HUMAN CAPITAL MANAGEMENT

By Harris Kern's Enterprise Computing Institute

My definition of the ideal IT environment is one that is designed to exceed the enterprise's strategic goals while nurturing the <u>individual</u> to achieve exceptional <u>productivity</u> and <u>job satisfaction</u>. This environment can be recognized by the following signs:

> - *Educated and committed enterprise executive management*
> - *Complete alignment with business goals and objectives*
> - *Strategic decisions that accommodate a rapidly changing dynamic business environment*
> - *Cost effectiveness*
> - *Common architecture (i.e., tools, standards, etc.)*
> - *Individuals blossoming instead of being buried in a bureaucracy*
> - *A culture where honesty, mutual respect, and job satisfaction flourish.*

An emphasis on the individual and on job satisfaction directly contributes to the achievement of exceptional productivity. Human Capital Management is the way we create and maintain this environment.

As IT moves from a Cost Center to a Business Partner there are significant differences in the way that people are managed. This article will address itself to the following areas of people management:

> - *Quality of Life*
> - *Recruiting and hiring*
> - *Transitioning into the enterprise*
> - *Mentoring for success*

The table below highlights some significant differences as IT moves from a Cost Center to a Business Partner.

Cost Center Management	Managing IT as an Investment
Autocratic, centralized decision-making	Delegated responsibility and authority
Poor quality of life (overtime demands, unrealistic schedules, no budget for training, heavy travel schedules, moving staff from position to position without regard to persons aspirations, unrealistic job demands)	Quality of life (e.g. go to child's recital, enforced vacations). People are valued as individuals.
Technology as a job	Technology as a career
Staff Turnover (people issues are rarely considered)	Investing in staff in order to build effective teams operating in a synergistic culture: e.g. career paths, training, compensation planning, time off, staff retention, competent staff, low turnover, synergies, teamwork, built knowledge & experience as a team, training, mentoring, and investing,)
Hire for technical competence only	Take the time necessary to make the right hire (career path, chemistry)
No career path	Career path/succession planning
People are taken for granted	Celebrate success
Budget for training not considered a priority	Training is always available (don't cut the training budget first)
Little communication	Common goals frequently reinforced. Personal ownership of enterprise goals. Frequent meetings at all levels. "I know what my management would do in this situation" Employer of choice surveys.

Quality of Life
Quality of life contributes to success. Quality of life is imbedded in our values and visible throughout our environment. The question to be answered is: " How do we create the appropriate quality of life and how does this environment create success for the business?"

Quality of life is a combination of personal and professional satisfaction. Every individual seeks satisfaction and balance between their personal and professional lives. Each one of us seeks respect, the ability to affect one's environment, and the ability to grow both professionally and personally.

Individuals must be encouraged to accept responsibility and entrusted with the authority to carry out their responsibility. This delegation along with over-communication at all levels leads to respect, control over one's environment, and growth while fostering personal ownership of the enterprise's mission and goals. This sense of ownership and the discourse that is encouraged contributes ideas of enormous operational and strategic value. It is not rare for policy decisions to percolate upward from the front lines. In fact this should be encouraged. Delegation of responsibility and authority to the lowest possible level is risky. Most manager's instincts are to retain authority even if they have been convinced to delegate responsibility. The introduction, or the appearance of introducing, risk focuses management

attention on the process and the decisions being made; especially if everyone is being held accountable in a visible way.

Recruiting/Hiring

Quality of life is a strong recruiting tool. It separates the mercenaries from the technologists, bidding wars rarely land stable candidates. An equitable compensation package along with a desirable quality of life leads to long-term commitment and a dedicated employee. Compensation levels need to be kept consistent within the organization and should not be compromised except under extraordinary circumstances. Our staff expects equity and we owe it to them. Unbalancing the compensation structure to hire a new employee is nearly always counterproductive.

Use the interview process to build relationships. The process allows the interviewers to get to know the candidate under unique circumstances. The candidate, under these unique circumstances (a shared experience), is building a relationship (or not) with each of his interviewers. When it is clear that a candidate is a potential employee the interview process should be extended to include peers and business partners. This serves two purposes, exposing a larger segment of the organization to the candidate and the candidate to a larger segment of the organization. The value is derived from the candidates budding relationships, his understanding of the organization and its values, and the informal network he is in the process of building.

