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The Role of HR as Culture Builder

There seems to be something in the DNA of some companies that makes them survive and ride the change wave better than others. The nature of leadership and the organization's ability to manage change are keys to the sustainability and survival of an organization. Change management and leadership are closely linked to the real DNA of an organization, and very few companies are able to go thru this process survive profitably. A research by Bain & company states that nearly 70% of business leaders agree that Culture provides the greatest source of competitive advantage. In fact, more than 80% business leaders believe that an organization lacking a high-performance culture is doomed to mediocrity. While more than 75% business leaders believe that culture is changeable and 65% admit that they need to change it fewer than 10% business leaders succeed in building culture.

Our findings on the common cultural preferences of Indian managers show that Indian managers are more comfortable in the traditional work environment as compared to working in the fast changing new paradigm. This paradigm has a higher degree of uncertainty and needs more flexibility and a higher focus on managing people issues and attitudes along with managing people performance. Some key elements of the common cultural preferences of the Indian managers are: clear well defined organization structures, where reporting relationships are explicit as opposed to working in matrix organizations where vertical & horizontal relationship lines cut across functions, businesses and geographies. Managers also have a predisposition towards an individualistic approach as opposed to collaboration and team work. It seems that the Indian managers are not comfortable in giving feedback and are likely to avoid conflict. This may impact the development of people and the ability to manage conflicting priorities effectively. The areas of 'result orientation' and 'timely delivery' are also mired by the 'chalta hai' attitude, as this is more acceptable than the pressure of constantly delivering high quality service.

In the recent years, there are four major trends that are significantly impacting organizations:

- Uncertainty is a reality across Organizational Levels
  - ✓ How we deal with Uncertainty would determine business success
- Pace of Change is Accelerating: The world is moving so fast that even the short term seems long
  - ✓ Business Models can disintegrate much more quickly than before
- Rapidly increasing premium on innovation
  - ✓ The need to innovate will require the organization to use their human capital better
- Values and attitudes of Millennial
  - ✓ People to be measured on the basis of their contributions not their credentials

In this context building a winning culture that enables the organization to survive profitably in testing times becomes a factor of paramount importance. It is this DNA that most organizations strive to achieve/build.

Enablers/ Pillars of culture formation and propagation process – Larger Responsibility

Culture is a very wide term and can have meanings in various facets such as arts, cultivation, education and the behaviors and beliefs characteristic of a particular social, ethnic, or age group. If we consider the definition given by the German sociologist Georg Simmel , culture is "the cultivation of individuals through the agency of external forms which have been objectified in the course of history". Therefore in the organizational context one of the ways of thinking about culture may well be 'the environment which enables learning and growth'. In most of the organizations there are two groups that are considered responsible for culture - Leadership and HR. while the leadership defines the organization culture it is the responsibility of HR to drive the agenda and make sure that culture percolates to all levels of the organization. HR is the custodian of the Organization culture and one of the key roles of HR is to drive culture. The question that arises is: Are there enough systems and processes for measuring the "what and how" of culture?

> ***Anusha Suryanarayan:*** *"If you (HR) sense what needs to change in the organization but if your processes do not change even within the HR team then change will not come by"****.***

> ***Vipin Arora:*** *"One way in which culture can be driven in an organization is by having robust mechanism to recognize and reward the behaviours that are in line with the organization culture. This can be done by looking beyond the traditional R&R metrics"****.***

One prevalent school of thought suggests that more often than not the personality of the organization is based on the values of its founder/leader and this defines the culture of the organization and hence, the role of the HR function is to drive the culture building process across all levels in the rest of the organization. Therefore, HR professionals within an organization are one of the key internal catalysts for supporting and enabling the changes.

For instance a few decades back the MD of an Indian public sector oil company, a war veteran from the 1965 war. He wanted the company to be known for its own buck and not walk on Govt. of India crutches. His vision was to create an identity by our own work. Therefore leaders and how they behave impact the organization in a way to create a particular kind of culture. This is one way of looking at culture
where one leader may look at creating a separate identity for the organization within a larger eco system of PSUs.

