Re-Skilling and Right-Skilling HR Component to Sustain in Turbulent Business Scenario: A Conceptual Study on Prevailing Strategies

C. Karthikeyan

Director, Adihtya School of Business, Coimbaore, Tamilnadu, India.

I. INTRODUCTION

Every activity be positive or negative and its consequences good are bad, needs to be faced by people and the current business environment is demanding a great deal of workers around the globe. The practice of doing “more with less” has become the modus operandi in most businesses and business areas, perhaps nowhere more so than in human resources (HR) divisions. HR is being stretched and pulled every which way to meet challenging goals within unprecedented resource constraints. The biggest challenge the human resources function faces is to better align itself with the needs of the business. Survey respondents say that the biggest hurdles for HR are an inadequate understanding of the relationship between workforce reduction and business goals (39%) and of critical skill sets in the organisation (39%). This might be a result of a lack of communication of company goals on the part of senior management. Yet the neutral or negative perception of HR’s contributions at certain organisations could be mitigated by more overt displays of its knowledge of the business, particularly as it has the potential to play a key role during the downturn.

II. CONCEPT OF STRATEGIC RE-SKILLING AND RIGHT SKILLING

Performance management is viewed as a top priority for human resources across regions, functions and titles. Thirty-nine percent of survey respondents say performance management is a top priority at their organisation and 43% say it should be. Respondents overall cite the importance of evaluating performance with quantifiable metrics. Fifty-six percent of survey respondents (66% from the HR function) say their firms have implemented or are in the process of implementing a quantitative, metrics-based, performance management programme. A whopping 94% of respondents say their HR organisation has developed or is in the process of developing such a programme. Boosting productivity without increasing costs requires a combination of employee development programmes and process improvements. Survey respondents cite four methods that are about equally successful in gaining additional productivity from employees without raising compensation costs: creating additional training programmes (44%), adopting more efficient methods of service delivery (44%), adopting more quantified and/or stringent performance evaluations (47%) and adopting mentoring programmes (47%). While all these are views and opinions expressed let us look at the micro level scenario existing in our own country.

III. TURBULENCE IN INDIAN BUSINESS SCENARIO

Turbulence in Indian Business Scenario; some positive vibes; Indian business think tank feels that “Without creating turbulence one cannot grow”; Reebok India think tank feels that “The only certainty in today’s business is the uncertainty. And some of the factors that make business turbulent like globalization, new technology and the clash of civilizations post 9-11 are here to stay.”

HCL believes that “Strategic responses both at the macro and micro level provide the survival mantra for companies. Turbulence is a part of the continuum for individuals, companies and in politics. Re-skilling and retooling are essential all the time,” is what the think tank of HCL opines. “In the IT convergence sector, rapid technology changes and government policies also cause turbulence apart from the global economy. We have survived the bloodbath of 2000-2001 and now X for us represents the kind of services that our customers are looking for,” is what they feel.

Showing innovation and conviction of ideas can open new frontiers; “Without creating turbulence one cannot grow. In fact, a burning platform in the high seas needs to be created so that everyone jumps into the water and swims for survival. Indiatimes.com top level people feel and are authentic in accepting it.

Turbulence can only be positive and will lead to change”, believes ICI India Ltd: “There are no cushy times in the real world and normal times are turbulent times. Survival
instincts are critical for companies, individuals, CEOs and managers.” and defined the concept of leadership training and its importance. "CEOs who are genuine leaders are comfortable with ambiguity. And as the workplace changes, the leaders will flourish with change and remain up to speed,” he said.

**Gillette India views** defining turbulence was linked to the negative y-o-y growth rate in the FMCG industry in 2001. "Like the pilot of an aircraft, CEOs need to change their strategies and skills when faced with rough weather. For instance, the focus should be on short-term financial goals rather than longer term," he said. For the soft drink beverages sector, on the other hand, consumers create the turbulence. Said Rajeev Bakshi, chairman Pepsico India: "Changes in disposable income and demographics create paradigm shifts in our markets. Companies need management with continuity to tackle change."

**Escotel Mobile** mentioned telecom companies that had to change business plans in the face of turbulence. For all the top honchos, turbulence, in the end was all about survival. Obviously, when the going gets tough, the tough get going.

**India has a bright chance:** the latest forecast suggests that the tide may be turning in India's favour, possibly for good. The World Bank anticipates that, by 2017, India will be growing faster than China. The short-term forecast based on some specific circumstances reveals that, India, for example, now has a credible central banker doing sensible things like tackling inflation. The country's new government is finally building infrastructure and cutting the red tape that held the economy back for so many years. If India keeps it up, the World Bank expects its economy to grow 7 per cent in 2017, up from 5.5 per cent in 2014. Meanwhile, the forecast calls for growth in China to slow as its government reduces spending, tightens credit, and unwinds its housing bubble. The bank expects China’s growth to fall from 7.4 per cent in 2014 to a modest 6.9 per cent in 2017. There are reasons to believe that the slowdown is not a temporary blip and that, over the long term, India's economy will ultimately overtake China's. At the moment, both countries are growing so quickly because they're catching up to richer economies. They are shaking off the effects of market isolation, under-educated populations, limited access to technology, poor infrastructure, and regulations that stifled business development. Eventually, when these economies catch up, adding machines won't increase productivity. It's impossible to predict exactly how long this will take.

