

Managing people, a science

Excerpts from an interview given to the Quarterly Review of the Consortium for Undergraduate Study in Management in the USA by Dinesh Weerakkody, Managing Director, Cornucopia, Sri Lanka.

Q Managing the people side in a business is much more difficult than it was 10 years ago, but people still do not give sufficient attention to people management?

Yes, I agree with you. Many companies still substantially underestimate the importance of people management even though it is becoming increasingly difficult to attract and hang on to talented employees. Also with companies and products becoming similar, it seems the only true competitive advantage lies with good people management. Companies must realise that is organizational adaptabilities that create products and services that result in a customer taking money out of his wallet and putting it into ours instead of giving it to our competitors. So to answer your question, today there is so much evidence that good people practices help to unlock the full value of people capability to deliver business results. Most companies are still behind where they need to be in inspiring people and providing the personal sense of passion that count so heavily for a meaningful work experience and business performance. In my view, good people practices help to make the whole company greater than its sum parts.

Q Attracting and retaining key talent is paramount. What are some of the practices companies have?

The way to attract and retain good people is to give interesting work to do. Interesting people do it with aplomb and treat them like responsible adults. Most employees are smart, trustworthy people who have the ability and desire to do the right thing for the company. Often, employees think that high salaries can buy loyalty and performance and neglect the soft side of managing people.

Q Then tell us how do companies find good people and keep them motivated?

Take our business. Consulting is very much a people-business. So at the front end, one needs to make sure that we are getting the best people. You need to work very hard to find that talent. So when you find the right talent with the right profile, you need to make sure that you not only offer a very competitive compensation package, but also the kind of culture, development and other benefits that makes the company the kind of company that people want to work. That is tough. The challenge for any company is to create the kind of environment where, when employees get up in the morning they can actually look forward to coming to work. Most good companies hire for attitude and 'fit'. These companies may not be for everybody They have strong cultures and employees have to fit to be successful.

Q You talked about the need for people to fit into the culture. How do you get that 'fit'?

The key to finding good people is to stop judging them on their past experience or how well they handle themselves in the interview. In reality, even after you have screened, interviewed, cross-questioned and psycho-probed, you are still not sure whether the person can deliver what your company needs. Armed though he may be with the right degrees and personality traits, will he fit into the company, its goal and its culture?

So companies' hirers are using a new parameter to cherry - pick talent. A measure of how closely a candidate's mental make-up and values match those of the company's. Fit is the key word. In addition, perhaps, you need to hire those who have the potential of moving up at least two steps and also not to make the mistake of hiring someone for what they know and fire them after that for who they are. So I say, hire slowly and fire quickly

Q Is head-hunting a solid option?

Yes and no. Search firms can be expensive and time consuming. It also does not make any sense to use search firms who do not understand the local conditions or your organisation. Any good recruiter would tell you to exhaust your internal network first before you look to a search firm. If you have to hire an external head-hunter, hire the individual not the company. Also find someone you are comfortable with and who has some free time for you.

Q Let us get on to another topic - the 'People Managers'. What are the evolving roles for 'People Managers'?

I believe that people managers should focus more on deliverables than on transactional activities. The key deliverables are organisation capabilities and intangibles that define the organisation's identity and personality, and by that deliver high performance to all stakeholders.

People managers need to align people practices to more effectively execute business strategy. Therefore, people managers who demonstrate the right competencies and play the right roles will be more effective than those who do not.

Q What knowledge and skills and ability should People Managers have?

This is my view. Others may disagree. People Managers should be both generalists and specialists. That is they are employee champions charged with making sure the employer and employee relationship is one of reciprocal value. They are responsible for building the future work force as people developers; they are also functional experts, designing and delivering people practices to create organisational capability. Then finally as a strategic partner, they help the chief executives to achieve business goals. Also in addition to all this, they must be credible leaders. When People Managers master these roles' then can only they deliver value to the business.

Q BPOs have become the order of the day. Should companies outsource certain Human Resource functions?

Many attempts at HR transformation start without defining value. For example, some companies invest in e-HR services such as portals and online HR services and believe that they have transformed HR, but they have not. While e-HR may be a part of an overall transformation, it is merely a way to deliver some of the personnel administration services.

Moving towards outsourcing does not mean HR has been transformed. If new delivery mechanisms provide basically the same old HR services, the function has changed, but not transformed itself.

Whether it is outsourcing or automating HR services, the change must be to improve life for key stakeholders in ways that they are willing to pay for.

The other argument for outsourcing is that it provides an opportunity for HR professional to expand their strategic role.