> ***PN Shukla :*** *"It is the way the work is done in an organization that creates the culture."*

However, a change in leadership which is inherent to the way a PSU works, and may also be true for the new age private enterprises they too are now seeing change in leadership as a crucial aspect to bringing about change in culture and the way the organization works.

> ***Rahul Goswamy:*** *"PSUs have an interface with the Government on one side and with business on the other. Those PSUs who outperform are the ones that are business aligned. While the leadership may keep changing, but there's something in their DNA which continually grooms talent. Hence, PSUs have always maintained a talent pool of technocrat leadership"****.***

The other school of thought is asking questions of the role of HR in building culture. Leaders and organizations are questioning the actual value that HR adds, or not and several strong viewpoints are suggesting that HR is not doing enough to help sustainability of organizations. Survey done by KPMG also suggests that that there are significant gaps with regard to the primary role of HR. Which to assess, evaluate and build the DNA of the organization by having clear people strategy in place as it is is acknowledged only by 35% of the respondents.

> ***Sameer Wadhawan:*** *"Mostly, we tend to take a very uni-dimensional view of culture. There's Talent, and there's Environment (or culture). And the glue that is supposed to bind these is Leadership. When we talk of culture, we generally refer only to the environment aspect, and ignore the talent & leadership aspects. As HR professionals, we need to have all three aspects in our minds, instead of focusing only on one part."*

HR - The value creation paradigm

The current business environment which is fraught with challenges and the future seeming to be no different, the question regarding the value that a function adds is becoming more prominent. The HR community many a times is perceived to be distant from the challenges that are faced by a business person on the ground. Further, today's environment is seemingly more skewed towards immediate and short term success. This may lead to situations where HR will probably find itself in a dilemma while playing the role of a conscious keeper or it may get questioned on tangibility of its contribution. Few sub-functions within HR for like Talent Acquisition can confidently show tangible outcomes however there are others that are still trying to figure out a way to answer this question.

If the long term value creation that can be co-owned by HR. Then how many of the professionals today are really comfortable to voluntarily take "Culture creation and sustenance" as a tangible, concrete metric or KRA as a part of their role. What are some of the doubts and reservations that crop- up in the mind of the HR professional? Is it to do with the ambiguous nature of the subject itself? Is it the difficulty to balance the demands of the immediate and long term issues and impacts? Is it the inability or lack of experience to use the existing HR levers more meaningfully and in an integrated fashion to create tangible value?

> ***Dr. Shalini Lal:*** *"Sometimes one wonders if HR professionals have forgotten that they have a huge arsenal of their own in terms of their subject matter expertise and the thoughtfulness of applying the professional expertise that HR brings to the organization is a key responsibility of the HR function".*

The list of such questions is long; however it does highlight a fact that within the HR community and also in the other business groups the introspection has started and has also resulted in certain very promising actions/steps been taken to answer some of these.

> ***Sanjay Chaturvedi:*** *"Often we think of culture building as a huge plan and an exercise in itself. But perhaps one of the ways is to take small steps in our own areas. One can think of it as any activism being linked to some kind of output".*

To name a few, HR becoming a key stakeholder in strategic decision making, the role of ethics & values and the way it needs to be instilled suddenly becoming imperative because of the recent corporate scams and scandals. The more the maxim "Business is good, Good is business" is advocated and practiced, the more are the possibilities for HR to create significant value and to assert its point of view in important forums.

