21st century marketing scenario. The value of leading markets will increase. The need for constant touch with customers will increase. Individuals will experience work stress and the need for more new products and services will increase.

STRATEGIES FOR INCREASING SPEED IN MARKET

Organizations will be benefited by adopting following strategies to meet increased pace of markets.
- Lead the markets.
• Develop quick responses.
• Make organizations flexible, integrated and innovative.
• Develop business strategies, which can create an equilibrium of people, processes and technologies.
• Formulate high performance culture wherein motivation will be at the peak level.
• Develop and implement new product strategy.

IMPACT OF SPEED IN MARKET CHANGE ON HR FUNCTION

It is obvious that speedy changes in markets are bound to affect HR functions as people related issues are key to effect speed in markets change. No single person can gather first hand information of markets and interpret the same. Team action is required when teams figure in HR professionals will address teams the business issues and allow them the freedom to interpret. HR professionals are expected to develop fine understanding of market place issues, customer concerns and the potential business impact of HR policies and procedures. They are required to handle market place issues proactively which people can confound issues and HR policies with market change. Business plans are required to be developed with market orientation and HR strategies should also be market oriented. HR professionals can provide valuable insight about team related, HR related and people related issues to the marketing planning team and can address product development plan and requirement, competitor’s threat to product, pricing of product, effective resource utilization and required training programs. HR systems should be developed to deal with this complex and multiple issues associated with market trends. HR professionals with their proactive approach can turn the human element in achieving rapid change through application of well-planned methods.
They can increase team effectiveness, entrepreneurship skills and lead senior managers and others to confront problems who have thorough understanding. HR leaders may also involve top managers and other key stakeholders in-group activities that can help the speed in market change issues. There should be all round quest for speeding up market change and gain the success.

Time is the key measure in reducing cycle time. Established benchmark measures at the outset and then show how cycle time in HR area related to company, time sensitive initiatives are reduced. Both of these measurements – reduce cycle time and increase result effectiveness are considered all-important efforts has operational processes. HR professionals can set the pace and take the lead in positioning their organizations with competitive edge in the markets. In present complex industrial scenario and do or die battle in markets, HR professionals should lead the market change and involve people in the process effectively. The role of HR professionals as a trainer is very essential to meet future challenges.

ROLE OF HR IN MARKET ORIENTATION

HR professionals have a big role in market orientation. HR professional’s role begins with addressing increasing speed in market chain. They strategically focus for proactive look and the ways to turn human elements in achieving rapid change. Team effectiveness entrepreneurship skills and leading senior managers to a change is the real role of HR professionals. Role of HR professionals in market orientation can be broadly summarized as under:

- **Recruitment and staffing**
  1. To scrutinize and screen applications received in the process of recruitment for the post advertised and / or applications received through placement consultants.
  2. Interview candidates and select the right person suiting and matching market orientation.
3. Offer new recruit orientation to effective induction.
4. Advertise for recruitment so as to develop public image of organization.
5. Tap the right talent by breaking geographical boundaries.

- **Organizational Effectiveness**

1. Develop high performance culture, wherein all will function in teams and cross-functional teams to attain organizational objectives.
2. To design organizations and structures to match market orientation. As a matter of fact all lean organizations are doing well in markets on account of low operational costs.
3. Develop learning organizations, wherein people are committed for learning.

- **Professional Development**

1. For speeding up market change, it is necessary to educate people by conducting effective training programs.
2. Information technology is rapidly developing. The benefits of information technology should be passed on to the employees for interactive learning.

- **Employee Relations**

1. While effecting any progressive change, HR professionals should ensure job satisfaction to the employees.
2. HR professionals should resolve all disputes occurred prior to change and also in the process of change.
3. HR professionals should provide equal opportunities of growth and prosperity to all employees and seek their affirmative for change.
• **Resource and Productivity management**

1. HR professionals should implement Performance Management Systems effectively so as to have effective transition of skills.
2. HR professionals should implement productivity measures both at individual and organization level.
3. HR professionals should develop proactive job designs and organizations designs to match the purpose of market orientation.

• **Rewards and Recognition**

1. HR professionals should design compensation and perquisite packages so as to retain talent, so as to boost up morals and so as to promote high performance culture.
2. HR professionals should develop incentive schemes for specific achievement and for promoting specific achievement atmosphere.
3. HR professionals should design promotional career plans for employees so as to keep their interest alive at all times.

In a nutshell, HR leaders have very important and strategic role to play in speed of market changes both in his organization and in his department. This is the most competitive issue of the century.

