

People are Your Organizational Lubricant: A Study on Effective Way to Enhance The People Management Processes



Management

KEYWORDS : Appraisal, Aspirations, Economics, Management, Organization, People, Outsourcing, Technology.

Ramakrishnan .V

Management Professor & Certified Soft Skills Trainer International Institute of Business Studies Bangalore Affiliated to Bangalore University

Dhanya.S.Mohan

Assistant Manager, Tax, Global Delivery Services, Ernst & Young, Bangalore

ABSTRACT

People management is always a mystery from the day human existence started. The need, expectations and aspirations of every individual have been different at all point of time. One individual may aspire to be someone on Monday and could aspire to be different on Friday. These changes are inevitable as the social, economical and political changes are happening with the same or faster pace. It is this complexity and dynamics of human behavioral changes makes the management of the same more challenging. In the study through literature review I have tried my best to understand the need of management and various methodologies developed over period of time to bring the checks and balances brought to ensure the unbiased justice is done to each individual at their work place. Looking at the market and dynamics of people movement from one organization to another I have further studied to understand why this movement is for? Though majority of companies spend a lot on people management, people look for their short term tangible gains and move. Ultimately all the policies and methodologies around people management have a cost. Have we seen this in the economy of business? I have tried making study and coming up with some suggestion to enhance the people management processes keeping business economy in mind.

Introduction:

Without any debate it is proven that human resources are the most important part of an organization and any organization's success depends on their employees. With the increase in white collar work across the globe, last two decades have brought lot of changes in people management policies. In order to manage people at work, organization and research institutes have worked in following areas :

1. Reward and recognition
2. Employee friendly policies
3. Clear and transparent roles and responsibilities of employees
4. Involvement of family members at work place
5. Welfare of employees in terms of family insurance, including parents, leave policies, accommodative maternity/ paternity policies, bonus... etc.
6. Work enrichment in terms of multi skilling, trainings etc.
7. Attractive monetary benefits as ESOP (Employee stock options), share on patent, sponsoring the new ideas and giving a percentage share to the employee providing the ideas etc.
8. Motivating people by training, involving in team activities, giving importance as they are integral and essential part of the organization
9. Work life balance by providing flexible holidays, work from home facilities etc. and many more.

Organization always wants that it should retain its employees as getting new employees, changing them to the company culture and bring them to the effective productive takes time. As per today's need organization wants the individuals to be productive from very first hours.

Organization wants the people to performing to their full potential willingly and hence creates all possible policies and procedure to give that comfort to employees that you are taken care. But is it necessary to do this? Do organizations get benefited by establishing policies and department for people management? Do individuals make the best use of the organizations people management policies?

Literature Review:

Sean McPheat (McPheat, 2014) says a manager must lead, motivate, inspire, and encourage people. Sometimes manager will have to hire, fire, and discipline or evaluate employees.

These are the reasons, people management is of the toughest job a manager does and in scenario when team size is more this is only job a manager will be doing. Study by Boston Consulting Group (BCG) in association with World Federation of People Management Association (WFPMA) have revealed that "people companies outperform the market average in eight out of ten years" (**Strack, Caye, Linden, Quiros, & Haen, 2012**). This recent study establishes the old sayings that good people and good people management policies at companies bring business for the company not the other way. In book **Organizational Behavior: An Experiential Approach (8th Edition) (Osland, Kolb, Rubin, & Turner, 2006)** the theories as Scientific Management by Tylor, Administrative Theory by Fayol and Weber is explains that its necessary to organize the people effectively in the entire management of an organization. Most the theories and principles of management have explained that human resources are the essential channel in the organization. Also to manage and improve the productivity of human resources HR acts as architect in an organization (**Panda & Kanjilal, 2012**)

Further, management gurus have started looking work place as home and started advocating that the employees should not be treated away from their family. Hence, Hong Kong Government through Labor Department have come up with an Good people management and family-friendly employment practice (**Yee & Chun, 2009**) which has explained how a family members could be involved in individual's organizations as welfare, sporting, caring etc. activities. It is advocated in this report that bringing employees and their family together enhances the individual commitment towards the organization which in turn improves individual's productivity.

Need/ Importance of study:

Organization perspective

1. Organization spends a huge money in reference to people management
2. May have to compromise on the utilization and productivity of employees because of employee friendly people management policies
3. Resources don't think about the organization in case they get better compensation in other organization
4. If the demand for a particular skill is not required, the organization is not interested in the individual having that specific skills

Individual perspective

1. Gets better opportunity outside the organization
2. May get complacent and lose focus on work and may become absolute with the skill and knowledge.
3. Change in economic conditions may bring better prospects for the individual or the situation may worsen
4. Organization will not think about the resources if any changes in lead by the dynamics of economics.

If the demand of individual skills are high individual tries to make the maximum use of the same

If we think from the above perspectives it is necessary for the organization as well as the individuals to make the best use of people management policies. Organization should not overdo to ensure the welfare of the employees as that will eat the bottom line (profit) of the organization. Also employees should not get into complacency and enjoy the good people management system of an organization. It is important from both sides to optimize the offerings and expectations.

Problem statement

Whatever the intentions of an organization but the business economics have a major impact of any people management policies. This leads to organizations take cautious steps towards people management system and in some scenarios organization land up getting lesser productivity from individuals and even losing them. Similarly individuals also know that their demand is limited for a period so make the maximum from the same.

Objectives:-

Understanding the challenges of business economics driving the changes in people management systems. Coming up with some recommendations as how the changing scenario may be handled.

