

# Human Capital and Intrapreneurs

## Introduction

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Those organizations that make it a priority to manage, reward and connect with their staff are companies that survive the ever increasingly competitive race for human capital. The choices for human capital are numerous and there seems to be almost as many head hunters these days as there are heads to hunt. Therefore, organizations are investing to attract human capital to create the type of environment and culture which will provide a career destination for young entrepreneurs.

The industries must continuously improve business processes, while maintaining top level efficiency and effectiveness. In addition, they must maintain profitable growth to stay ahead of the competition. The one commonality to all of these challenges is human talent. The organizations at present are busy to manage talent – human resource. Recruiting, developing and retaining talent were among the top concerns for HR executives in 2007, according to a survey released by ORC Worldwide (a New York-based provider of human resource management consulting and data services.) More than 60 percent of survey respondents said that the most important strategic issues in 2007 are related to human capital. One third of the survey's respondents also felt that human

capital was expected to take up the majority of their time in 2007. They ranked leadership development, succession planning, workforce planning, compensation and diversity as key issues facing them in 2007. Managing human capital has always been a key to business success, but over the last 50 years corporations' main focus has often been ignored. In the 1950s and 60s when modern management as a discipline was in its infancy, marketing to the baby boomer families sparked mass consumer spending. Later, in the 1970s management was wrapped up in the pursuit of excellence. Then when inflation rose and demand slowed, companies looked at improving financial performance through better quality and lowering operating costs. In the 1980s we saw the focus shift to increasing shareholder value. Most recently, undoubtedly technology was the rage. As management focus has gone through these developmental phases, competitive advantage has become increasingly more difficult to achieve. Consumers have become more informed and selective; and globalization has seen a systematic elimination of traditional competition barriers.

In line with these evolving global business realities, the challenge of strategic human

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capital has also become much more complicated. If organizations manage talent well, it would be a powerful strategic lever that is very difficult for competitors to copy. On the other hand, if we do not manage talent well, we create our own competitive threat. Every company needs to come up with the right plan for its own organization. Treating ALL staff as Career Employees ensures that the organizations are giving them opportunities to grow and develop themselves as per their role identity and aspirations. In order to stimulate innovation and 'intrapreneurship', organizations need to involve high potential human capital directly in the (re)design of their own role functions. The objective of this research paper is to highlight the importance of alignment of human capital with their roles in organizations. It is essential to help the human resources to develop professionally continuously, if which it is necessary to support them in various roles as they grow in to their careers.

### **Objective and Methodology**

The purpose of this research paper is to provide assistance to the human capital in the company and the role changers. This writing will provide the guidance to the new human capital hired from the campuses and the managers to deal with the new situation and help them to develop the approach to balance between the personal change and also an innovative change in the role. This effort would help the new hirers to develop a better understanding and proactive approach to settle in the entirely new place and the steps to manage with confusion and stress. The writing has generated ideas to perform the best in highly demanding and challenging environments. In the end of the paper the strategies to cope with the new environment is explained in detail.

### **Definition of Role Transition**

According to Ashforth role transition is defined as ones disengagement from one role [exits] and engagement into a new role [entry]. It can also be defined as the change in employment status and any change in job content which includes forms of inter or intra group mobility. A macro transition is like a promotion at the work place and micro transition would be like drive back to home from office. Role transition is a subjective concept as it varies from person to person. Even the approach towards the role transition varies with different people and at the different situation. Actually a role transition is the process through which an individual learns to take an exit from one role and adapts himself in to a new role. In the office, he either plays the role of the supervisor or some times he himself is supervised. So, human beings are never static with their roles and they are always in the process of changing role. The change in the role might be related to the profession, family or friends etc. Thus it is important for us to realize the significance of "human capital and growing intrapreneurs" in any organizations. It is essential for organizations at present to give space to human talent to enforce creativity and innovation at the work place by doing atleast one project of their choice where they grow as per their career aspirations. Very importantly it is noteworthy to acknowledge the identity factor while changing roles. Role identity and identification with organization leads to higher performance and better engagement at work.

### **Literature Review**

The papers reviewed would help the readers to have a better understanding of the techniques to accommodate themselves at the new work. The theories discussed in the

literature review also explain the stages in transformation and describes about the salient feature at every stage. It also enlists the various types of mindsets with which an employee makes a shift towards the new role. In this paper the perception of the individual at the time of transition is discussed as the perception changes over the period of time.

