



Human Resource Management System

Welcome to the Human Resources Handbook

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You got that big idea to turn entrepreneur and ventured out on your own. Faced some start-up hiccups initially but managed to overcome them. Now you find you grappling with multiple tasks within your organisation. Do you concentrate on sales or operations? What will happen to the support functions if you divert all your energies to business development? If the company is expanding its operations how are you going to find time to look after every thing else? How will you manage to deal with so many more employees?



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Today is the age of the entrepreneur. This is highlighted by the fact that a significant number of IIM pass outs are now opting to start their own organisations instead to the secure and high paying jobs that they can get in banks, IT, retail and telecom. And this bullish attitude is not restricted to just b-schools grads alone. A host of Indians are now turning in their resignations to turn their 'big idea' into reality. As their turnover and ambitions rise, so do the number of employees.

In this chapter, of the HR handbook, we get three experts to describe how an organisation should go about setting up their HR department.

1.1 Recognising the need

An organisation typically starts with its core functions revolving around the product or service it is offering its customers. Initially, the basic HR functions like payroll, employee relations, etc are looked into by the management directly. Chetan L S, VP, People department, Aditi Technologies explains, "There is no exact scientific number that triggers the on-boarding of the HR function. It is more of a need that is generated depending on the nature of business and people required to run the same."

1.2 Get, set, go

Invariably the other functional departments within an organisation develop before the HR department. Once talent acquisition becomes a priority companies start looking to upgrade their HR department. Describing his experience in setting the HR function Shashank Mehendale, senior manager, HR Corporate, Webaroo elaborates, "After one year of our existence, when we were about 35-40 employees, I started building my own team with hiring an admin person to look after facilities, operational issues and later a HR person to support me with recruiting needs and helping me implement the policies required to run the organisation effectively."

1.3 The start up mantra

HR covers several broad aspects like talent acquisition, career planning, training, rewards & recognition, etc. There are so many administrative and functional aspects of the department that it is very important to structure the functions effectively. The best way to approach the process is to think from an employee's perspective and then design the HR policies.

1.4 Hiring HR

The expectations from the HR function have changed over the last few years. HR is now responsible for building the employer brand, attracting talent, succession plans, etc. Add to this, the vision required to look at the future of the company and it becomes apparent that it's necessary that the function has some experienced professional leading it. Chetan agrees, "I firmly believe that an organisation should have a senior person to head the department before the processes are put in place. This person could be a HR professional or someone from the functional organisation who has a deep understanding of the business as well as people management."



1.5 Translating thoughts to action

HR is a tool to shape employee perceptions about the organisation. The management's vision needs to be translated into opportunities for its employees. The management also needs to ensure that it can imbibe the work culture into its employees. Mehendale provides a method, "It's the management's responsibility to closely work with HR to give them direction to implement the policies. Most companies create a policy document and stick to it forever which results in unhappiness, low morale within employees and thus, attrition. The policies should always allow improvement and maintain a good work culture within the organisation"

1.6 Likely challenges

The foremost challenge that an organisation is likely to face is finding the right people to form its HR department. Shankar Narasimhan, director HR & finance, Ajuba feels, "It is imperative to staff the HR function with employees who have exemplary people management skills. This is one area that links every function within HR as credibility is key to HR success." The HR person should be able to adapt to the company's culture, practices and work policies.

1.7 Outsource

Companies consider outsourcing in two scenarios - if one does not have the competency to perform a role or if outsourcing the role would help reduce cost. However, HR experts are unanimous in communicating their disapproval over outsourcing the HR role. Narasimhan stresses, "It is usually not prudent to outsource processes that are core to your organisation for example, you may not want to outsource domain training or the performance management process. It is highly unusual for the entire HR function to be outsourced!"