They are required to achieve the success through skillful application of reward and recognition, employee relations and others spheres of organizational development. This is perhaps the most crucial role along with developing knowledge capital. Success of organization will largely depend on their existence in market place.
The 21st century organization will be thus people oriented, market oriented and knowledge oriented organizations and HR professionals will be the guides to take people on right path and to effect fruitful journey. HR practitioners can set the pace and take the lead to gain the edge in today’s competitive issues

**KNOWLEDGE CAPITAL**

According to Peter Drucker, “Economic growth can no longer come either from putting more people to work— that is, from more resource input, as much of it has come in the past—or from an increase in consumers’ demands. It can come only from a very sharp and continuing increase in the productivity of the one resource in which the developing countries still have a competitive edge (and which they are likely to maintain for a few more decades): knowledge work and knowledge workers,”.

Developing and developed organizations are driven by change in technology, increasing globalization and speed in market change as the major issues with external environment and cost containment and need for knowledge and expertise are the internal environment issues. Organizations will have to develop innovative practices and solutions to the problems, which can be called as creativity. They are required to position themselves to come up with the break through ideas to address past, present and future problems.

**IMPORTANCE OF KNOWLEDGE CAPITAL**

Knowledge is the key source of future economy and its importance is growing day by day for several reasons. It is necessary to accommodate change to business success and that can be achieved only through collective knowledge, creativity and hardcore experiences of organizations workforce. It is also necessary to achieve success to survive, to grow and to know the path of success knowledge capital is the only major internal environment material of most of the business houses today.
CONSEQUENCES OF KNOWLEDGE CAPITAL IMPORTANCE

There are three major factors, which are contributing to develop importance of knowledge capital. They are:

1. A proper distinction between technical and management competency.
2. Increasing mobility of workers.
3. Increasing need for training.

Let us discuss each of them in brief,

1. **Technical and managerial competency.**

Organizations at present are blessed with variety of talent, there is extra ordinary technical expertise on one hand and managerial competency of top quality on the other hand. Both of these categories should get due justice in terms of positions in organizational hierarchy and co-ordination between them should be excellent to empower employees functioning under them. It is very clear that none of them alone can achieve success. Technical managers and operational managers must employ top quality people so that they will succeed with empowerment techniques to keep up the pace.

2. **Increasing mobility of workers**

Industrial workers are highly aspirant on account of knowledge and expertise as well as education. They are seeking for opportunities by breaking geographical limits in order to grab every possible opportunity. Due to high mobility, there is multi-cultured work force. Managing such a multi cultured work force is a big challenge and there retention is a must for organizations to attain objectives.
3. Increasing need for training

Changing technology, globalization of business, cost containment, speeding up market changes and developing knowledge capital to meet the process of change, it is necessary to develop effective training programs at all level as a part of business strategy. Training will be on going process with involvement of external expertise to meet the purpose of rapid changes.

ROLE OF HR IN DEVELOPING KNOWLEDGE CAPITAL

It is necessary to create learning atmosphere and at least one learning organization. Peter Drucker, has clearly emphasize on this point in his book on Managing Challenges for the 21st Century. HR professionals have unparallel role to develop and preserve knowledge capital of organizations. Their role is broad and proactive and the same can be summarized as under.

1. To maximize productivity of the work force through various initiatives, to build successful organization.
2. To train work force with positive communication and commitment.
3. To deploy intelligently the talented work force to reap maximum possible benefits.
4. To recruit and select the right talent.
5. To meet pressing needs of organization.
6. To retain right talent right from the moment of hiring.
7. To leverage the talent through job rotations, team assignments, transfers and promotions so that the main capital of organization will be knowledge.
8. To link corporate core competencies to individual competencies and link individual competencies to corporate competencies.
9. To clarify the human talent present in the organization based on business needs.
10. To identify the ways to cultivate knowledge at all level and develop knowledge base corporate strategy.
11. To specify the implementation plan for identifying knowledge and developing retaining them.
12. To set mechanism of goal setting on realistic basis and set momentum of growth.

HR professionals have very critical and important role to play in cultivating knowledge as key capital of organization. They are required to spearhead efforts to build investments in knowledge through integrated systems of reward and recognition and employee relations and their job satisfaction. This is indeed a very telling effect role of HR professionals in the process of developing successful organization.

CHANGE – THE MAIN OPERATING TARGET

Change has become necessity in every walk of life. The magnitude of change is varying and thus putting big challenge before organizations, managers and employees. Organizations are required to anticipate and to react with the external environment conditions to remain competitive. The real change is characterized by the followings:

- Customer focus: Customer is treated as a god and his preferences are the orders of change.
- External environment: A close eye is kept on competitor’s activities in order to understand their capabilities.
- Proactive approach: It is necessary to have close eyes with vendors and suppliers both nationally and internationally.
• Business strategy: Business strategies are developing to be proactive to seize every possible opportunity and available opportunity.
• Creative approach: It is necessary to create fine equilibrium of organizational structures, processes and systems to realize strategic objectives.
• Risk taking approach: Each employee wants to improve his performance and get reward benefits by taking various risks to boost up performance.
• Sophisticated Approach: All the above objectives can be attained through quiet and sophisticated approach.