### **Work role Transition**

The theory on work role transition gives emphasis on the changed behavior of the person due to role transition. Individual is the central focus of the theory and it gives focus on the transition of individual's personality and behavior because of the change in role. The occupant's behavior also under go change to adjust well in the socialization processes, system requirement and finally the role requirement. According to Nigel Nicholson, [1984] the role transition has four determinants or the modes of adjustment in work role transition theory:

**1. Replication:** This is the most steady state of role transition. In this role the person tries to adjust himself in the new setting and follows the same customs or the style of working as used by the person previously.

**2. Absorption:** It shows the complete adjustment on the new person's side and the role to which he is moving to is entirely a different set up and he has to accommodate himself completely to the new situation. He is expected to absorb the new role from top to bottom.

**3. Determination:** In this type of transition the role is transformed and altered. The person himself determines the content and functions of the role and reframes them to adapt in the new role.

**4. Exploration:** In this type of setup the person and role are expected to change from both sides and expected to adjust by developing himself by getting in to the job quickly and successfully. Like a manager is hired, he is expected to adjust in the new place and use his previous experience to perform better in this new work place and situation.

According to Nigel Nicholson the person undergoing the role transition has to do the personal development to absorb the new demands and also redesign the situational demands. Two major questions which are generally asked at the time of role transition are:

1. How change and stability are inter-related?
2. How does interaction between individual and social system affect each other?

This requires the individual's adjustment in the given environment. The modes of adjustment are Replication, Observation, Determination and Exploration. Change is considered to be function of environmental interaction by Pfeffer and Salancik. Socialization and induction are determinants of the transition or change and adjustment. Novelty and discretion are the modes of exploration which impacts the individual's career in the right direction. Therefore, it is very rightly said that "change and stability are inter related and the interaction between the individual and social system" is indispensable.

The role transition depends on an individual's psychology. The mindset of every individual varies and they have different desires like desire for feed back or desire for control. The preference might be temporary as it is developed only to adjust well in the transition period. Most of the times the change in the choice is also seen because of the

personality type and this temporary change in the personality are considered as the strength for adapting in the new work environment. Earlier we were discussing the picture of the individual keeping the factor of adjustment from one's own side in mind. Let's now discuss the pre-transitional state of the individual in the process of transition. The model of self would explain the state of one's mind and expectation at the time of role transition.

### **The Model of Self**

The model of self: held work role and role transition by Matthew Neale and Mark A. Griffin [2006] has 3 components. Research suggests that employees differ from one other in their construction of role [Wrzesniewski & Dutton, 2001]. The perception of role for self is different with all the occupant in the new role. The model on self is based on:

1. **System requirements:** Under this component the employing organization make a demand for the role from the newly employed person.
2. **Role schemas:** Under this component the newly employed person has a perception about the role to be enacted by him.
3. **Role specific self concept:** Self concept is defined as the cognitive scheme that filter, stores and organizes information about the self [Bargh, 1982; Copier & Rogers, 1979; Markus, 1977].

These components are the most salient ones for role enactment and transition. It also influences the behavior of an individual greatly on the job. Later Matthew Neale and Mark A. Griffin present a two stage transition of a person in a new role.

In the first stage the changes occurs technically, socially and psychologically in

the context where the role is expected to be enacted. Second stage of the role transition involves the individual's response in the altered context arising from the first stage. At this stage the individual would be motivated to adjust in the new position and would work to adapt himself to the new requirements. Every role is unique and new in its self. Role holder's own ideas and beliefs affect the role and behavior at work. All the employees differ in their role and behavior. Every employee role is unique to him only. The role holder is expected to behave differently at different positions.

### **Limitations of Research Paper Reviewed**

The theories discussed above have explained an individual's state and the position during transition in detail. Various types of possibilities and the techniques of adjustment are also discussed widely but an individual is changing his role and even his peers and colleagues are also changed. First of all, the development takes place at his own level. When the individual tries to adjust himself at the new job by learning himself and manipulating his own behavior as per the system requirement. Second level of development takes place at the level of manager and colleagues. Because manager, peers and colleagues would only create a comfortable role environment for a new employee as his team is the world for him initially. And the third and the last level of development takes place at the organizational level where a new employee enters the organization and experiences a general feel about the organization in just few days of his joining only. These factors are completely ignored in the paper reviewed.

