

Globalization: Creating A Boundary-less HR **Boundary-less Careers, M&A, et al**

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People**Strong**

Two Thoughts

- Boundary-less Careers
- HR in M&A Situations

Thought #1: Boundary-less Careers

- In most companies....
 - Moving across various companies is not usually based on choice of the employees
 - In others, employees have to take permission of their manager or HR or both
 - Managers, in general, do not like the idea of employees moving out of their teams as it creates instability and more work for them
 - Especially, the top performers
 - Employees asking for change within the company is generally looked down upon

....Boundary-less Careers

- How does one create boundary-less careers with in such boundaries?
- Idea #1 – Create a Market
 - All open positions announced on the Intranet
 - Anyone can apply, without anyone's permission
 - Treated like external candidates, interviewed by hiring manager
 - If offered, then they move to a new job with in the company
 - Have guidelines that give some leeway, only then people will take risks, and boundaries will be broken! People will experiment.
 - How about hiring managers even deciding new salary or grade?

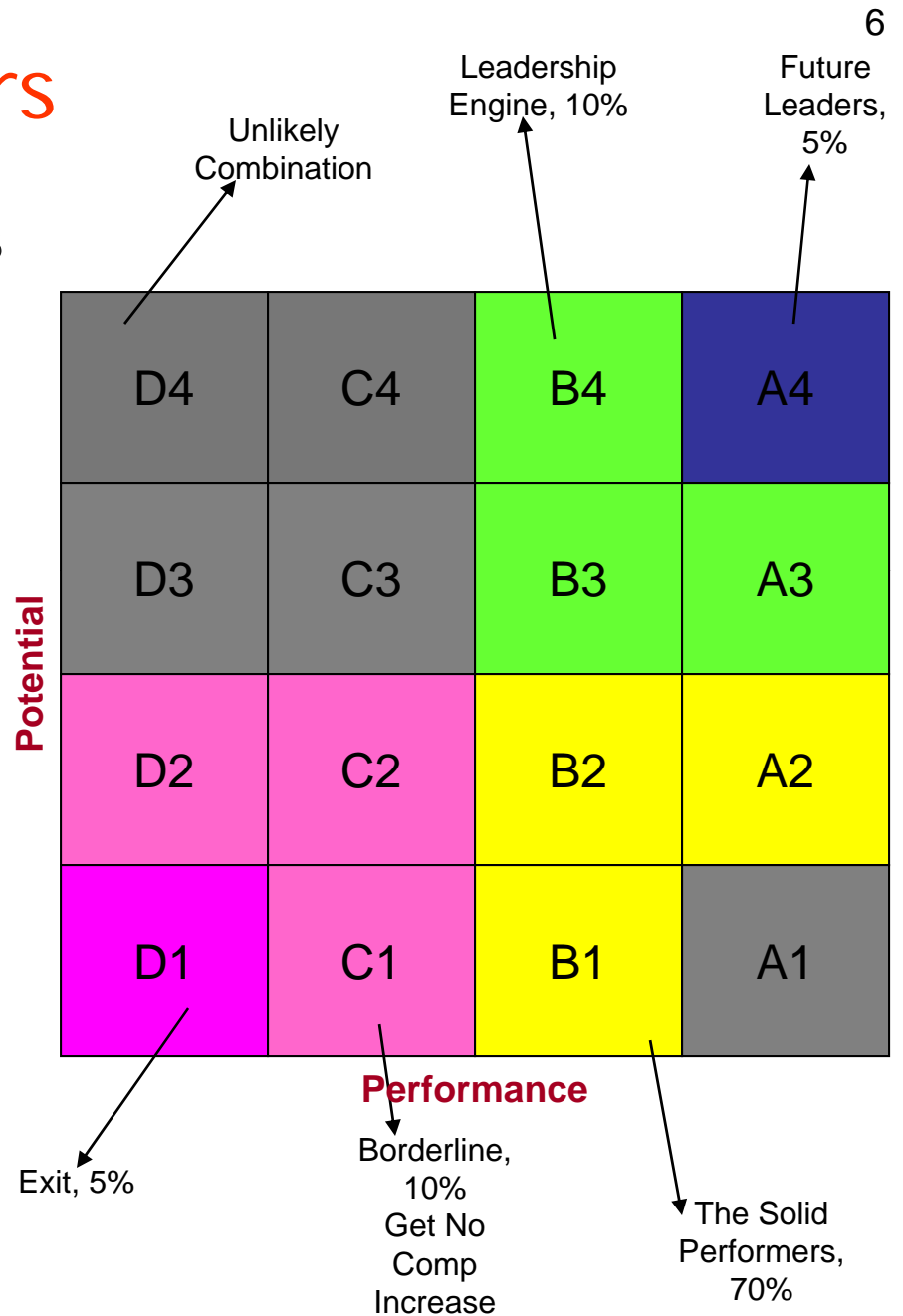
....Boundary-less Careers

- Idea #2 – Actively Drive Careers
 - All open positions announced on the Intranet
 - Anyone can apply, without anyone's permission
 - Treated like external candidates, interviewed by hiring manager
 - If offered, then they move to a new job within the company
 - Have guidelines that give some leeway, only then people will take risks, and boundaries will be broken! People will experiment.
 - How about hiring managers even deciding new salary or grade?