CAUSES OF CHANGE

Change requires leaders to anticipate the likely consequences and to assess impact of change on organizations. The major causes of change can be classified as under:

1. High Expectations
2. Opportunity to introduce new product & services
3. Flat organizations
4. Career plans development with high expectations
5. Urge for learning
6. Requirement for high competencies

ACTION PLAN TO MEET CHANGE

Various specific action plans and strategies are implemented by organizations to address the increasing rate and magnitude of change. Majority of organizations is adopting following strategies to meet change.

1. Formulate and follow a change plan
2. Define goals & expectations of change
3. Top Management support to change
4. Manage resistance to change

CHANGE PLAN

Effective Change can be best implemented with sound Action-Plan. There should be openhearted communication with all sections of employees and their interactions and suggestions should be invited so as to develop urgency of implementation of change plan. By nature people are reluctant to any change. Adopting following ways can develop their acceptance:

1. Open hearted communication with people about the reasons for change and purpose of change.
2. People should be convinced about necessity of change.
3. HR professionals should remove fears and negative implications of change and queries of people should be addressed positively.
4. Understanding should be developed in the minds of people about the change and their positive commitment should be sought.
5. Recognized good work done for effecting change and develop positive atmosphere.

SETTING GOALS OF CHANGE

The process of setting goals will define the expectations for change. People are key to organizational change. Functional heads in consultation with HR professionals should set up individual goals.
Individual goals should be concurrent with organizational goals. Goal setting signifies overall vision and strategic plan of organizations. Goals should be communicated in alignment with the concern employees.

**TOP MANAGEMENT COMMITMENT**

Top management commitment is very much necessary for initiating any change. In fact, the message of change should come from Top Management. HR professional’s role is to keep Top Management informed about feedback of change.

**MANAGE RESISTANCE TO CHANGE**

Any change creates countervailing forces acting against change. The sound action plan for implementation of change is to manage resistance successfully. Resistance can be managed in the following ways:

1. Collect necessary data and analyze the same.
2. Define problems and opportunities to be informed to people.
3. Clarify individual goals and expectations.
4. Invite suggestions for implementation of change.
5. Implement the best option.
6. Proper feedback should be obtained to evaluate results.

**ROLE OF HR PROFESSIONALS FOR MANAGING CHANGE**

HR professionals are required to manage change in all parts. Their role is of a change leader. Change leader works to alter norms and behaviors governing employees, customers, and work practices. On this basis, the role of HR professionals as change agents can be summarized as under:
1. Trainer - HR professionals should train employees to develop requisite skills for process of change.
2. Catalyst – HR professionals should act as catalyst to expedite process of change.
3. Information links – HR professionals link necessary resources including people, process and equipment’s to attain objectives.
4. Team Leader- HR professionals should form teams for effective thinking and implementation of change and lead teamwork and functioning.

The Researcher has broadly covered above the present trends of organizational and industrial scenario as per discussion with HR professionals of representative research sample and other HR professionals of Pune City. In view of the foregoing discussion role of HR professionals of 21st century can be emphasized as under:

21ST CENTURY HR PROFESSIONALS - COMPETENCIES

In order to understand future role of HR of 21st century, it is necessary to understand required competencies of the future. HR practitioners will need to prepare and implement individual development plans. They are required to make self-assessment for their present roles and competencies. Such type of assessments will enable them to develop necessary competencies for enacting due role in future.

The types of competencies required to discharge future role can be briefly summarized as under:

- They should be self-starters and self-assessors for balancing competing values and priorities.
- They should have creative thinking and should be able to be innovative and creative.
- They should be able to build up trust and relationship.
- They should be able to design and use surveys to obtain feedback from customers.
• They should be able to effectively manage resources.
• They should be able to influence others to act (leadership style).
• They should be able to take sound decision.
• They should be able to work in teams.
• Their oral and written communication should be very effective and responsive.
• They should effectively apply mentoring coaching and counseling skills to develop talent at all levels.
• They should effectively implement industrial psychology for promoting congenial working atmosphere.
• They should develop customer oriented organizations to gain competitive edge in the markets.
• They should be problem solver and develop effective solutions to mission requirements using principles and programs.
• They should possess high analytical skills.
• They should know best practices for each HR function and should implement the same so as to create learning atmosphere.
• They should manage all issues pertaining to changing technology.
• They should manage conflicts with problem solving device.
• They should exhibit ethical behavior with the higher integrity and honesty.
• They should understand business processes and accordingly should develop organizational culture.

