

Introduction to managing human capital management essay



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In highly competitive modern world, Managing Human Capital plays a pivotal role in organizational success than ever before. The every aspects of the human capital has changed drastically over time and now it is considered to be the most dominant and critical success factors in achieving in highly demanding and complex corporate objectives.

Human Capital Management (HCM) can be defined and interpreted in many ways but in simplest form it can be defined as the strategic approach to people management in creating sustainable and competitive value to the organizations and people itself. As shown in the introductory slide, proper HCM strategy helps organizations to streamline and integrate with human resources with the business to deliver stakeholder expectations by addressing entire human resource cycle.

First of all, proper HCM strategy helps organizations to identify, recruit and retain right individuals for the right positions by enabling significant advantage over the competitive edge. Also HCM focuses on effective employee engagement by establishing effective communication channels and increase workforce productivity by employee motivation and incorporating other strategies. Similarly, proper talent management, succession planning, leadership development and strategic alignment strategies more or less defines the organizational success and well defined and planed HCM strategy is the pathway to achieve it.

Introduction to the Company

KBSL Information Technologies Ltd (KBSL IT) is the leading

Information/Systems Integrator of Information Communication Technology

(ICT) solutions for Enterprises in Sri Lanka. KBSL has been in the industry for almost 25 years and it has the expertise in the areas of Server, Storage, Voice, Data Networks and Security Infrastructure Integration in providing a very sound and an optimal solution encompassing all relevant areas for customers, in meeting the current and growing requirements in keeping with industry trends. Currently, there are more than 75 highly talented individuals employed at KBSL and it is steered by a very flat management team which consists of CEO, CMO and Head of Business Units.

The vision of the KBSL is to become the leading business system integrator in Sri Lanka by following the values of being fair and honest in every engagement with customers and the shareholders delivering the most innovative solutions.

KBSL is best poised to achieve its organization mission through their simplified focus and in delivering customer's information needs, through flexible and powerful solutions, that are central to their business success.

The Key Issues and Challenges facing the General Management of Human Capital Globally and Locally

They Key Issues and Challenges facing the General Management of Human Capital Globally

In today's highly globalized, exceedingly competitive and dynamic business environments, managing human capital has become a global challenge for every manager in organizations. Referring to a survey done by

PricewaterhouseCoopers addressing the key issues and challenges of human capital management of more than 200 companies from 35 countries, it is

noted that change management, leadership development and organizational effectiveness are the top three issues faced by the companies. Additionally, employee recruitment, retention and succession planning are also considered to be important pain points of the managers in carrying out day to day business functions.

Change management is highly important to address rapid changes imposed by the business environments such as mergers and acquisitions, dynamic changes in business strategy and focus, workforce mobility by managing the employee's reluctance to change in a positive manner. Leadership development combined with the succession planning has also become a huge challenge for the management since it has a direct impact on on-going and future business operations and success. As per the survey managing the organizational effectiveness is equally important and organizations should review and restructure their entire organizational process and procedures to achieve success in local and international market segments. Similarly recruitment and availability of skilled employees and retention is equally important and has become a serious global challenge mainly due to aging workforce, inexperienced younger generation and competitiveness and agility of the labor workforce.

They Key Issues and Challenges facing the General Management of Human Capital in KBSL Information Technologies Ltd

To identify the key issues and challenges facing the general management of human capital, several one to one brief discussions were carried out with the Business Unit managers and finding are listed in the slide given below. As

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per the results, selection and recruitment of right candidates is the most challenging task and employee retention and development also goes side by side in management perspective. Nowadays, it has become almost impossible to find right talent for technical and non technical positions in service industry with right attitudes and qualifications mainly due to the facts that migration and overseas job opportunities and lack of interest and knowledge of the younger generation working in SI industry. So that company has to invest a lot on fresh graduates for their development by providing trainings and guidance without getting any productive outcome from them in return for a significant time period.

Same as globally, coping up with the change has become one of the key challenges facing by the local management specially when handling employee behavior and perceptions in situations like drastic business strategy changes. Also addressing and filling up the gap between the employer and employee engagement happen to be impact negatively on overall business performance and this perceptual gap needs to be filled by establishing proper communication channels throughout the corporate hierarchy. Since we are still suffering and being victims of the global recession, local companies had to cut down budgets severely and due to that employee's motivation and morality goes down ultimately affecting negatively on achieving business targets.

Moving on with the discussion of global and local challenges faced by general management in handling human capital, now let's look at current HR management challenges of aligning employee and HR department agendas in KBSL.

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The current HR Management challenge of aligning ‘ The Employee Agenda’ with the ‘ The HR Department Agenda’ in KBSL

The Employee Agenda in KBSL Information Technologies Ltd

Every employee has their own expectations from their employers and organizational success heavily lies on identifying and satisfying those motivations, preferences and expectations of every individual in a win-win approach where both parties gets benefited. Small round table discussion was held with selective employees from each business units to identify their expectations from the company and listed are the findings of that session.