Lipika Verma: *"While the tone of the organization is set by the leadership team, we as HR need to act as mirrors for our business leaders, and guide and coach business leaders in taking the decisions that support the culture that they are trying to propagate".*

The HR function can also create value by driving the learning and development agenda. This can be done in such a way that it can enable the organization at large to recognize the culture/shift in culture and provide tools to the employees to help them fit in better with the culture. One of the ways this can be carried out is by following a three pronged approach. Firstly HR should be able to identify openness to change. HR professionals are plugged in to the organization they know what employees are talking about. HR professionals should be able to sense the openness that the employees have towards change especially in this dynamic environment. One example wehre this has bee done is that of the telecom industry (both device makers and service providers) technology and innovation along with the price wars have ensured that devices are obsolete as soon as they hit the shelves. Also with each service provider announcing more value added services to match the innovations in the device segment coupled with a constant pressure of losing customers to competition due number portability, has put unfathomable premium on change and innovation. In such a dynamic environment the ability of HR to be able to sense openness to change is as valuable as gold itself.

Secondly, it is the willingness of the organization to change that should be taken in to cognizance. HR Professionals should be able to sense the belief system of the majority of decision makers in the organization quickly and accurately. Also, the market & business acumen of the HR professionals is critical, and so is their ability to match the current belief system with the requirements of the competitive market, map out the extent of change required in the belief system, and how to enable that change.

Thirdly and under the direct control of HR is the Learning agenda which can enable the employees of the organization to up skill themselves to successfully to drive the culture change. For example ,let's take the case of a company that is doing very well and the predominant belief system in this organization is that of a degree of contentment. So the vision of the second growth curve (x to 2x) is not getting translated. In such a case, how attuned is the HR person to understanding the belief system and whether it is appropriate for the direction of the organization. And it is the HR person's mantle to drive the capabilities that will change the belief system sufficiently to enable and fuel the second growth phase.

Renu Bohra: *"Culture is such a big term, and it is pertinent that HR professionals understand the nuances of culture. During hiring, we always say that technical competence can always be learned, but we have to see whether the person is culturally fit for the org, and we speak of hiring for culture-fit".*

Art of influencing – Critical lever for HR

Over the last few decades, the role of HR has changed and is moving towards HR acting as the conscience keepers who have an influence on the leadership team in building culture. Even the way HR professionals speak today is markedly different from how they used to talk about 15 years ago. At that point in time the emphasis was on functional excellence alone, rather than on also being a strategic influencer and coach to leadership. Therefore culture building becomes an important responsibility of HR in the current times. Especially when people development is the focus area for most of the organizations and that too at a time when a lot of questions being asked regarding the role of HR and the value it creates for the entire organization. In this scenario it may be essential for the HR head to get a seat on the leadership table of the organization, regardless of the type be it MNC's or promoter driven companies.

***Smear Wadhawan:** "My experience is that HR does have a seat at the table of the leadership of the org. HR can enable that the leadership team is demonstrating the behaviours aligned to the desired culture and help leaders reward and propagate behaviours that are indicative of the desired culture".*

HR should then be able to coach the leadership team to embody the behaviours that are characteristic of the culture of the organization. Also, HR should be consultant to the leadership team enabling the leadership to drive people development. HR has to be aligned with overall strategy of the organization and developing the people development agenda in line with the business requirement. This will let HR retain the seat on the table.

***Renu Bohra:** "HR is dependent on the CEO who practically is the HR head and HR department is a consultant and HR should influence the thought process and opinion of the CEO".*

Culture building in an organization happens when HR and the leadership team start working in tandem. For instance a modern age ITES company was going through a flux about a decade back and it was time to take some corrective measures and realign the culture and take the organization in to the next growth phase. The organization was turning in to an elephant. Different businesses were completely misaligned each having a culture and philosophy of its own. Even HR was for each of these businesses started to have a very narrow view of its business alone and lost sight of the larger picture. With a new CEO coming in all this started to change. He at first aligned the HR and then started to make changes. A lot of people were moved across businesses and geographies. As a result over a few years people started to appreciate different businesses and functions and a more inclusive culture was built.