21st Century – Role of HR Professionals

We have discussed above for the future competencies which HR professionals should possess so as to make their functioning smooth in tomorrow’s complex industrial scenario. Let us now discuss what would be the possible role of HR professionals in future.
It is true that HR professionals have multi dimensional role for future. The same is summarized as under:

<table>
<thead>
<tr>
<th>ROLE</th>
<th>NARRATION</th>
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<tbody>
<tr>
<td>HR Strategist</td>
<td>To integrate HR activities resulting into strategic objectives.</td>
</tr>
<tr>
<td>Business Strategist</td>
<td>To participate in framing business policies to meet future challenges.</td>
</tr>
<tr>
<td>Change Leader</td>
<td>To facilitate drive and lead change manager.</td>
</tr>
<tr>
<td>Problem Solver</td>
<td>To resolve conflicts and problems relating to human performances.</td>
</tr>
<tr>
<td>Business Partner</td>
<td>Active involvement of interactions with line managers.</td>
</tr>
<tr>
<td>Integrator</td>
<td>All business policies should be integrated to HR activities in a vertical manner.</td>
</tr>
<tr>
<td>Relationship Manager</td>
<td>To be able to establish relationship with influence and complex network with others, whose cooperation is needed for organizational success.</td>
</tr>
<tr>
<td>Empowerment Manager</td>
<td>To share information by sharing ideas and by fostering employee development.</td>
</tr>
<tr>
<td>Team Facilitator</td>
<td>To manage diversity in groups of people to work together effectively.</td>
</tr>
<tr>
<td>Portable Manager</td>
<td>Ability to adopt to new environment.</td>
</tr>
<tr>
<td>Board Room Hero</td>
<td>HR professionals should be involved in all business matters as a group leader. They can participate in Board of Directors meetings so as to emerge out of as successful Board Room Hero.</td>
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</tbody>
</table>
The above discussion reveal the fact that HR professionals will be in driver’s seat on account of following proactive HR functions.

1. Recruitment.
2. Training and Development.
4. Organizational Exit.

Thus, the entire plan of thesis can be summarized in a nut shell as per the following table.

In order to meet 21st Century Challenges, the above-mentioned five major HR functions are required to be proactive.
The practices and policies related to these functions will develop strong high performance culture amongst all sections of work force. Each of these functions is independent in nature, however, each of these function is co-related to each other. The entire matrix of New People Management (NPM) is revolving around these five functions and their components. The Researcher has therefore discussed the proactive functions first in the foregoing chapters and thereafter he is turning to this chapter as each proactive HR function has the origin and the reasons of being proactive.

**Line Managers & HRD**

Line managers do not consider developing their subordinates as a part of their job responsibility. This is because such roles are not assigned explicitly, nor does the mentoring process clarify these responsibilities. Line managers’ contributions to development of their staff do not earn any recognition. “Line managers are allowed the freedom to escape their HRD responsibilities,” said a line manager. The politics particularly the trade unions and associations – in the work place too come in the way of line managers accepting HRD responsibilities.

At an individual level, personality of some of the line managers comes in the way of accepting HRD responsibilities. But lack of motivation and self-confidence are two other important individual-level factors. Regarding the former, line managers’ motivation to develop their staff is weakened by their own need to climb up the organizational hierarchy. Line managers consider that their career progressions depend upon demonstration of their ability to meet business targets. As is well known the intense competition that business houses face compels them to set targets that are stiff. Under such circumstances, under the pressure of time, the attention of line managers is on the technical aspects that matter as far as target achievement is concerned.
Lack of self-confidence in handling HRD responsibilities is a direct result of inadequate / up-to-date competencies and confidence in HRD. Additionally, it is not uncommon to find line managers feeling threatened when their subordinates develop and grow.

Lack of support from the top management through providing necessary resources (like time, funds and competence) is one of the factors that present line managers facilitating development of their subordinates. Top management does not take proper decisions on these due to weak commitment to HRD.

What should be done to facilitate line managers to become deeply involved in developing their staff? The set of factors stated above indicate the following actions:

- The roles of the line managers must be redesigned so that they are required to perform managerial roles and not just technical roles. And, one component of the managerial roles facilitating development of those who work with them. For this, organizational structures may need to be modified.

- The respective responsibilities of the line managers and HRD departments must be clearly defined.

- The line managers must be imparted the necessary competencies (knowledge, skills, attitudes and values) to fulfill their HRD responsibilities. Such competencies include not only general inter-personal or behavioral competencies, but also ‘technical’ competencies on HRD mechanisms and processes. Training on time management must be imparted to facilitate the line managers make time for their HRD responsibilities.

- When new line managers are appointed, the selection criteria should include competencies for effectively and efficiently performing HRD roles.