**IV. STRATEGIC HR INITIATIVES THAT CAN GIVE BUSINESS A SUSTAINABLE RE-SKILLING AND RIGHT SKILLING EXERCISES**

Turbulence are difficult times for any business; but for manufacturers is to survive these difficult times.

**Right skilling our labour force:** It is an old adage, but true, that in manufacturing we make our profit in the factory. After the selling price has been accepted, and the lowest possible material costs have been negotiated, the only remaining variables are the cost of labour and fixed and variable costs. It is critical, in these turbulent times, that communication between production operatives and management is clear and precise. The interdependency of the employer/employee relationship is now more important than ever.

**Re-skilling to work on manufacturing cost reductions,** and to apply all of the principles of lean manufacturing. It is an essential time to make sure all of that training is put to use. With reduced margins there is absolutely no room for quality problems, for waste, or misunderstanding. Now is the time for all of the process improvements that have been on hold, for lack of time, money, or other incentive.

**Thriving on positive attitude and training work force to think positive:** to achieve the required savings means leveraging the workforce. The expectation has to be that all employees have a responsibility to secure the future of the company. The role of the HR department is not to draw up lists for redundancy, it is to facilitate cost savings, through communicating clear expectations and implementing programs that enhance teamwork and help all employees to make a positive contribution towards surviving these most difficult times.

**Learning Newer Skills:** the uncertainty created by the current economic climate can impact on the confidence of employees in the business and indeed their own performance. Human Resource organisations have many levers to put into play that, if used correctly, can be of great value to both the performance of the business and the employee. The most critical area of impact is the organisational culture.

**Right skilling on the culture** like training “how things are done” in an organisation. More importantly in times of crisis, culture takes the driver’s seat. A constructive culture where people treat each other with respect and work together effectively provides a solid foundation to handle external pressures more positively.

As a consequence, if an organisation has a poor culture it is more than likely that its business results will be poor as well. So, in uncertain times, it is imperative that the culture is one in which employees can strive to do their personal best; one in which they wish to stay to pursue a career and one in which they actively promote the organisation as a great place to work. A culture that encourages people in these ways is one in which its people are actively engaged.

**This is where HR can really add value.** Creating an engaging environment in which people are inspired to do their best does not happen by accident. These environments typically have leaders that are open and honest and act with humility – these leaders love to coach and develop their people. Leaders that take full accountability for their actions and do not get into the blame game. They also are generally very curious about what is happening around them, genuinely interested in their people and keen to be constantly learning. The HR organisation has the responsibility to work with line managers to develop leaders so they can be role models for these behaviours. Business symbols are also a key area that impacts
on the culture – ie the type of decisions made, how time is allocated and prioritised, what the business spends money on, how communication occurs and the look and feel of facilities. For all these HR needs to step up and ensure that they reflect appropriate messages to the employee population.

Work with your Leadership Team and Strategy: I believe we need to be closer than ever to business strategy in these conditions. We need to fully partner with the business and understand and even push the organisational requirements for real planning around this. The business will be scenario planning –depending on whether the economic activity rebounds quickly, sinks into a long, mild recession or hard depression for a year or two – and this has huge implications for the organisation’s people strategy.

Developing revised People Strategy and scenarios: at the turbulent times important than ever to work through the corresponding people requirements and required HR strategies with leaders.

Workforce planning: this is now more critical to the business. What are the skill sets required for different scenarios? Who is talent in these scenarios? How does your organisation capability currently map to this? What proactive strategies can be put in place to meet these and create advantage out of this from an HR point of view?

Employer branding: we all know that talent can make or break a business. However, it is in these times, in particular, that top talent and high performers stand out. I believe you have to do all you can to lock in critical talent and top talent is becoming increasingly picky about who to work for. The brand they associate with is becoming more important because that holds brand equity for them also. We need to ensure that an Employer Brand Strategy, and an authentic, unique, and desired Employer Brand for business is critical at this juncture. This is a particular area of that will create real competitive advantage for businesses in the future.

Focus on revenue generation and cost opportunities: we have all heard the saying that “you cannot achieve greatness by cost cutting alone”. I think we need to continue to know our business inside out, the business levers, revenue and cost savings opportunities, and continue to drive our businesses to really innovate to survive and create advantage in these times.

Engagement becomes even more important: I believe we also need to develop strategies to continue to keep our current employees focused, engaged and productive in this challenging environment. It is my prediction that businesses will need more change-oriented leaders and they will be more valuable than ever in these times.

Finally, having the right systems and processes to motivate people and reinforce a positive culture is imperative. HR must design recognition programs recruitment processes, performance-evaluation processes and remuneration systems that provide the structure to encourage people to do their best and want to stay with the business. If these levers are properly designed and implemented by the HR organisation, a business will manage through tough economic times more easily and will certainly have the competitive advantage when economic times improve.

REFERENCES


Biographical Notes

Prof Dr.C.Karthikeyan, now a Professor and Director for Adithya School of Business, Coimbatore. His Research Interests are strategic human resource management and strategic leadership, and is now teaching strategic management papers and is consultant to organizations in HR strategic management issues, as well as consultant to programmes involving strategic management.