

# Business Manager

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Making HR People Complete



Employees'  
State Insurance  
Scheme- *Simplified*



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## Differentiation is the Key- CHRO 2.0

The evolution of the Human Resources function from "Personnel Management" to "Human Resource Management" & now to "Human Capital Management" has been a long & arduous journey. The suffixes have been used since HR has always been referred to as an outcome of what the business or the organization needed HR to do.

The dice has changed today as the world has come to accept the reality that every business's success factor is only and only dependant on the kind of "human resources" they have in their team.

For organizations who want to thrive in today's tough business world, predominantly based on knowledge, differentiation in HR has become the new norm. Two undeniable factors back this up. The first factor is the growing body of research and data which quantifies and identifies exactly how people contribute to organizational success. The cliché that people are our most important asset now has a significant body of evidence to support it.

However, research has also made it clear that some people and, more importantly, some 'roles' have more to contribute than others. As a result, business leaders and boards are beginning to understand and pay attention to how the organization's "Human Capital" is being managed. Some are even starting to report on how effectively the talent in the organization is being sourced, deployed and developed.

This leads to the second undeniable factor. The pressure is on for HR to

deliver on the promise of human potential in the workplace. Expectations have been raised and organizations can no longer solve their challenges by simply hiring more people. Put simply, HR is being called upon to silence its "cannot deliver" critics and provide confidence to business leaders that its valuable 'human capital' is being engaged, deployed and refreshed to maximum effect.

In short, HR is being challenged to deliver more with less and the squeeze is tight. The only way to ensure that people practices and investments are optimized for organizational success is to focus on the areas of highest gain whilst maintaining the other elements of the HR function at an appropriate level.

There is no one set of prescribed practices which means as Alfred Chandler said, "You can't do today's job with yesterday's methods, and still be in business tomorrow". The advantage of this approach is that you differentiate relative to your organization, your market, your strategy and your competitive position. It's entirely possible for two competitor organizations to have separate approaches to differentiation and be successful. This is because they are competing using a different strategy and most importantly they have aligned their HR approach and deployed their HR resources to optimize the achievement of that strategy. This takes careful planning, debate, design, analysis, and action.

The key to success with differentiation in HR is not to follow the herd, but to carve a distinct path and create uniquely impactful HR practices. 