***Rahul Goswamy:** "It is the ability of the HR head to influence the CEO and the CEO's ability to get him to drive the change agenda it is this glue that brings about culture change".*

HR my not find it easy to establish its credibility with business and it may take time and effort to build that credibility. But, once the leadership has a buy in to the culture building and people development agenda it does support HR in this endeavour. In promoter driven organizations it is about the HR function to demonstrate its commitment to and alignment with the business objective. If the promoter sees value in what HR is doing then decisions happen quickly and executions happen without any hiccups. The same is applicable to even to big corporate houses. However, the cycle time may be a bit longer and the process more defined.

***Praneet Mehrish:** "You have to work with the leader of your organization. If the leader does not believe, or you(HR) can't influence him to believe in it, then you won't see much success in spite of having the best solutions".*

The role of HR as a coach and influencer of Senior leaders is very critical and we would like to caution that sometimes, the fact that the CEO is not influencable, may become an excuse for HR people to not drive change agendas, or not being aligned and being thoughtful about the work that we do that impacts culture.

Three roles of HR

HR plays different roles at various levels in the organization and all these impact the culture of the organization in their own way. If one looks at the roles of the HR manager in creating the right culture, it can be broadly be viewed as in the figure on the next page. At the bottom-most there are the expectations of getting the operational work done right. This evolves into the mid-level of the pyramid, where the HR managers is expected to act as a business partner and help build skills and mindsets that enable organizations to keep up the current pace. And finally, the role of HR is that of a strategic partner in collective culture creation.

To understand this better let's take an example of attending to a critical resource requirement. At the operation excellence level the focus is on getting the individual with desired profile within the deadline given by business leader and Process Adherence eg: candidates from only an empanelled consultant.

At the business partner level the focus is on Minimum business downtime and Co-creating a solution with business leader till the time the candidate comes onboard or becomes productive.

And at the organization builder level which is probably the level at which HR has to do the most in terms of culture creation. At this level the focus is on Maintaining Objectivity when dealing with apparently contradictory requirements eg. Recruitment process adherence vs business downtime this will define how the culture would be like i.e. is the culture too beurocratic or is it on the other extreme and to meet the business requirement and getting a hire HR is willing to compromise the process and awareness about implications of wrong hire on the organization and taking tough calls even at the cost of business impact or process circumvention.

It seems that HR is focused more on the process excellence and the business partner role. Another factor that can contribute to the culture of the organization is alignment of HR across all the three levels.

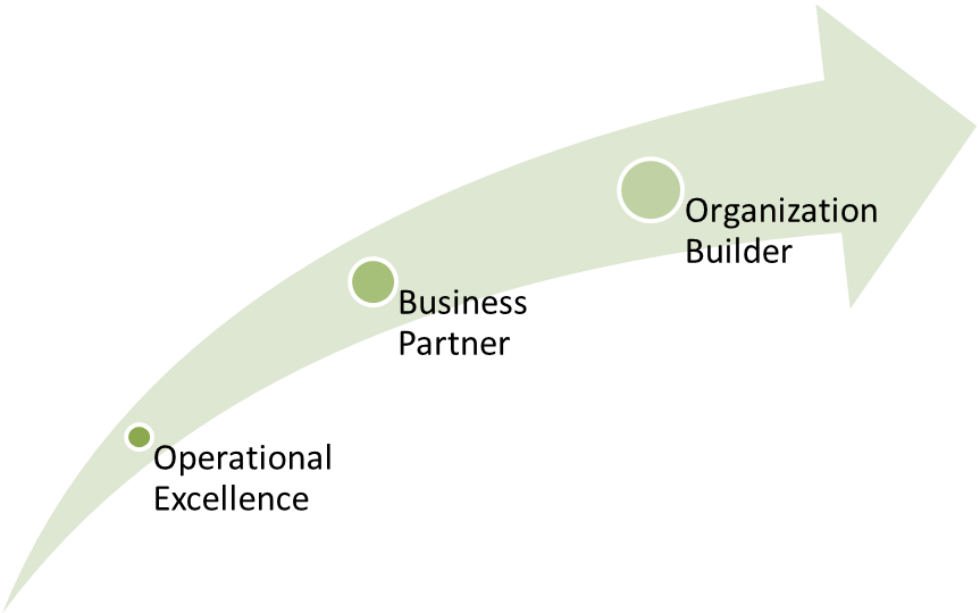

Figure: Three roles of HR

The question to ask is, are we doing enough as HR in this third domain? For it is here in this level that the real non-operational value-creation work, that can shift the org DNA, has to happen.