- The HRD departments must let go their attitude of being owners of HRD initiatives but facilitate line managers to perform their HRD roles. Strong teamwork between the HRD departments and line managers must be forged.
A task force or a committee comprising line managers and HRD functionaries must be given the charge of initiating and managing HRD efforts, instead of leaving them exclusively in the hands of HRD departments.

All the above are very much dependent on the top management's vision and styles. Top management members must understand the managerial roles that managers must perform and incorporate this understanding in their vision and styles. They must, thereafter demonstrate their commitment to the above through their own actions. They must become role models to the other line managers by undertaking tasks that develop their own immediate subordinates. These actions on the part of the top management will go a long way in creating an organizational culture that is conducive for HRD efforts to succeed. Such culture is a necessary condition for line managers accepting and fulfilling their responsibilities toward developing human resources at the line-level.

In order to meet 21st Century Challenges, the above-mentioned five major HR functions are required to be proactive. The practices and policies related to these functions, will develop strong high performance culture amongst all sections of work force. Each of these functions is independent in nature, however, each of these function is co-related to each other. The entire matrix of New People Management (NPM) is revolving around these five functions and their components. The Researcher has therefore discussed the proactive functions first in the foregoing chapters and thereafter he is turning to this chapter as each proactive HR function has the origin and the reasons of being proactive.

Let us now turn to linking business trends to proactive HR role. The researcher wishes to develop the following table so as to have the details at glance and right insight in the matter.
<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Business Trend</th>
<th>Proactive HR Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Changing Technology</td>
<td>Recruitment, Training and Counseling</td>
</tr>
<tr>
<td>5.</td>
<td>Knowledge as a Capital</td>
<td>Create learning Atmosphere</td>
</tr>
<tr>
<td>6.</td>
<td>Change</td>
<td>Change Management, Transformational Leadership and Continuous recruitment and training</td>
</tr>
</tbody>
</table>

**DESIRED HR INTERVENTIONS**

HR Professionals will be required to enhance abilities of people in the following manner:

- **Task, Responsibilities and Role and Goal Congruence**
  
  Building a goal direction and thereby Goal Congruence to realize full potentials of the people, their understanding about their tasks, responsibilities and roles, is essential to achieve organizational objectives. Thus these areas constitute a focus in HRD programs.

- **Grassroots Planning an Cross Functional Teams**
  
  Building cross functional teams with participation from different departments at grassroots levels, stimulating to take up projects and work as a team which would bring substantial financial gains to the company in terms of higher level of productivity, efficiencies, cost and wastage reduction is an important plank of HRD intervention. For this purpose the entire manufacturing unit is divided into workstations. Ideas generated through such cross-functional teams take the shape of project with a time bound program to achieve the desired objectives.
➢ Redefining work through Quality Circle

Quality Circles formed in different manufacturing units have brought in tremendous results in terms of improved work attitude, greater sense of belonging, reducing tension and conflict in the workers-supervisors-managerial relationship, moving towards a healthier climate of work culture. Quality Circles, of course, strives for continuous improvement in quality, productivity, efficiencies, wastage reduction, simplification of systems and methods, practiced by the people in the respective areas of work by meeting on their own time, identifying problems and solving thereby bringing financial as well as intangible gains.

➢ Work Teams

Side by side through a process of education highlighting the business scenario and the realities of market, competition, costs, product quality, the work-teams constituted with workers are encouraged to move with time on a new agenda worked out by themselves as team. The workers are helped to look at the various work processes, resource productivity for continuous improvement through a determined bid to bring desired changes resulting in financial and non-financial gains.

➢ Value Orientation

Value education is another important plank of our HRD program. We work on ten core values, viz., right thinking, discipline, loyalty, sincerity, humanity, dignity, integrity, temperance, spirit or co-operation, team work.
➢ **Focus on result and success orientation**

Plans and strategies by higher authorities by themselves cannot lead to success without review and control. HRD focus is to prepare and encourage teams to review implementation processes as per action plan, check progress or gaps and arrange for timely re-enforcement, when people work with lot of clarity, business knowledge, with a goal direction, armed with strategically sound steps with a focused view. What else can be result other than success.

➢ **Building a learning organization**

HRD is not a one time 'gunshot'. The people must be charged to look at themselves about their strength and capabilities. They must feel as part contributing to achievement. As they work with new ideas, on a new role and a dynamic job profile, they learn where the businesses are and where they would go. As they learn, they work and enjoy and as they enjoy they learn more.

➢ **The process of re-engineering**

**Bench Marking**

In today's competitive world an organization can strive by continuously creating records of productivity and efficiencies reviewing its performance compared with industry benchmarking. This is like marching onto catch with the best and thereafter to excel further. Benchmarking, therefore is an important factor for successful organizations.
Re-engineering

One has to continuously move with the march of time. Today's business is faced with both complexities and diversities. Coping with such an environment people working at all levels have to constantly work and be prepared to accept changes as may be call for.

