

HUMAN RESOURCES ROUNDTABLE

2010 strategies for
re-engaging employees
and rebuilding HR

How has the past two years changed HR as a function and how have HR practitioners been made to step up in their roles to better prepare for 2010 and beyond? **Lisa Cheong** got together with some of HR's elite thinkers for answers, and to address key issues such as the evolution of the HR role, talent management, retention, cultural diversity and dealing with Generation Y.

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THE EVOLVING ROLE OF HR AS A FUNCTION AND ITS IMPACT ON HR PRACTITIONERS



Lisa Cheong, Human Resources: Firstly, I would like to thank you all for taking time out from your busy schedules to have lunch and to engage in a conversation about strategies for re-engaging and rebuilding HR for 2010 and beyond. Earlier, when I spoke to some of you, we talked about how your businesses have changed through divestitures, mergers and acquisitions. So my big question to start the conversation is: How have your business changes affected HR as a function and you as an HR practitioner?

Charles Chee, Agilent Technologies: I think in the old days where HR was involved, HR did a lot of administrative work. As it progressed, HR wanted to become a business partner and engage the business. But at the moment, we see HR going beyond being just a business partner. For example, the M&A [mergers and acquisitions] that we are in now, and even in the diversification of the business, we are seeing HR at the forefront, working together with the business partners. In certain instances, the business expects HR to lead – change management being one example. The other departments expect HR to come out with initiatives. And, even when we went through the diversification of one of our businesses, HR was relied on for communication, giving insights and branding. So there is a change and HR is involved in the forefront of many business activities.

Esther Chia, Commerzbank: We went through significant change merging two cultures and HR's role was ensuring people from either side did not feel the drastic changes of the merger, the change of business plans or the risk structure of the organisation. We had to communicate extensively, especially when the merger began. We tried to be as transparent as possible. Somehow, though, if you talk about the engagement portion, no matter how much you try to engage the staff, at times, it is not easy. I think we could have failed as well, if it was not for the business heads' support. It was a pretty challenging time, but we made it through and it was largely because of the support management gave us.

Mario Ferraro, International SOS: For International SOS, if you look at the product – what we sell to our customers – it is our people. And because of that, it becomes almost impossible to distinguish between what a business issue is and what an HR issue is. Whenever you are discussing an individual, team or an operation you are, at the same time, talking about a business and HR issue. Thus, we are

THE LUNCH BOX

STARTERS
THAI BEEF SALAD; OR
CHICKEN TIKKA

MAIN COURSES
GRILLED CORIANDER CHICKEN; OR
FIERY BABY BACK PORK RIBS; OR
PAN FRIED SEABASS WITH PALM SUGAR
CHILLI SAUCE

DESSERT
WARM CHOCOLATE BROWNIE

VENUE
DALLAS RESTAURANT & BAR,
31 BOAT QUAY



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Robinsons



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Charles Chee
Director human resources
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Head of human resources
Southeast Asia
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Mario Ferraro
Group general manager
International human resources
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Michael Goh
Vice president human resources
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Rolf Bezemer
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The Protagonists

invariably being brought into this discussion and expected to participate right at the front end of the business process when the process is being conceived and shaped. This has resulted in the HR function having to transform some of its skill sets. This is why I agree we have progressed past the business-partner model. I am not sure if there is a term for the new model, but it is really about being integrated into the business and almost becoming an integral part of the business itself.

WHAT ARE THE NEW SKILL SETS HR NEED AND SHOULD TECHNOLOGY BE EMBRACED?

Lisa Cheong, Human Resources: As HR goes past being just a business partner, that will mean HR practitioners will need new skill sets. What are these skills they should have?

Sherri Lim, CK Tang: It is important to have business acumen. It is important to understand the business and then work on how HR can contribute effectively to the business. Having had experience in running the business and being in HR, I prefer to equip all line managers with HR skill sets. It is about managing people and that is the key in terms of motivating the team and driving them towards the business goal.

Charles Chee, Agilent Technologies: The science of HR has changed. I feel HR needs to progress to the next step of embracing technology and make processes more efficient. In order to restructure and remain small in size, so as to not add cost to the business, technology can help.

Everything the line managers need to do is in the system, which includes functions such as arranging for increments, leave applications and even carrying out disciplinary actions. It is a lot more efficient.

Chee Nian Tze, Robinsons: While I agree with technology being a tool to making HR processes more efficient, sometimes we can go overboard. What happens when we go to the extreme and let technology drive everything. Would HR still be needed? There are a lot of things that technology can do, but can it represent the organisation? HR represents the values of the organisation so it is important that HR is seen as the face of the business because we are the value guardians in showing what the organisation stands for.