Summary:

The role of HR has significantly changed over the decades, from being just the executor of internal processes, to becoming the trusted advisor of the organization leader. As HR moves from the mandate of operational excellence to the role of organization builder, the question we must ponder is: although HR is supposed to be subject matter experts, do HR people actually have the required expertise to gear organizations and leaders for the future? And can HR expertise itself get in the way of building culture?

Participants Profiles

ANUSHA SURYANARAYAN

HR Director – India Area at Nokia India Pvt. Ltd.

A graduate in Psychology from Lady Shri Ram College Delhi, and a Masters in Business Administration in Human Resources from XLRI, Jamshedpur, Anusha has over 13 years of experience in Human Resources.

Anusha started her career with Coca Cola India, and then moved on to United Nations Development Program, India as Head of HR. Post that she was with Sapient Corporation as head of People Strategy before joining Nokia where she is currently the Head of Sales and Marketing HR India.

Anusha enjoys working on anything related to Talent Management, Organizational Development, Change Management and Leadership development. In her many roles, she has led multiple programs related to career development, employee engagement, Asia talent development program to name a few. Her passion towards her work not only drives her to excellence but also others around her.

On the personal front, Anusha is married to Akshay. She enjoys reading, listening to music, plays guitar and works with various NGOs where she loves to teach music to the children out there

Dr. SHALINI LAL
Vice President & Chief Human Resources Officer, Escorts Agri Machinery

Shalini's professional area of expertise lies in the field of Organizational Change. Her work experience, publications and doctoral research all reflect this interest. Her interest in organizational change began with her work in the area of Organizational Development soon after graduating from IIM, and has been followed through in several professional roles. Besides a strong work experience in the field of change, she also has very strong academic interests in this area and hassled to her doctoral research.

GURMOHAN SINGH,
Head Human Resources, BPTP Ltd.

Gurmohan heads Human Resources at BPTP Ltd, a leading company in NCR's real estate. With its impressive portfolio of contemporary commercial, residential, IT park and retail development, the company is spearheading the growth and expansion of the real estate Sector. Gurmohan's last assignment was with Uninor as Associate Vice President - People & Organization.

Lipika Verma
Vice President, Compensation & Benefits at GE Capital

Lipika has done several assignments in HR Business partnering roles as well as specialised roles in the areas of Compensation & Benefits. Strategic player in the business, as member of the HR Leadership team. Have been involved in operational Human Resources, project management, also led some strategic global projects. Have experience in mergers and acquisitions as well. Sharp in execution with strong project management skills and have worked extensively across industries in Human Resources.

Specialties: Compensation & Benefits,
HR Business Support,
Processes & Systems,
Mergers & Acquisitions

P N Shukla
Independent Consultant & Visiting Faculty

P.N. Shukla brings a set of diverse experiences spanning over 45 years in HR. He has worked as a corporate executive, a trainer, a faculty in prestigious institutions in the country and as a HR consultant. His managerial experience in the functional leadership roles in Indian Oil Corporation, in AVBirla Group and Escorts Group was focused on large scale change management, leadership development, training, competency assessment, and performance management. His association with prestigious institutions (such as JBIMS and NMIMS in Mumbai, MDI, IIFT, LBSIM in Delhi) as a visiting faculty enriched his functional leadership role and benefited his operational experience.