Managing Changes

In fact today's is greatly reeling under the influences of change. New adjustments are called for, first response is the need of the hour. Those who are proactive, benefit significantly, one who does not shall retreat. HRD focus to gear people to such a changing scenario scan the environment and takes effective steps in a planned manner to remain ahead of competition.

➢ Flat organization with less layers

HRD role, therefore, is to prepare each and every individual in an organization which should be flat with as less layers as possible, smoothing the process of bringing people together to a common goal and a shared vision to achieve excellence. This is an aim- there has to be a good beginning.

➢ The new paradigm

Our industries have spent long time in deep slumber. The signals of warning have been ignored. This has proved to costly staking existence. A survival strategy is the need of the hour and calls for an action plan.
We have got to run faster to make up for the lost time. We need to be contemporary in respect of:

Technology geared to value creation.

Manufacturing processes and system of world standard.

Product profile and value addition.

Market driven strategy with customer focus.

Management process to complete in the world trade.

World class people.

Building World Class Organizations

Dr. R. L. Bhatia in his book of the Global Manager has stressed the need for building World Class Organizations. We are giving below the gist of main points. Technology has transformed business in the last 25 years. In the next 25 years new employees will be recounting even more dramatic examples of the unrelating evolution of technology. Global corporations will have to focus on improving operating efficiency and competitiveness and concentrate on areas that they are best at with the objectives of high volume, high quality and low cost of production. World-class organizations will have to go for maximum value addition within the product range.
Every business, in the recent past, has been dominated by intense and aggressive competition from every conceivable corner of the global framework, the challenge before it is to be world class. In this chapter we provide a few glimpses of light at the end of the long, and very often, frightening and despairing competitive tunnel.

A World-Class Organization - What is it?
The immediate words which spring to mind when confronted with the phrase ‘world-class organization’ are ‘The best of the best’, ‘The best of the breed’, ‘A belief in continuous improvement’, ‘Total customer satisfaction’, ‘Balanced revenue and profit growth’, and so on.
A world-class organization could be defined as a company whose individual processes, when benchmarked against the best in the world, fulfill or exceed those performance standards. A world-class organization will not become complacent with short-term success, but will operate a program of continuous assessment and improvement to guarantee that its leadership position is maintained. The end point would be customer feedback on the product with whatever corrective actions, if any, being immediately taken by manufacturing.
To be truly world class, organizations must broaden horizons, encompass all such activities which can make them better, more efficient, more responsive and more importantly, competitive. Boundaries are negative and frustrating, and are counter productive. They thwart the true potential that organizations can and must realize.

The Road Map to Building a World-Class Organizations
Given below are ten critical success factors, largely based on past experience, which can help organizations face the future.
1. Vision, mission, strategy and road map
2. Human resource – the most precious resource
3. A culture of continuous improvement
1. Vision, Mission, Strategy and Road Map
It is important for every business to ask itself why they are in business, where they are wanting to go, and have a pretty good idea of how they are going to get there. These questions seem almost too obvious, too trite, and too overly simplistic. But how easy it is to forget the purpose of the war in the heat of the battle.
The difficulty in trying to predict the future with all its uncertainties, interrelationships and imponderable complexities is very often the reason organizations are not able to clearly state its mission statement. For this, it is vital to pick out those aspects of one’s business that are critical to ongoing success. The changes in technology, business environment, customers’ needs and expectations, business competition, etc. which might take place must be considered carefully. Once this is done, it is not too difficult to identify the basic elements of a time-based action plan. The key thing here is that no organization is blessed with a 20/20 vision into the future. Thus, mistakes and errors of judgement can often take place. The merits of having a blueprint against which an organization can test a change in the conditions of business or an unexpected change to the primary competitor’s product offering (in some cases with value addition) are indisputable. When an organization does not have this base, the result is often a knee-jerk reaction, which lacks vision and direction. The world-class organization should outline its blueprint and high volume, high quality and low cost strategy.
2. Human Resource – An Organization’s Most Precious Resource

Every hiring decision and organization makes will be a million rupee decision. This simply illustrates the level of investment a company makes when bringing someone on board, and like all good investment, it can offer a tremendous payback if utilized properly.

The level of commitment, creativity, flexibility and loyalty of a human resource has an amazing impact on an organization. Organizations worldwide use various ways to release the talent, such as employment empowerment programmes, quality teams, suggestion schemes, recognition events, and so on. Probably there are as many more ways which organizations have not yet thought of—the untapped potential is enormous.