First of all, every employee expects a positive working environment where they can carry out their assigned work productively and efficiently. They expect work-life balance since family life is equally important same as the working life and so that they expect it to be stress free, supportive and politics free culture. Also employees expect personal and professional growth equally as the attractive compensations and benefits because they want to climb up in the career ladder to reach higher commanding positions than being in the same position for a lifetime. Performance based rewarding approach and industry benchmarked salary levels are also expected and more importantly appraisals and evaluations to be done in transparently and fairly manner across the organization reward right individuals for their talent and performance.

Apart from the benefits, employees expect to be given platform and opportunity to use their innovative ideas in to work where they can make a

difference and get proper recognition in return. If employees feel that their work makes a difference and part of something unique and special they will get motivated and perform at their best to deliver more than expected benefiting the organizations at the end of the day.

The HR Department Agenda in KBSL Information Technologies Ltd

Similar to the employee expectations, there is always organizational and HR department agenda for each employee expecting to deliver certain results in return throughout the entire employee life cycle.

Foremost of all, HR department wants to hire the best talent available in the industry and expecting them to perform at their fullest potential as a team to deliver organizational objectives. At the same time they expect everybody to act upon honestly and diligently with utmost commitment to the organization and hearing to the corporate ethics and principals. More importantly, employees should represent their organization in a positive manner to outside world and every work related decisions they take should be made in the best interest to the customer.

Also HR expects employees to develop their selves by updating with the latest technologies and practices and obtaining professional certifications to reflect the competency. Furthermore they expect employees to follow the directions set by the management, positively accept and learn from constructive criticisms and being dependable.

Perceptual Gap

Carefully evaluating and analyzing both employee and HR agenda, following key points were identified as the perceptual gap and incremental corrective solutions are proposed in the coming slide.

As per the modern practices HR function should be strategically reengineered to closely align with the dynamic business environments and effective human capital management practices should followed. But refereeing to the KBSL entity, strategic focus of HR is minimal and more traditional administrative HR operations are followed. Since KBSL has a flat management hierarchy and consist of managers with traditional perceptual mindset still believes that employees as a liability and replaceable at anytime rather than treating them as organization's most valued assets. Also management expects employees to deliver more than they are capable without giving them proper training and compensations and some of the employees also expect limitless benefits from the company without delivering their assigned jobs.

Both employees and HR department comes to false conclusions by judging on misinterpreted information mainly due to the distant engagement and lack of proper communication channels eventually affecting the organizational success. Finally there is no specific standard methodology to manage activities associated to employee life cycle causing unnecessary troubles to the business by following instantaneous ad hoc decisions.

Proposals for Incremental Resolutions

Based on the local and global trends and best practices and applying the human capital management theory, following resolutions are proposed to fill up the perceptual gap addressed above.

Since employees are considered to be the most valuable asset to any organization, organizations should develop and maintain a win-win situation for both parties by addressing each other's concerns genuinely. Also HR function should evolve to a more strategic and responsible role by closely aligning with business objective and proper communication channels needs to be established to minimize the misunderstandings between the employee and employers expectations.

Also to address the major problem of employee turnover, KBSL management should provide competitive compensation and remuneration packages to the employees analyzing competitor benchmarks and focus on employee career development prospects positively to create a long lasting relationship with them. Also it is highly advised to incorporate modern HR practices given in the slide so that KBSL as a whole can benefit from positive outcomes.

Talent Management

Definition

Talent Management has many definitions and as given in the slide it can be simply define as the systematic methodology in managing talent within an organization in achieving strategic business goals. Talent Management itself has important key components such as workforce planning, selection, recruitment, orientation, performance management, training and

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development, succession planning, compensation and benefits which can be directly impacted on organizational success.

As per the formula shown in the power point slide talent should be a collective combination of competence, commitment and contribution so that in addition to the talent development, organizations should motivate and reward employees to gain their commitment and contribution to achieve organizational goals.

The importance of the talent management is simply explained by the quotation of “ Organize as if the company’s survival depends on talent management. It does” by Boston consulting group and further discussed in the coming slide.

Importance of Talent Management

Talent management has become a crucial factor to organizational success due to many reasons and some of them are mentioned in this slide.

In today’s highly dynamic, highly competitive and highly demanding business environments, success is mostly depending on the talent of the workforce available within the industry. So that organizations should establish competency based recruitment procedures to attract the best among the industry and should retain and develop their best performers and highly skilled people to stay ahead in success race in the industry.

Talent management plays a vital role in creating a high performing workforce and a winning corporate culture by implanting high motives in employee’s mindset and helps organizations to minimize the risk of losing

key talent by initiating proper development programs giving employees plenty of opportunities to grow within the company. At the same time identifying successors for critical positions and develop internal employee capabilities to cater emerging organizational needs helps to address the resource scarcity in the industry.

It also helps to identify competency gaps, talent requirements more quickly and make necessary arrangements to overcome those gaps for the betterment of the organizational performance. Finally it helps to manage challenging employee expectations effectively creating win-win situation for both parties otherwise which can be affected very severely.

Key Issues and Challenges in Talent Management in KBSL

Recommendations for Progressive Improvement and Resolution

Source of Evidences

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