NATIONAL HR CONFERENCE 2009

The National HR Conference organised by the Institute of Personnel Management was held with the theme ‘People Drive Business’. The Conference highlighted the dimensions of Human Resource Management to guide HR Professionals in making the desired difference in their organisations. The conference also aimed to provide the know-how on dealing with the financial crisis and recession through a plethora of knowledge delivered by both local and international resource personnel. The conference ended with the new addition of the grand HR debate, which offered much food for thought to the participants.

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Pre-conference sessions

The young HR minds forum was featured in the pre-conference sessions, which was developed to provide an opportunity for upcoming HR practitioners to present papers on specific topics at the conference and share their knowledge and experience. Four applicants were selected among many vying to make presentations on varied topics. The applicants were selected by a panel of judges comprising of Janaka Kumarasinghe – Director Kent Ridge, Past President IPM, Secretary General – APFHRM (Chairman-panel of judges), Professor Sudatta Ranasinghe – Professor of Management Studies in the Faculty of Humanities and Social Sciences, Open University of Sri Lanka, Pavithra Kaliasapathy – Senior Lecturer HRM and Faculty of Management and Finance, University of Colombo. The presentations were developed from case studies of the applicants' own organisations.

The first presentation was made by, Nimali Welikala, Talent Development Manager and HR Business Partner of HSBC Sri Lanka. The presentation focused on the Global Financial Crisis and the Role of Human Resources as experienced by HSBC. Nimali Welikala began by introducing the Business Strategy of HSBC in 2007 that involved an aggressive growth strategy including programmes for enhanced productivity and to attract many people as possible.

With the financial tsunami in 2008, immediate steps were required to reduce the exposure, manage risk and reduce cost. All growth plans had to be halted, which in turn resulted in a large number of staff surplus. In finding a remedy for this situation HSBC opted to reconfigure their structure instead of taking the easier way out of terminating excess staff. This was done considering the morale of the remaining staff and, the reputation of the Bank among its customers. As 60% of HSBC's staff population consisted of school leavers, HSBC had always faced the challenge of high turnover of 18-20% that was prevalent within this age group. This challenge served as an opportunity to maintain the HR budget.

Further, staff was maintained by redeployment from where there was excess staff to where the staff is needed. Reconfiguring was achieved by halting all external recruitment while focusing on internal transfers, all business lines were restructured and excess staff were identified through a standardised approach. The excess staff would then be redeployed within the bank as vacancies occur. All of these steps were taken with sound communication with HR Guidance.

In order to meet with the staffs' reactions towards this reconfiguration strategy, a career transition principle was made. This was set in place to drive the employee towards a new beginning overcoming a process of transforming attitudes and emotions as speedily as possible.
Lalith Weragoda, Senior Executive in HR Development of Sampath Bank gave the second presentation on linking Corporate Social Responsibility and Human

Resources Management to enhance employee engagement. Sampath Bank comprising of 2300 team members is the winner of the National HR award for four consecutive years. In his presentation Lalith said that the CSR at Sampath Bank has successfully evolved from being charity driven to strategy driven. A policy in place at Sampath Bank has been designed to ensure that CSR is part and parcel of the organisation and involves the Bank, the team and the community. It is neither for advertising nor compensation.

A 4E structure was developed to direct the CSR initiative namely through Empowerment of community, Education for future leaders, Entrepreneur development and Environment conservation. The winning formula of the strategic integration of CSR involves three input levels, Individual level, Business Unit Level and Corporate Level that integrate three important aspects of the bank; CSR as a development tool, social leadership measurement and a sustainable Socio-Economic Model respectively. The outcomes of these integrations are development of social intelligence in the individual.

Sampath Bank incorporated CSR in key areas of HRM. Performance management was designed with CSR as key performance indicator in order to create a sense of obligation by aligning individual business targets with the Bank's CSR targets. In training and development, CSR related assignments were created for executive development, by action oriented learning assignments for competency development of the individuals.

The third presentation was made by Amali Ferdinandes, assistant HRD Manager at Coca-Cola, Sri Lanka. She made her presentation on National Vocational Qualification Initiative at Coca-Cola where employees are given the opportunity to commence tertiary education at Coca-Cola Sri Lanka. Through the identification of continuous 'People Development' at Coca-Cola, employees have the opportunity of acquiring the internationally recognised National Vocational Qualification. The training programmes are conducted by National Apprentice and Industrial Training Authority (NAITA) and Tertiary and Vocational Education Commission (TVEC).

