



TenStep Supplemental Paper

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Strategies Galore

The dearth of talented managers is hampering the global business of many multinational businesses. Human Resources and intellectual capital have gained prominence with global economies and are required for building a protracted competitive edge. HR must find a place in boardrooms. It is up to chief executives to take the initiative to bridge the gap between their organization's HR style and reality.

Good HR is essentially about getting the right people in the right jobs at the right time and at the right cost. It designs a network of managers who learn to identify and leverage good ideas. Such networks are dependent on executive continuity. This, in turn, requires career enhancements to guarantee retention of star performers. In addition, whenever, a vacancy arises, an internal resource pool needs to be available to dip into readily.

It is ironic that many organizations lack leadership capital, which can steer the ship and provide direction. Managerial mobility and ethnocentricity have caused this deficiency.

Top management usually lacks confidence in HR's ability to screen, review and develop candidates for the top slots, especially in multinationals. This is because HR directors have neither international experience nor a manager's business knowledge. "They frequently lack a true commitment to the value of the MNC experience," says Brian Brooks, Group Director of HR at WPP Group Plc.

Consequently, managers who can fit into the international scene have become a rare commodity. This in turn is hitting the companies' bottom lines through high staff turnover, training costs, stagnant market shares, and failed joint ventures and mergers. The biggest challenge is to find able and trustworthy managers who can contribute to the bottom line.

Companies may consider the case of Unilever and the International Business Machines Corporation to learn how to leverage their worldwide HR function as a source of competitive advantage. Unilever has a seat of high priority for HR on its executive committee, which focuses on developing in-house talent and houses future leaders. Consequently, 95% of the top 300 managers of Unilever are homegrown.

IBM is another company that reversed its HR policy to deal with globalization. These companies manage their managers through international databases and provide world class, Grade A, in-house candidates for any assignment within hours.