

A Study on Talent Optimization

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Abstract- This document explores ways & means to align company's human resources to the rapidly changing business environment and to boost employee productivity & develop an adaptable workforce by overcoming talent management challenges.

It specifies guidelines to achieve optimal use of human resources, better employee engagement & higher employee morale & satisfaction.

Key Words: Skill alignment, Competency Mapping, Work-out Approach, Shared Services, Role Clarity, Boundary-less approach.

1. INTRODUCTION:

Optimization defined:

In the context of any organisation, '**optimization**' in the overall sense means effective & efficient deployment of existing resources for capability/output maximization. In an optimized organization, there is high utilization of resources at high efficiency & effectiveness.

Competing by capability maximization may become the most prudent way to survive & flourish, for the organisations operating in the present age of economic uncertainties. Capability maximization through **optimization of resources** is the best option available in the present business landscape marked by globalization, rapid pace of change, rapid technological evolution, high customer expectations & complex regulatory norms. In other words, the need of the hour is to clearly identify the capabilities & utilize them in accomplishing organisational goals.

Avenues of Optimization:

Key avenues of optimization are structure, workforce (human resources), processes & technology which form the major dimensions of the organizational framework. Organisational culture & leadership also impact the process of optimization.

In the above context, optimization of human capital offers great promise. As already mentioned, **Optimization** is understood to mean effective & efficient deployment of existing resources to maximize capability/output. When applied to "human resources", it would mean having the right employee, at the right place, at the right time & at the right cost. It may mean minimizing unproductive workforce & maximizing workforce productivity. It also means aligning the workforce towards fulfillment of the overall organizational goal.

Research Problem:

In the present competitive business scenario, there is the growing need for organisations to not only maintain but also improve upon manpower productivity. And that is, no doubt, a big CHALLENGE.

The present study explores the options available for optimization of human resources.

The study focuses on

- Optimization of one of the key avenues of optimization, that is, **Human Resources**.
- The existing practices followed across organizations.
- Improvement measures to be implemented.

2. DISCUSSION & ANALYSIS:

2.1 Skill Alignment:

Skills of employees in any organization must be aligned to the organizational goal. Each employee must possess the skill sets required of him to deliver on his specific assigned responsibilities. Any mismatch between required skills & possessed skills, results in poor delivery, wastage of time & money.

The 'gap' between individual competencies & assigned responsibilities impacts productivity. In the rapidly changing, competitive business environment, employees have to necessarily acquire new skills & shoulder new responsibilities. There is ample scope to achieve 'match' between job & skills, between knowledge & assigned role.

2.2 Learning Environment:

A learning environment must exist in any organisation. Employees should be given opportunities to learn & pick up new skills. Employees should be ready to gain new knowledge & fit into new roles. This will lend leverage to optimization efforts.

2.3 Manpower Planning:

The manpower distribution should be aligned with work-load pattern. Uneven work-load may entail work beyond duty hours which will affect work-life balance & employee productivity.

Any mismatch can be addressed either by revising the sanctioned strength by developing a fit between individual skills & job requirements through skill upgradation or by posting manpower as per the existing sanctioned strength, the latter being the easier but sub-optimal option. The first option should be the preferred one in order to achieve optimization.

2.4 Role Clarity & Goal Setting:

Employees should be clear about their roles & responsibilities. Role clarity is essential for an employee to deliver desirable results. Employees posted in ambiguous roles are more likely to fritter away their energies without giving any tangible output. So role ambiguity is to be avoided for better employee engagement.

Alignment of individual goals with organisational goals through goal setting & goals cascading is the hallmark of an optimized organization. This is done through KPA setting whereby overall company targets are broken down into individual targets. Proper KPA setting, clear job description & role clarity prevent conflict & unwanted use of duty hours.

2.5 Reward & Recognition:

Though comprehensive reward & recognition schemes are in place in several big organizations, yet there is perceptible disagreement among employees about the efficacy of the schemes. The schemes should be designed so as to be effective enough to inculcate the desired level of motivation & enthusiasm among employees to put in their best. The effectiveness of the schemes depends upon the level of built-in objectivity in their formulation & implementation. The inherent weaknesses in the existing system have to be addressed to reap desired benefits.