As the initial step, thirty five candidates are selected in twelve identified areas. With the help of TVEC, a curriculum was developed. Depending on their qualification, skill levels and experience, candidates can acquire qualifications at various NVQ levels, which range from 1-7; from persons with basic and fundamental skills to Managers and Planners. Candidates also have the opportunity to acquire further training to rise to the next levels of qualifications and the 7th level qualification is equivalent to an engineering degree qualification. The entire process is all about skill upgrading.

The positive results of this have been many, including motivation of candidates with improved troubleshooting, housekeeping standards and knowledge in machine inspections etc. Amali concluded that providing tertiary education endorsed by their group has benefited individuals, the organisation and society.

The fourth presentation was made by Avon Andrew Dissanayake, Head of Training and Knowledge Man agement at Airtel Lanka on Employer Branding – A way to differentiate. He began by presenting a problem faced by employers both locally and globally. Ageing populations, decreasing birth rates and increased life expectancy result in a reduced talent pool. Further, declining tenure, self-actualisation and drop in engagement results in a less loyal talent pool. He stated that the employer must look at the reduced talent pool from the perspective of creating a top of line recall, that is; an individual must be able to recall the particular brand when thinking of a prospective employer. It is important that the employees live the values of the organisation and thereby become ambassadors of that brand.

A brand strength can be measured by its ability to attract the right candidate, create employee engagement and retention in key job roles. To create a good brand strength requires a culmination of the employer brand and the experience of each and every employee.

Avon concluded with the benefits of branding; from attracting top talent, high level of employee engagement, sustainable competitive advantage and corporate reputation.

The second half of pre conference session was the case study presentation on 'Employer-Employee partnership to strengthen human capability' by Unilever. The case study presentation illustrated how a blue collar job categorisation was carried out and completed successfully in 2008 and the obstacles that were overcome along the way. Straying away from the traditional view for Blue Collar where systems are based on seniority and no real recognition of skill development, a new system of job categorisation was much needed to avoid production inefficiencies and a less skilled labour force.

The new categorisation of jobs was carried out by the reduction of the number of jobs by eliminating jobs that did not carry any particular function and further by placing jobs in four categories created along with skills profiles. This categorisation proved fruitful as it created career opportunities, promotions, salary increments based on skill levels for the unionised group of employees. The problems encountered had much to do with overlooking seniority, as juniors were categorised above seniors based on skills and ability.

The categorisation process involved a grading structure, capability development and development of career paths that positively impacted the business and benefited employees greatly. The success of this categorisation is exemplified by the MOU signed for the first time between the existing unionised group and the company.

Reinventing Management to the 21st century by Professor Julian Birkinshaw of London Business School

In an attempt to explain how to reinvent management to suit the 21st century, Professor Birkinshaw looked in to 3 key areas: the failure of management, the need for innovation in management and an understanding of how management may look like in the future to help direct one's organisation towards development.

By citing examples from the recent corporate failures, he elaborated how poor risk management decisions, perverse incentive systems and failure to articulate a clear raison d'être have had an adverse impact on several large corporate entities.

There has been very little management innovation over the past half-century, as the existing model of management is still considered effective and necessary. The current model favours those in positions of power and we are yet to envision an alternative. Innovation in management is often perceived as risky and till date we have not found a way to make a significant change to the existing system. According to the observations made by Professor Birkinshaw, innovation can occur on two levels as new management practices and new rhetoric or new ways of describing the work. It is noticed that most management innovations are incremental often with the use of new language to describe new ideas. Radical management innovations on the other hand are rarely sustained and rarely get diffused. If management innovation is to take place, the four key elements, motivation, experimentation, implementation and validation and labelling need to be fulfilled.

In conclusion Professor Birkinshaw provided a framework for rethinking management whilst evaluating different management models. He also pointed out the need to develop one's own management model to reinvent management in their respective organisations.