....Boundary-less Careers

Idea#2 – Actively Drive Careers

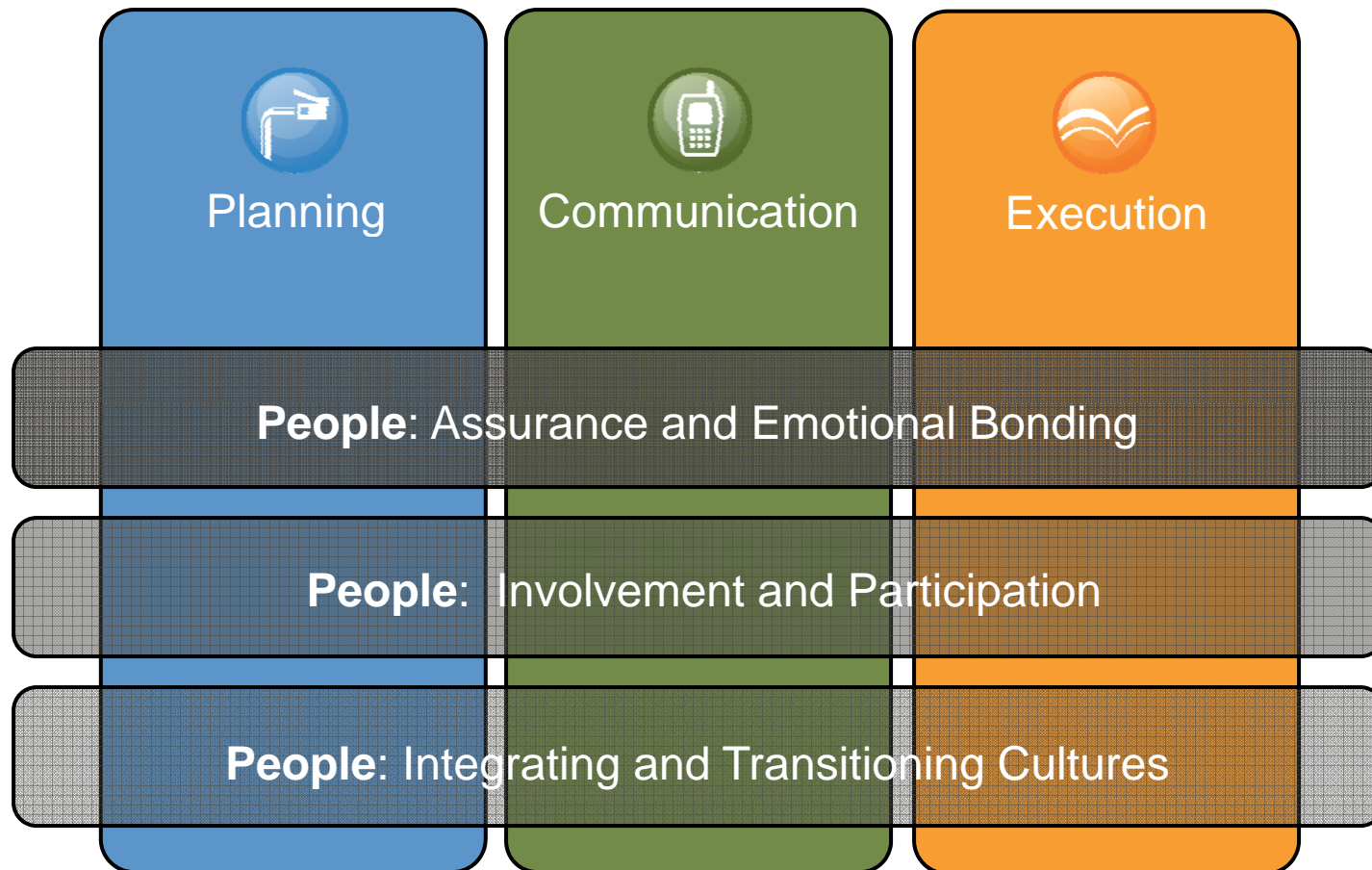
- Identify Top Performers each year: Performance, Potential
- Ask them about their Career Aspirations
- Line Management and HR make a document career plan to meet aspirations
 - Also offer other alternatives that will help in development of the employee for future roles
- It should be a ‘sin’ to lose Top Performers



Thought #2

- HR in M&A Situations

The M&A Framework



- Various studies have shown that mergers have failure rates of more than 50 percent. One recent study found that 83 percent of all mergers fail to create value and half actually destroy value. This is an abysmal record.....**Wharton Business School**

...M&A – Preparation and Planning

- Due Diligence - gaining full understanding of People related areas
 - Governing Regulations: e.g., TUPE in UK
 - Compensation, Benefits, Roles, Titles, Reporting Relationships, Work Areas
 - Example: Pension – DB or DC
 - Culture: Synergies and Conflicts
- Getting the requisite data – this itself is very involved
 - requires negotiations and perseverance
- In most European countries – the seller is required to involve effected employees who raise questions and concerns – many of these need to be answered by the buyer
 - All this is done before the decision to buy

Summary

- The key thing is to understand the business need
 - Don't wear the HR hat here
- Then determine how you can contribute
 - Wear the HR hat here, but remain focused on business need
 - HR people need not restrict themselves only as HR people – broaden your outlook