As an example, take IBM which has two programmes which will tap the Human potential to its fullest, namely the open entry college and Leading Edge Action Program (LEAP). The open entry college originated in the background of an increasing awareness of an aging population whose remoteness from their academic origins was reaching 20-25 years. Also, there was a changing mission for the organization, which required a different mix and freshness of professional disciplines.

The solution for this was in re-education of the existing work force. IBM set for itself a fairly impossible target of improving the percentage of qualified employees from 32% in 1988 to 50% plus by 1993. They set up various postgraduate programmes in electronics, computer-integrated manufacturing, material management, plastic molding technology, etc.
The key elements of the programmes were:

- A personal commitment and relevant work experience.
- A 50/50 per cent split between company time and personal time for the first year of study.
- Final degree of the course fully validated.
- Courses funded by the company.

The Leading Edge Action Program involved trained facilitations, which started with definition of a project whose success was the key to the organization’s performance. The next step was in identifying the team of people who were going to be involved in the project and agreeing to the goals.

Then to work together to improve the targets by a significant amount before the work on the project even start. The team spirit and commitment was then carried forward to the development and implementation phase of the project, with the team being give full credit for the success that result.

3. The Kaizen Culture-A culture of Continuous Improvement

The principle of continuous improvement is based on the simple premise that however high the competitive bar is, the only remaining certainty is that it will get higher and sooner rather than later.

This then drives the need to embed in the organization the unshakeable notion that ‘quality’ is a continuous process, and that excellence is not finite and targets are simply milestones and not the end of the journey.
Motorola implemented the sigma principle of the market-driven quality in total customer satisfaction the primary approach was to:

- Understand the market and customer needs.
- Commit to market leadership.
- Translate the customer wants and needs into products and services.
- Drive towards continuous improvement.
- Execute with excellence.

The beauty of this approach is the ability to translate the macro goals into micro ones, which every employee can relate to. This is achieved by reminding everyone in the organization (the principle of internal customer satisfaction) that they are both a supplier to some in the organization, and at the same time, someone else’s customer. Here, it is a fact that at the individual level, people can get a real feeling of association that creates an almost unstoppable momentum for improvement.

4. Know yourself and Your Competitors

One of the ways world-class organizations formulate their competitive strategy is by looking at what their competitors are doing. This is one of the most important tools that a world-class organization has in its competitive toolbag. It starts from the identification of the most significant competitions—both current and potential emerging in the years ahead. Once these have been identified, understanding their products, their approach to manufacturing and distribution, their cost structure and their marketing techniques can provide some very useful data in establishing an organization’s own competitive benchmarks.
The next step is crucial; to perform an honest and critical self-assessment of the product management systems, business support and operational process, overall performance and of competitiveness.

The process is difficult and painful, simply because we don’t want to see (or often we don’t see) our defects. It's perhaps easy to rationalize away a problem with statements such as ‘Our situation is different’ or ‘That was a one-off problem’ or ‘we couldn’t possibly have known it at that time’ or ‘There is no time or resources to do that’. Some very familiar statements that avoid change. Painful and difficult may be but to ignore it is a high-risk game. To embrace the approach and the findings is an opportunity far too good to miss. For example, the National Manufacturing Council of the CBI uses a self-assessment questionnaire: each question has a standard of excellence.

At IBM, assessment is done each year using the previous years’ results to identity areas of improvement moving from silver standard to gold. The payback is a very crisp picture which emerges from its strengths and weakness, which is the key to future improvement.

5. Research and Development – Involvement of R&D for Continuous Improvement

The guiding principle of organizations today should be: “The faster a company can translate a customer’s requirements into quality competitive deliverables, the better chance it has to maintain and even gain crucial market share.” For a world-class organization, management of the R&D cycle is the key to maintain market share and attain a competitive advantage.
The consequences of being late in bringing a product to the market have never been more severe than they are today. It is therefore imperative for an organization to translate faster a customer's requirements into a quality competitive deliverable product.

If this happens, then the company has a better chance to maintain and gain crucial market share. Achieving this is a slow and sometimes frustrating process, but it helps demonstrate and organization's ability and absolute commitment to meet its delivery schedule.

6. Empowering People

The power of aggressive target setting and empowering people to deliver results never ceases to astound leaders and the top management—one could almost be led to believe that there are no boundaries, possibly only self-doubts. Empowered people satisfy customers. Jack Welch, CEO of General Electronic Company, notes: "Getting every worker to have new idea every day is the route to winning in the nineties." To do this leaders must create and support management systems that allow employees to exercise their capabilities and thereby contribute to customer satisfaction. An organization's empowerment strategy brings the work to life focusing on the people dimension. By understanding where the organization is going, what the organization's objectives are and what role they themselves will play in helping the organization to success, employees can help ensure that the goal of customer satisfaction is achieved.