The new role of HR in the Innovation Economy by Professor Rowan Gibson, Global Business Strategist

Introducing the topic, Professor Gibson revealed that in the current global outset, innovation deems to play a significant role in leading the way for many a company. In the same way that quality was achieved by unleashing the decision-making power of ordinary employees, innovation too can take place by giving them the opportunity to unleash their power of imagination. Often, big organisations are too cautious. Yet, with some help, they can always discover new ways to improve their businesses. Even hundred-year-old corporations like General Electric and Procter and Gamble have taken up the challenge to make innovation happen through people and are already seen reaping astonishing results. This is evidence enough for organisations to mobilise and monetise the imagination of every single employee working in their establishments. Experience shows that, to achieve good results the employees too need the right training, the right tools, the right motivation and the right mechanisms. It enables them to stay focused and uplift their innovation potential in the right direction.

However, making innovation a systematic capability requires considerable effort over the years and across many different dimensions. It may take a significant percentage of a company's resources and hundred percent commitment. It cannot be fulfilled unless a company is willing to fundamentally challenge and radically rethink a company's organisational and managerial DNA. In an attempt to encourage innovation, a culture should be created where anybody from anywhere in the organisation can voice their ideas and if the idea is interesting to obtain easy access to capital and talent to push it forward.

Professor explained that once the company identifies the strategic and economic value of building a corporate-wide innovation capability, HR becomes a major player in the process of unleashing the full potential of the company's human capital. In doing so they may need to design an innovation curriculum, establish an innovation training centre and support other related innovation initiatives. It is the HR professionals who can initiate a company culture to make everyone in the company responsible for innovation. Those wanting innovation to be a core competence in their companies should ensure that HR incorporates this objective into their recruitment strategy and find and develop people with potential. According to Procter and Gamble, the pace of innovation in consumer goods has doubled up in the last ten years. Therefore, the pace at which a company needs to refresh and reinvent its products, services, strategies and business models must accelerate to keep up. The faster the company deploys HR as a competitive weapon to build a deep corporate-wide capability for innovation, the better.

Interactive session with Prof Julian Birkinshaw of London Business School

Dinesh Weerakkody, Managing Director of Cornucopia, moderated the interactive session with Prof Julian Birkinshaw. A wide range of questions pertaining to the role of HR Managers in the current global economic environment, how HR managers could be more efficient, applicability of theories and models and why these have not been sufficient in averting the current crisis and the role of Business schools in the current environment were some of the issues discussed. Prof Julian reiterated the need for Business Schools to change their curriculum to produce professionals that are able to face and avert future economic crises.

The audience was given the opportunity to clarify certain aspects of the presentation that was given in the morning session by Prof Birkinshaw. Additionally Prof Birkinshaw was questioned about the practicality and suitability of applying models and lessons from the western countries in different regions such as Asia when each country may have its own solutions and frameworks that are best suited for the context and he agreed that models and theories should not be merely replicated but should be tailored to suit the context of each country.

The Great HR Debate

The evening session was the finale of the great HR debate. The finalists out of the sixteen teams that participated in this competition were Commercial Bank led by

Delakshan Hettiarachchi who proposed the topic – executive pay should be capped while the team from HSBC led by Nimali Welikala opposed. The debate was moderated by Eomal Munasinghe.

Commercial Bank approached the topic by basing their arguments on worldwide and local practices. The team addressed the topic by focusing on the ROI (Return on Investment) of an organisation and the importance of capping executive pay in terms of cultural perspectives and corporate governance. The crosscutting theme of all speakers was that resources are limited in the world, therefore there is a limit on everything which includes executive pay.

HSBC countered the argument by firstly defining executive pay as the pay of top executives in top companies. They argued that executive pay is purely driven by emotions due to the current economic environment. The team focused on proving that executive pay is harmful in the perspective of Business, Market, Social and Reward Managing perspective.

The panel was judged by Jayanta Jayaratna [Chairman – Panel of Judges and Past President IPM, Management Consultant], M R Prelis [Former CEO, Director – DFCC Bank and former CEO Nations Trust Bank, ex-Chairman CEB]; Prof Gamini De Alwis [Faculty of Management & Finance, University of Colombo] and Akshaya Singh Shekhawat [Hewit Associates, India].
The grand winner of the final was Commercial Bank.