

By V Pradeep Kumar



In today's globalised world, the rules of business have changed. The adage 'customer is king' is indeed a reality and the 'customer' is the focal point of business. A customer today isn't bothered so much, about where the product is manufactured or sourced, as long as it meets his requirement.

Technology has advanced, but its access has become fast and easy, leading to narrow product differentiation. Innovative and aggressive advertising is successfully creating increased interest for products across industries. With services becoming a crucial point on which customer preference is sustained or altered, people within an organisation make all the difference.

While all along, we have been emphasising the importance of servicing external customers, the concept of 'internal customer' has been slowly gaining ground. Organisations need to focus on satisfying 'internal customers' as a prelude to achieving external customer satisfaction, is now a universally accepted fact.

Other management functions such as finance or operations must serve the interests of their 'internal customers' like marketing or service, who deal with 'external customers'. Therefore, serving a 'customer', internal or external, is the key focus of organisations.

The 'customer' focus as a key strategy is relevant universally, whether it's a service industry or product marketing. With the dramatic rise of industries such as ITES, BPO, telecom, banking, insurance, hospitality and retail, the service sector now contributes over 57 per cent to the

country's GDP. Surprisingly, the people focus hasn't led to significant changes either in the functioning of HR or its role within organisations.

New thrust

Paradoxically, the Indian working class movement, which had risen to new heights prior to liberalisation, lost its momentum before the rising importance of people. In other words, even though people have become far more important, the function responsible for organising this resource within an organisation has remained focused on traditional functions such as recruitment and training.

With the change in business dynamics, the thrust on people has also undergone fine-tuning. A work environment wherein employees can enjoy working and optimise their productivity is the new thrust. Universum, the employer branding company in its website states, "When 70 per cent of corporate value is from intangible assets (according to Accenture) and skill shortages are acute worldwide, being an attractive employer is critical to keep a sustained competitive advantage".

The case of Google illustrates how an organisation alive to the changing needs, can make a huge positive impact. Recently, Universum voted Google as the most attractive employer. In the global rankings based on the employer preferences of students from Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, UK, and US, Google topped as the most attractive employer in both 'business' and 'engineering' categories.

This comes as no surprise to anyone following Google's corporate philosophy. 'Googleplex', the corporate headquarters of Google in California is synonymous with providing a balance of work and fun. Some of the facilities in Googleplex include foosball (table football), pool tables, volleyball courts, assorted video games, pianos, ping-pong tables, and gyms that offer yoga and dance classes.

They also have grassroot employee groups for all interests, like meditation, film, wine tasting and salsa dancing. Google offices across the globe implement the same corporate philosophy with many common elements.

Good example

For instance, Zurich office of Google has slides, couches, massage chairs, pool tables, bathtubs, aquarium, and extremely innovative and colourful office furniture. They also offer other benefits to employees. My own interaction with several Google employees across the world corroborates the point that the culture is aimed at making work challenging and fun. While they work hard, they don't miss the fun, that life offers.

This is the first global index of employer attractiveness and highlights the world's most powerful employer brands, those companies that excel in talent attraction and retention. Michal Kalinowski, Universum's CEO, says: "Multinational corporations are increasingly aware of the current and future challenges of a shrinking workforce. To counter problems in securing their talent pipeline requires a talent attraction and employer branding strategy".

In 1996, Simon Barrow, Chairman of People in Business, and Tim Ambler, Senior Fellow of London Business School, published an academic paper in the Journal of Brand Management. This was the first attempt to 'test the application of brand management techniques to human resource management'.

Within this paper, Simon Barrow and Tim Ambler defined the employer brand as: the package of functional, economic and psychological benefits provided by employment, and identified with the employing company.

In the course of time, new terms and concepts such as employer brand proposition (also referred to as employer value proposition-EVP) have emerged and widely practiced by companies such as Google. In many ways, it is very similar to the marketing team strategising to attract, retain and service customers.

For such a proactive employee oriented strategy to take shape and guide the fortunes of any organisation, HR functionaries have to wake up, and change their mindset from being essentially a staff function to a line function, from being passive onlookers to active decision

makers and implementers. Proving their value and utility, they should muster the support of key functionaries from marketing, finance and operations.

This requires an upgrade of their skill-sets from a business perspective, learn the ability to balance task-people orientation and take the lead in the boardroom. HR must take up CEO roles and lead organisations to attract and nurture the pool of talent, and get results by creating a challenging and enjoyable work environment.

Critics might argue that this strategy is viable only for people oriented service sector, where enriching job profiles, imparting new skill sets to deal with changing consumer behaviour and preferences, is vital. However, we must remember that people oriented service sector, was not as prominent two decades ago as it is today. Therefore, business dynamics will enforce people oriented business strategies across industries, eventually.

We should anticipate the impending changes and be ready, before being forced to change. For decades, while we are investing all our energy on 'external customers', the importance of 'internal customers' has emerged from the shadows, to the forefront. Across the world, the workforce is shrinking and the focus now is on economies, where the markets are large. This is the logic driving every MNC to set up shop in large markets such as India.

Philip Kotler, the eminent author and management consultant summarises the most critical business strategy in these words: "Your company does not belong in markets, where it cannot be the best". In today's globalised, service oriented business environment, to be the best in markets, it is inevitable to have the best people on our side.

The boardroom debates should therefore focus, not only on how to be best in markets, but even more importantly, on how to create a viable employer brand proposition and be the best employers too.

About the author

V.Pradeep Kumar is a publishing and media expert, and a management consultant with diverse

local and international experience.

Mr. Kumar holds an MBA [1980] and has strong cross functional knowledge and skills, both strategic and hands on leadership. He has got experience in the arena of both start ups and established operations, with balance of people and task orientation.

After starting the southern operations of Tata Infomedia Ltd, as General Manager [south], in 1993, Mr. Kumar is credited with the successful launch of Tata Press Yellow Pages in southern India. He was part of senior management responsible for diversification of the company into several B2B and B2C magazines such as Overdrive, Better Photography, AV Max, Search and so on.

From 2003 till 2009, Mr. Kumar headed Hawk Media LLC, Dubai, UAE and was responsible for the resurrection of the brand, 'Hawk'.

After 30 years of distinguished corporate experience, he is now based at Bangalore focusing on management consultancy and training services.

Mr. Kumar is also a prominent writer on leadership, management, economy and education. His first book, 'Simple is difficult' was published in 2009 and he is currently working on several new book projects.

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