PRANEET MEHRISH
Sr. Vice President, Corporate Human Resources, The Karan Thapar Group

Praneet Mehrish, a Post Graduate in Personnel Management & Industrial Relations from Xavier Institute of Social Service (XISS), of the class of 1979, has been associated with the best of organizations in India acclaimed for their HR practices, this includes Tata Steel, Essar Steel, Oracle, ST Microelectronics & Eicher .
Over the past 26 years, Praneet has specifically driven Strategic HR policies formulation & implementation, development of Appraisal Systems, OD interventions, Organizational Structuring, Manpower and resource budgetting, Compensation & Benefits management, Recruitment, Industrial Relations, Training & Development, Welfare schemes, Succession planning, Analysis & design for a Human Resource Information system etc.

Rahul Goswami

Founder, StratVi Consultuing

Rahul has over 3 decades of rich industrial experience. After an initial two and half years with the Power Engineering Company BHEL, he spent over twenty eight years with Ranbaxy, both overseas and in India. His recent senior management assignments, with global leadership and developmental responsibilities, included Corporate and Business Finance, Information Technology, Strategic Sourcing and Strategic Planning. He has held the position of VP-Finance, VP-Strategic Material Sourcing, VP-Strategic Planning & CIO in Ranbaxy. He has started a consulting practice, StratVi Consulting.

Renu Bohra
Director HR, Schenker India

Renu Bohra has 2 decades of HR experience in multinational/ private and public sector companies in India; in service, manufacturing and engineering sector. She has a keen interest in academics, having pursued and excelled in M.Phil. from IIT Roorkee; MBA (HR), MSc (Psychotherapy & Counselling) and Senior Management Program from IIM Calcutta. Her area of work revolves around all facets of HR including Learning & Development, Talent Management, Performance Excellence and Strategic HR. She is currently Director HR of Schenker India Pvt. Ltd, a German MNC into freight forwarding and Logistics at Gurgaon.

SAMEER WADHAWAN
VP Human Resources & Services, Coca Cola India Inc.

Sameer takes care of the HR & Services functions for India na d South west Asia at Cocal Cola. He is an experienced and enthusiastic HR professional with over 20 years experience in generalist HR Management in variety of industry sectors, including IT, Telecom , Pharmaceutical & manufacturing. He has an excellent track record in all areas of Employee Relations, Recruitment and Selection, Talent Development , Compensation and Benefits. Experienced in strategic & operational HR aspects, dealing with people at all levels in global organizations. He also specializes in the areas of start up and ramp up projects, change and transition management, talent development, coaching , mergers & spin offs and HRM

SANJAY CHATURVEDI,
Founder, P2V
Sanjay Chaturvedi is a seasoned HR professional with 22 years experience gained in the manufacturing, auto, processing, energy / oil and IT industries in cross-cultural international environments with a demonstrated track-record of formulating HR strategy that aligns with business objectives, integrating business process performance with people capability, initiating and managing large scale and complex HR projects at a business group level and harmonizing policies and work practices across the business group. Currently runs his own organization People to Value (P2V).

VIPIN ARORA
Director - India C&B, Honeywell International

Vipin Arora is the Human Resource professional with extensive experience in projects organization, manufacturing set-up and BPO sector. Also he is well versed with all aspects of HR and Training, Employee Relations, Performance Management, Comp & Benefits. He thinks through and maintains his cool personality at all times. His methodical approach to HR policies has been extensively appreciated by one and all. He is an alumni of XLRI having experience in MNC'S like Aegis, IBM Daksh, NEW Holland Tractors, SIEL etc. His behavior and human approach to every issue make him an outstanding personality.

BIMAL RATH
Founder and MD, Think Talent Services Pvt Ltd.

Bimal consults coaches and facilitates leader's team for individual development and superior performance. Bimal has over 23 years of experience across different industries, and across geographies including the USA, Middle east/Africa and APAC. His latest corporate position was as HR Director for Nokia, supporting the massive growth for the company over the last few years. He has previously held senior positions in Eicher, British Telecom and Tata Sons.
He is a certified executive coach for Center of Creative Leadership, USA. Bimal is advisory board member of several companies across industry.