Stephen Tjoa, KPMG: Post recession, there has been a lot of emphasis on enhancing the value proposition in terms of culture and environment. Also, with the talent crunch, the only thing people will look into when deciding one organisation over the other is basically if their values are aligned with that of the business. So I agree with Nian Tze's idea that HR is really more than just a business partner. It is important for propagating the right values, corporate governance and ethics. HR has a huge role to play in that.

Erik Schmit, StepStone: Well, I think that the HR function is at a key turning point in history, and I guess it happened because of the economic breakdown over the past two years. Many companies had to make very drastic decisions

without any management information available about their most precious asset – their people. They had to completely restructure or scale down their operations from one day to the other. This is a situation many CEOs never want to face again. I think this is our opportunity to show the line management, executives and organisations that we have a capability to provide the most relevant information that can be used to achieve their business strategy.

TALENT MANAGEMENT CHALLENGES

Lisa Cheong, Human Resources: Now that the economy has picked up, recruitment and retention issues are coming to the forefront again. Are you doing things differently compared to the last boom cycle? Or are you stepping back to think about how you can do things better, more strategically or more long-term?

Sherri Lim, CK Tang: The past two years have seen certain organisations showing an increase in productivity and this would have been because of downsizing, resulting in one person having to cover an additional 20% of the job. For us, the focus over the next few months and years will be on improving productivity of our staff. I agree with Charles in terms of using technology to help HR function to integrate to the business.

Mario Ferraro, International SOS: As companies are doing what they need to do to ride the downturn, some issues that have become relevant are succession planning and retention,



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"Today's business heads tend to look for just quarter-end results. But it is the functions like HR which are driving the capability of the organisation by looking beyond that. Thus the CEOs are depending more on these functions to bring about sustainable business."

**Joydeep Bose, president,
Olam International**

"I think in the old days where HR was involved, HR did a lot of administrative work. As it progressed, HR wanted to become a business partner and engage the business. At present, however, we see HR going beyond being just a business partner to being at the forefront and in some instances heading business initiatives."

**Charles Chee, HR director,
Agilent Technologies**

achieving promotions. And while you can not give in to all their demands, given you have a business to run, you can come up with a compromise. One of the ways is to allow overseas travel opportunities and to move them from one business to another or from one country to another. It may not be for a long period of time, but it really gives them the opportunity to learn and gain relevant experience. And these are opportunities that the new generation are attracted to, as opposed to classroom training. As they gain experience through these opportunities, they contribute to our needs with their developed skills. So that is where we see a balance being struck.

Joydeep Bose, Olam International: One of the challenges we face when dealing with a mixed crowd of Generation Y and Generation X employees, is in the way we measure their performance. When you measure performance you

and then finding a viable solution to deal with the differences.

Stephen Tjoa, KPMG: You have to have people KPIs as part of your business. If you lose a high potential employee, there are repercussions to that, and if you build into that performance measurement system, you will realise that you have failed on the KPI and that is how you institutionalise the fact that losing someone like that is going to hurt the business big-time.

Michael Goh, Singapore Exchange: We look at high-potential employees slightly differently. For the senior guys, we look at them more from a talent and succession planning perspective. When we look at high potentials, we are targeting the younger staff who have the aptitude to be able to go to different business trades. It matters to identify them young and expose them as much as possible to the different kinds of projects that you

which are really the issues that will make the difference when being successful in the long run.

DEALING WITH THE CULTURAL GAP BETWEEN GENERATION X AND GENERATION Y

Lisa Cheong, Human Resources: What challenges do you foresee as HR practitioners in the coming years?

Michael Goh, Singapore Exchange: I would think the managing of Generation Y employees would be a big issue. In a boom time, the expectations of Generation Y staff can get a little unrealistic. During a recession, their expectations sort of simmer down. But once the economy starts to pick up, they begin to escalate again. The unfortunate thing about this is that our head managers are mainly from the Generation X and baby boomer era and they have very different value systems from the younger generation. Dealing with the younger generation is a necessary evil, but it is something they are not fully equipped to do.

Rolf Bezemer, StepStone: I would imagine that there is a huge gap between the existing partner base and the youngsters taking on the market.

Charles Chee, Agilent Technologies: I guess there needs to be a balance between the expectations of Generation Y employees and the business. They tend to be very proactive, particularly when it comes to training and



look at effort and less of the outcome. Generation Y employees prefer to work from home. So you do not see them in the office, thus you can not measure them on their performance. It then becomes important for organisations to look at measuring the outcomes, rather than effort or the visibility of the person working. And that means your tools have to change.

Lisa Cheong, Human Resources: How do you manage the big cultural shift between the two opposing groups?