2.6 Team Based Governance:

It is imperative to have a culture of **team based working** which is so much essential for achieving optimization of human resources. This can be further strengthened by introducing / implementing “**boundary-less approach**” across the company which will promote more cohesion in the organization & help in producing great results.

2.7 Communication Flow:

Smooth flow of communication (both vertical & horizontal) is a requisite for, improved co-ordination, effective knowledge-sharing, better interpersonal relationships & teamwork, better productivity. Horizontal communication is as important as vertical communication.

2.8 Trg & Dev and Multi-skilling:

A successful organization needs to have good infrastructure for training & skill upgradation of its employees. The trainings imparted to the employees must result in actual skill-building & competency-enhancement for present job & future requirements.

There should be on-job learning at all levels & employees must be encouraged to eagerly pick up new skills along the way. In addition, a system of up-skilling / grooming an employee for a new role / job should be in place.

2.9 Empowerment

Employees should be **encouraged** to experiment in course of problem solving. The management should demonstrate a **positive attitude** towards inadvertent mistakes by employees. Tolerating unintentional mistakes is a powerful tool of subordinate development & it encourages employees to ‘**innovate**’ & do their job better. This supportive approach augurs well for developing an optimized set-up.

2.10 Knowledge Sharing & Enhancement:

Knowledge sharing strengthens & broadens the knowledge base of the company. The deeper the knowledge base, the easier it is for the organization to optimize its human

resources. There should be extensive inter-group, intra-group knowledge sharing among colleagues, peers & subordinates. Employees should be given ample scope for knowledge dissemination through use of formal knowledge-sharing & knowledge enhancement platforms (i.e. Knowledge Management Portal, e-Learning).

2.11 Focus areas for optimizing human resources:

The areas which need attention for best utilization of human resources. The areas identified are mentioned below (in order of priority & importance):

- a) Use of technology(i.e.digitization, virtual office, paperless office etc)
 - b) More Innovative Tech-driven, Employee-friendly HR Processes
 - c) Culture of Team Working
 - d) Role / job clarity
 - e) Shared Services(Boundary-less Approach)
 - f) Linking Trg & Dev plans to strategic direction of the company
 - g) Extensive Sharing of information / knowledge
 - h) Innovative Concepts like Work-out Approach, Design Thinking / Knowledge Funnel)
 - i) Other areas
- Manpower Planning using effective Industrial Mgmt tools
 - Structured Career/Succession Planning
 - Restructuring / Merging of Depts
 - Outsourcing non-core activities
 - Pruning manpower in non-O&M areas
 - Improving engagement of non-execs
 - Adequate delegation
 - Strengthening centralized procurement process; long-term partnerships for similar items for similar units.

3. RECOMMENDATIONS

Based on the foregoing analysis, the following recommendations are made.

a) Competency Mapping & Skill Alignment:

Competency mapping should be carried out for all employees. Every employee must be helped to acquire the skills required of him to do his assigned job. Job rotation should be done strictly as per requirement & only after preparing the employee for the new job. Any employee posted in a new area / dept must be imparted required job related training / skills before posting. These skills will be further honed through on-job learning which is a continuous process.

Scientific workload analysis should be done to define workload norms in terms of depth of engagement (physical/mental/duration of engagement). This should form the basis of manpower planning.

b) Bringing in Role clarity (role clarification process) for better employee engagement:

The details associated with role profile like role content, (covering tasks, activities, constraints, performance criteria etc), employee characteristics, internal / external relationships have to be brought out through ‘**role clarification process**’. This facilitates understanding finer differences between roles & removes ambiguity in role expectations, thus avoiding overlap of efforts among team members, thereby significantly boosting individual productivity. Role clarification strengthens team working by promoting coordination &

working relationships within the group & brings in synergies for optimum output.

c) Training & Multi-skilling:

Training interventions must be aimed at boosting skills of an employee with respect to his present job or expected immediate future job assignments. In several reputed companies, an employee is given training in multiple areas but the real benefits do not accrue as he does not get the opportunity to apply the learnings in practice since the learnings do not relate to his present functional area or any immediate new assignment. Training Need Analysis(TNA) has to be done seriously & purposefully. Effectiveness of training programmes should be measured not only with respect to faculty delivery but also in terms of utilization of inputs given to the trainees.

d) Shared Services & Team-working:

Boundary-less Approach should be implemented across the company. "Working without boundaries" is a concept perfected by Jack Welch in GE in 1990s during the course of transforming GE into an optimized organization. This concept focuses on 'integrated diversity' which allows people to work in a transparent environment sharing new ideas & learning from each other.