Findings:-

IBM decided to cut 15000 jobs worldwide and this to start from Bangalore (Hindu, 2014) and as per Business Today IBM is the 7th best company (Today, 2013) to work with in India. Similarly Microsoft is cutting 18000 jobs globally (Goldman, 2014) and its rated 11th best company (Today, 2013) to work with in India. Why are these cuts? Do these companies lack the people management? Of course not but the global economic conditions compel the company to take such decisions. Such decisions by these companies don't hamper the company reputation. People still like to join such companies to work for and may be accept the pink letter on need basis. The economic conditions of supply and demand of product or services make all the differences. As the demand of product rises, company increases the supply by increasing the resources in short or long term depending on the demand curve. Accordingly when demand reduces the increased resources have to be cut down to match the bottom line of the company and to protect the investors' interest. The supply demand conditions of market are so strong that giant company like Nokia loses its ground. Hence, having excellent people management processes in organization is not all. It is the product of the company which makes all the difference w.r.t. to employee welfare and their management in any organization. The economy issues only have let the people management departments (HR, Finance, Welfare, Insurance, reimbursement, medical etc.) have been outsourced these days.

Recommendations and Suggestions:

Organizations need the people management processes to ensure that the existing work should gets done to the best of quality and effectively. In addition, organizations can not go overboard to meet employees all the needs as they have always a situation of scarcity. The current competitive market is highly driven on economics of supply and demand hence the organizations

should concentrate more on their core activities as a firm's existence in market is only till its product or services are consumed or rendered respectively by customer.

	Benefit to organization	Benefit to individuals
1	Investment in Technology: Organization should invest more in technology considering people management as prime criteria. This will reduce effort on dependency on support staffs to monitor.	
a	Working from home is the major ask by people and it gets difficult for an organization to monitor the work done by its employees at home. Hence, the organization should invest in technology to ensure that the employees requirement is met and at the same time organizations work doesn't suffer	Employees get their much sort of demand. They save a lot on travel and are close to family for the emergence needs
b	It is individual's capability and knowledge that drives the business. Normally organization fear the loss of knowledge hence yield to employees demand. It is beneficial in long run to invent in technical tools which should be able to record the knowledge systematically from the individuals. This will reduce the risk of employees leaving the organization and Knowledge transfer	Employees become more productive if they don't have to spent additional effort in recording their work and doing knowledge transfer if they leave the organization
c	The work allocation, monitoring and status updates on work will be accelerated hence effectiveness will increase	Employees will have clear direction what is expected out of them and that will lead to high efficiency from individual
2	Outsourcing the non core activities: in last decade it has been observed that lot of companies do outsource their activities to ease the cost at organization. A pure play of economics in outsourcing the activities.	
a	Gets better services with lesser investments on infrastructure and human resource to manage non core activities	Employees get appropriate solutions as they interact with experts in such non-core services
3	Introduce appraisal systems from expert consulting firms: it has been observed that internal appraisal systems are more of compliance then helping the individual or the organizations. Due to changing requirements on daily basis, individuals keep doing what is coming immediately on the plate and leave the tasks decided by manager and individuals. But at the time of appraisal no one will know what was done. This makes the people management even tough.	
a	Involvement of external agency will bring the latest trends and best practices in industries. If this gets done internally it gets into the same traditional cycle year on year with little or no changes even after many years.	Employees will get the industry best metrics to be assessed.
b	There is always complain of blue eyed he or she of a manager and biases happens during the appraisal	Involvement of third party will give the confidence to resources for fair appraisal

The above recommendations do not dilute the people management skills needed by managers to ensure the smooth functioning of an organization. These suggested ways will give enhance the people management processes and create win win situation for management as well as for employees.

Conclusion

There is no denial that the people are the main factor for any organization to make them successful in all challenging competitive environment. But this inevitable need by an organization should not handicap them with lot of overheads. It is important to think the business economy principles around the people management also. Managers have to understand the challenges linked with product and services demand and supply and accordingly invest in people management. For long term success, it is recommended that investments in technology, outsourcing

the noncore activities and involvement of third part for performance management of employees will benefit to greater extend. This way organization will remove the bias in assessing individual's performances and managing the economy around it. Employees also will have better clarity and efficient in their activities.

Acknowledgement – We are really thankful to **Dr. Satya Sidhartha Panda** (Training Consultant, Author, Certified Life Skills Coach and Visiting Professor of Christ University), who has been the chief facilitator of this Conceptual paper. Thank you for sharing your Industry experience & expertise in the field of Human Capital Management.

Bibliography

1. Hindu, T. (2014, February 14). IBM to cut 15000 jobs globally, layoffs starts from Bangalore.
2. Retrieved August 21, 2014, from <http://www.thehindu.com/business>:
3. McPheat, S. (2014, January 1). What is people management? Retrieved August 20, 2014, www.fiber2fashion.com: <http://www.fibre2fashion.com/industry-article/business-management-articles-reports/what-is-people-management/what-is-people-management1.asp>
4. Osland, S. J., Kolb, A. D., Rubin, M. I., & Turner, M. E. (2006). *Organizational Behavior: An Experiential Approach* (8th Edition). Prentice Hall; 8 edition (December 9, 2006).
5. Panda, S. S., & Kanjilal, A. (2012). HR: AS AN ORGANIZATIONAL ARCHITECTURE. *Journal of Human Resource Management-Trans Stellar* , 32-35.