Joydeep Bose, Olam International: When you have this cultural variation it is important to identify and get people to be aware that there is a gap between the two cultures and it needs to be acknowledged. The necessity lies in getting more sensitised to some of those specific issues which create the cultural gap, discussing them



have. Most of the middle and senior people are already entrenched in their functional pipes, so most of them, by a certain age, have in mind what they want to be. And because our organisation is very multi-faceted, we need people who have that aptitude to be deployed. Attrition is a given – you can not avoid or stop it. But the good thing is many of them like to come back and they do. I attribute that to the fact that we have treated them well.

FACING CULTURAL DIVERSITY WITHIN THE WORKFORCE

Lisa Cheong, Human Resources: What other challenges do you see yourself facing in the next few months or years?

Charles Chee, Agilent Technologies: With Singapore being a global hub. We are seeing

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a spectrum of ethnicities forming from within the organisation, which results in each of them bringing a very different culture, and HR is not always ready to cope with that. You are dealing with different mindsets, beliefs and ways of doing things. It is not easy and even at my end we are not fully equipped to really deal with them. But we do our best by trying to understand them, interact and observe how they manage their own way of doing things and then proactively try to handle the differences.

Mario Ferraro, International SOS: Our corporate culture is very clearly defined. We accept the fact that people may come from different ethnic backgrounds, different professional backgrounds, and we invest a huge amount of time and resources into the initial induction and orientation. We try to manage these cultural differences by moulding and shaping the various people to be corporate citizens.

Joydeep Bose, Olam International: For us the cultural piece is important because we spread across 60 countries, with a great number of people of different nationalities working in our company. We have issues such as what language you speak. However, it is important to appreciate the differences because when you don't, that is when the issues come out. The second thing is clear articulation of the company's values. The biggest cultural issues happen when we have acquisitions. Whenever we hear or say there is an acquisition, people begin to look into cultural matches and mismatches.

HOW MUCH ARE COMPENSATION AND BENEFITS STILL IN DEMAND?

Lisa Cheong, Human Resources: Are there any compensation and benefits issues that you have to look at or realign?

Erik Schmit, StepStone: Everybody is now keen to try and get back the confidence of their employees as there has been a loss of trust because of all the difficult decisions that most companies had to make and it is now time to get that back into place.

Rolf Bezemer, StepStone: There is also a sort of a mismatch between the existing employees who are waiting for their organisations to respond, but expecting HR to pick up the glove. But what can we do with limited resources? We talk focus on



engagement and setting the expectations of people having the same inflation as salaries over the years before, I guess.

Ester Chia, Commerzbank: You will definitely see a lot of turnovers in the back office, and it is because the economy is picking up and there is a lot of poaching within the banking industry. We have lost a lot of key people and what we are trying to do is not just make compensation the thing for retention because then it makes us reactive rather than proactive. We take development of staff into consideration. The idea is to not just look at the high potentials, but graduates, the middle people and the lower levels as well, and assess how we can provide them with more skills. It is a two-way communication. They have to tell us what they really need, aside from the money, so we can provide them with that and make them happier and safer.

Lisa Cheong, Human Resources: Do you find that compensation is not as important to attracting and retaining staff?

Sherri Lim, CK Tang: We did an informal survey with the Generation Y employees to find out what would make them stay. And the results of that survey were a caring work environment that provided flexibility in where they worked from, how they worked and even who they worked with. Compensation was not on the list at all. Having said that, compensation is important as long as we meet the market rate and remain competitive. Other than that, ultimately it is the other factors that are more important in employee retention.

Charles Chee, Agilent Technologies: One thing I find apart from what we discussed is providing a good place to work and having a balance between work and play. Money is not really the main thing. I also find that the

Generation Y employees can be brand conscious, in the sense that they like to work for a reputable company.

Mario Ferraro, International SOS: I suspect it may be related to the employees' expectations of staying with the company for a limited period until they plan on moving on to another company. Their work experience record would look good on their resumes. This really brings to the foreground how important the context of this competition for talent really is. The concept of employer branding becomes a critical part of your strategy to attract people. It is about how you position yourself as a brand and within the company you have worked for.

Joydeep Bose, Olam International: The other thing in the organisation that is not a challenge but is something that we are exploring is the leveraging on social networks. People, especially the Generation Y staff, are very used to social networking within the work environment. Sometimes it can get very racy. But we have found that self-moderation is best.

Stephen Tjoa, KPMG: We have our own Facebook page. It is the new media and you have to embrace it. I think that is how the Gen Y community communicates. We can not fight the way of the younger generation. We need to speak their lingo and get them to realise that we are like them, clued in to the latest developments. And that is important in how you attract them. That is also where the branding of the organisation comes around.

Lisa Cheong, Human Resources: Well, we have come to the end of the discussion and I must say we have covered a really good array of HR issues and strategies. Once again I would like to thank you for taking time out to share your insights and experiences at this event.

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