Everyone in the organization needs to understand that immediate attention to an interview request is a very high priority. Interviews need to be scheduled rapidly and reliably. Interviewers need to recognize that they represent the firm every time they conduct an interview. Interviewing is an important responsibility and is entrusted only to the most capable people. Annual performance measurement objectives need to include interview performance. All potential interviewers need to be trained in interview techniques and the interview process.

The interview process requires a strategy among interviewers for each candidate, for example, who will be handling technical questions, who will be asking redundant questions to get different perspectives, who will be questioning experience, etc. Interviewers should be exchanging thoughts while a candidate is going through the process. Interview results should be reviewed as a group, circulating interview notes is a good idea but is no substitute for a roundtable discussion of the candidate. This will give a complete view of the candidate and is an excellent learning experience for the organization, how it works, and how it doesn't. Issues about the organization can be addressed in these informal forums. It's also a good way of exchanging views in a non-controversial way. After a few roundtable discussions it becomes fairly easy to spot the right candidate, and during the process remind the interviewers of what we are all about.

Be grateful if the HR department wants to do the initial screenings. By working closely with HR and allowing HR to handle recruiting firms and do initial interviews the staff can avoid being overwhelmed by paperwork. As tempting as it may be to deal directly with recruiters, make certain that all recruiters are directed to HR. Don't confuse the process by allowing

recruiters to speak directly to the interviewing managers. If HR is not capable of doing this well it should be an enterprise issue not a reason for IT to be distracted from its main job.

Subordinate interviews should be limited to the final candidate, it is valuable for subordinates to understand that they have been part of the process, but it is risky to show multiple candidates to potential subordinates.

Take the time to hire well. There is rarely a higher priority then hiring the right person. It's better to be late with the right person then early with anyone else; spend as much time as necessary to get the right person. Never let the pressure of making a hire confuse you about a candidate's quality. Never settle but, if you must settle, at least do it with your eyes open and plan accordingly. Not everyone needs to be a star but everyone needs to fit their role and fit the organization. Compromising on candidate quality is occasionally necessary but if unchecked leads to "negative synergy".

Compromising on experience is not necessarily a compromise. Experience can be learned, attitude and intelligence are difficult to change. Attitude and intelligence outweigh experience.

The candidate profile usually refers to a "team player". This has become a cliché but can be boiled down to a single personality trait: The ability to submerge one's ego. This is also a trait of a good relationship builder.

Candidates should rarely be hired only for the job for which they have applied. They should be hired for this position and the next two positions. They should be hired for a career. If a candidate is right for one opportunity and one opportunity only the organization owes it to the candidate and to itself to make sure this is understood. If the candidate is satisfied with his limited career growth it may be a good fit, however, if the candidate sees this differently we have created a problem.

Transitioning into the enterprise
Transitioning means a smooth and successful placement within the enterprise. Investing in success means not only hiring well but, starting off on the right foot. It is the organization's responsibility to ensure a successful transition. This requires transition planning overseen at a senior management level, including attention to:

- ➢ *Peer relationships*
- ➢ *Mentoring relationships*
- ➢ *Initial deliverables*
- ➢ *Initial presentations*
- ➢ *Meetings/task force participation*
- ➢ *Training plan*

Mentoring For Success
Transition planning leads directly to mentoring decisions. Every project leader has a mentoring responsibility. Mentors are responsible for ensuring the success of their charges.

Our ethic is that everyone is responsible for everyone else's success, e.g., if someone is about to step into a pothole on the road it is everyone else's responsibility to keep him out of the pothole or to pick him up after he falls. Mentoring is a more formal recognition of this and shows up in annual performance objectives.

Project leaders (and their managers) are responsible for accelerating the learning curve, teaching lessons learned, gradually increasing the delegation of responsibility/authority, encouraging the development of informal networks, continually giving feedback and advice, and constructing appropriate partner relationships.