Empowerment is essential at all levels as no organization has the capability to satisfy customers through the efforts of just a handful of decision-makers. World-class organizations must understand that each person plays a role in customer satisfaction.
Organizations must link the roles and responsibility of every employee to maximize customer satisfaction. World-class organizations aim at eliminating fear, create an environment where people are truly unafraid to participate and where people become part of the solution. A world-class organizations increasingly understand that the end product or service is produced through the sequential efforts of people within and even outside the organization, they must engage all employees to improve the linkages between the steps in the process as well as contributing as much as they can to their own might in the process.

An organization should build its empowerment strategy on trust. Trust is demonstrated in the way leaders interact with employees, the extent to which they use their power and position in the organization and the efforts they make to ensure an equitable organization. Employees need to trust that the leaders of the company will act in a manner that benefits the company, and as a result, to all employees. The top management in turn trust that employees are able to and to want to take ownership for satisfying customers. Trust helps ensure the various players are all working to achieve success for the organization, extending this feeling of trust to the relationships with the suppliers and among groups or teams of employees themselves. When relationships are based on mutual trust, employees frequently surpass the goals that are set for them by the management.

7. Approach to Manufacturing

World-class manufacturing systems must strive to produce world class products to achieve quality and costs that are equal to or better than those of their best competitors. How this can be achieved will vary according to the manufacturing environment that an organization creates.
A synergistic effect on cost and quality is very powerful in achieving the principles of good manufacturing practices. There are two areas which manufacturing needs to concentrate on to remain competitive. The first area is *direct costing*. At IBM, in the mid-1970s costing of products was on the basis of number of production hours booked against the product which were charged at a fixed hourly rate. This approach put too much emphasis on the assembly and process, without a proper reflection of the amount of indirect costs in support of the product. Consequently, IBM converted to the direct costing methodology, which gathered, all incurred costs for grouping of products and applied it at a shipped unit level. This enabled them to see clearly the various contributors to the manufacturing overhead.

The second way is *quality and reliability prediction*. As customers demand greater and greater reliability from the products they buy and as the manufacturers’ warranty periods increase, the need to known in advance how one’s products are going to perform in the field has become of paramount importance. The consequences of ignorance can be extreme—customer dis-satisfaction and profit margins eroding warranty costs. This is very true, for example, in the high-volume personal computer business.

8. Supplier Relationships

In future organizations, suppliers will be partners in excellence and not adversaries. A supplier’s quality and costs are inextricably linked to those of the manufacturer’s facilities, approaches and people should be viewed as an extension to one’s own manufacturing facility. Several world-class manufacturers have migrated to a smaller number of high-quality suppliers with whom they have established long-term relationships.
These are based on an agreed set of standards so that the benefits of improved performance can be shared. This approach can only work if there is a close and tightly coordinated relationship with suppliers for reducing inventories and costs, speeding up the flow of products and improving quality. Any organization will find tremendous benefits in sharing with its supplier's techniques and approaches for quality management, self-assessment and cost improvement as well as new manufacturing technologies themselves. It must be remembered that the loyalty of suppliers has to be earned, not bought, and once earned its payoff is tremendous.

9. Customer Interaction

In the competitive global market place of today, customers clearly demand all-round excellence—excellence in quality, in cost, in delivery, in after-sales service, and increasingly, in the provision of a solution which satisfies a need rather than a product as a part of a solution.

A world-class organization, to deliver excellent customer service, should have every employee keeping their ears and eyes open to the customer's need, establishing and maintaining a continuous dialogue, getting feedback on not just how the product is performing, but on how satisfied the customer is. However, in very large organizations there are barriers to establishing such a dialogue with the customer.

Programmes can be developed to add value in terms of providing customer satisfaction. For example, the way a customer comment card is shipped with every product, surveys on customer satisfaction, open days with customers, or customer visit programmes, depending on the nature of organization and the type of business it has, can add value.
World-Class organizations need to be innovative; innovative companies are the ones, which generate the best return for shareholders and give employees the greater opportunity for long-term rewarding employment. The power and potential of innovation is in all of us, all we need is the self-confidence to express it, the environment to nurture it, the support to exploit it and the motivation of being allowed to share its benefits.

It is the job of world-class executives to create the right atmosphere to encourage and promote the various processes. Tools and techniques are essential ingredients that can transform goodness into excellence, and brightness into brilliance, is that flash inspiration, the spark of lateral thinking, the completely different way of looking at a problem-in a word, innovation, that can really light the flame of competitive organizations.

Building a world-class organization is exciting, frustrating, hard work, compelling, often depressing, but always challenging. But yet the task has to be done, the success and financial health of any nation is only as strong as its corporate business is. If this is coupled with the satisfaction of actually seeing an end product shipped to a customer, it is infinitely more satisfying than ensuring balance sheet balances.