Employees should be encouraged & facilitated to participate in any problem solving or critical activity (i.e. Unit commissioning / re-commissioning) across depts / projects. This should be formalized into a system which allows temporary sharing of human resources across depts. / projects in case of requirement.

e) Implementation of "Work-out Approach":

It is a process in which employees (including non-executives) & their bosses get involved in "working out" solutions to problems. First, the employees are asked to discuss/debate & list out possible solutions to a tricky problem. Then, these solutions are presented to their boss who is required to make time-bound decisions (whether to implement or not) about each of the solutions. The purpose of this exercise is to engage more employees in problem solving. The employee feels satisfied & motivated, having been part of the solution to a challenging problem & his productivity improves.

f) 'Stretch' targets & Employee Empowerment:

The leadership should facilitate employees in accomplishing 'stretch' targets & empower them to make unintentional mistakes in the process. Employees can learn quickly through mistakes. Working towards stretch targets brings out the best in employees. Organizations like GE & several Indian PSUs like NTPC, DMRC have institutionalized this concept.

g) Innovative HR Solutions:

In this regard, some innovations as mentioned below may be implemented for better employee motivation / engagement, objective performance evaluation & boosting overall productivity:

- Using Analytics for Talent Management & Human Capital Optimization:

As per studies by Deloitte & Bain, advanced analytics capabilities give a competitive edge with high margin to an organization. Analytics can be applied to every aspect of business performance including human capital optimization. HR analytics can be used for developing optimization models to make optimal business decisions with respect to deployment & utilization of human resources.

- Real-time Engagement Evaluation:

Higher level of employee engagement leads to higher overall performance of a company. As per *Gallup* surveys, business units with the highest levels of employee engagement have 83% chance of performing above the company median as against 17% chance for units having lowest employee engagement.

The conventional annual assessment cycle is being replaced with continuous feedback systems by many leading companies as per the report "*Global Human Capital Trends for 2014*" by Deloitte. According to the report, 58% of companies admit the ineffectiveness of their annual appraisal systems against only 8% reporting their performance management systems being useful. Traditional approaches should be discarded in favour of new innovative technology to generate a 'feel good factor' for the employee & improve workplace life. So rather than being restricted to an annual ritual, employee assessment should be a 'real-time engagement' at regular intervals throughout the year. Various survey tools, employee assessment systems, mood monitoring systems & various other feedback tools can be used.

Real-time engagement & evaluation enhances employee motivation, promotes a positive, progressive culture and provides the organization with ample scope to analyse every activity thoroughly.

- Use of Psychometrics in Performance Assessments:

Use of psychometrics has been found to add great value to performance assessments. It helps in discovering the intrinsic characteristics of an employee which is essential to decide about his job role in the organization. It helps in identification of 'leaders' as well as 'non-performers'. Non-performers can be groomed for high performance through focused coaching & tech-enable training, thereby giving a boost to team effectiveness.

3. CONCLUSIONS

Importance of managing human resources optimally to improve bottom line & achieve goals cannot be overemphasized. Several successful national & international Companies have taken a host of proactive & progressive measures in this direction (in areas such as Knowledge Management, Skill Enhancement, and Employee Motivation etc). There is still a need to revisit, refine & retune some of the existing systems & practices to optimize human capital.

In this regard, the present study suggests possible improvement steps, based on observations of a random sample of employees. Use of Data Analytics, Real-time Assessments, and use of Psychometrics are some of the measures recommended. It also suggests revisiting & redesigning Employee Training / Skill Building systems, modifying systems for better Employee Engagement etc.

ACKNOWLEDGEMENT:

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