### **Issues Involved in Role Transition**

Most of the times the individual who is going for role transition carries his previous

work experiences and expects the new role also to be the same. This may be because of the rigidity in his behavior and attitude. Some of the behavioral issues in context to an individual are enlisted below:

1. Rigidity towards change
2. Confusion and Anxiety in the new role
3. Role Schemes and role expectation
4. Role fixation towards the earlier role

Behaviors explained above are an impractical approach towards the role transition. The transition in role becomes more difficult when the manager, peers and the system are not supportive to the individual going through the role transition. Some of the difficulties are enlisted below:

- ♦ Resistant to change
- ♦ Rigid with self ideas
- ♦ Authoritative in nature
- ♦ Rigid expectation from the new employee
- ♦ Inconsistent feed back with negative tone

Some of the very prominent problems are discussed above but the new role holder face problems from the system's side also. If in case everything is good but the system's policies are not accommodating then nobody can help the new employee to adjust in the organization. Some of them are enlisted below:

- ♦ Tall hierarchy in the organization
- ♦ Non availability of training programs
- ♦ Non existence of proper induction program
- ♦ Extremely centralized organization
- ♦ In consistent process and practices
- ♦ Non availability of behavioral and technical competencies assessments

All the problems occur due to change in a new employee's role. The reason behind all this confusion and rigidity is because the whole world is changing and trying to compete with everyone. Therefore, there are two approaches coined by Professors Michael Beer and Nitin Nohria.

### **Coping strategies**

Approach one is regarding to the theory "E" which deals with economic change happening all throughout the world but the major concern over here is to deal with organizational change. The second approach which deals with Theory "O" describes that only those organizations are successful which are dynamic and have learning culture and highly capable employees. These types of organization discussed in theory "O" generally have the learning environment and welcomes change where ever required. These types of organizations require employee participation, flatter organizational structure without different lunch rooms, parking areas or cubicles, and strong bonding between organization and its intrapreneurs.

Another focus point regarding the same is to keep its employees happy by providing them a comfortable environment to develop and adjust well in the organization to give high performance. This is only possible when the employees are given the chance of ownership in the organization and also they get the good first impression about the organization by giving them an involving and enriching induction experience. Managers and the colleagues are people who can make the transition of the new employee in to a new role very smooth and comfortable. Some of the

suggestions for the good manager are enlisted below:

- a. Creation of mutual trust and understanding
- b. Make the new team member feel the important part of the team
- c. Give feed back regularly
- d. Welcome new ideas
- e. Always be ready for change
- f. Encourage risk taking in non-traditional areas
- g. Give recognition to the employees
- h. Behave like a facilitator and coach
- I. Encourage the group to work in team
- j. Listen to the colleagues and subordinates carefully and patiently
- k. Give autonomy and space with respect to the projects for innovation and creativity
- l. Maintain your identity with healthy relationship with colleagues
- m. Open communication and close relationship
- n. Act like a mentor,
- o. Create the opportunity to express the feeling of dissatisfaction
- p. Set high standards and expect them to achieve
- q. Set expectations right
- r. Familiarize them with the work done by the team
- s. Give a chance to introspect and decide the goals and objectives
- t. Give sufficient time to adjust
- u. Take gradual steps and do not load the role changer with work
- v. Conduct regular feedback for yourself

The leaders should initiate change; the peers and colleagues would definitely follow

him and carry similar trend forward by John Cotter. It is always advised to the leaders to take credibility rather than declaration. It would be very practical for an individual to look for the ownership in the job. Ownership means participation of the employee in the right direction and in the strategic manner. Some of the major beneficial suggestions for intended intrapreneurs are given below:

- ♦ Adopt positive attitude
- ♦ Clarify the role expectation
- ♦ Proactive at initiate upskilling
- ♦ Build effective relationships
- ♦ Understand the present department's culture and role specific
- ♦ Understand the new role and demands of the role
- ♦ Master the task in the role
- ♦ Acquire ability, skill and knowledge
- ♦ Gain the complete knowledge about the organization

Also have a complete understanding about your strengths and start building on them as per the role requirements like team building, good leadership skills, good communicator, good listening skills, and good decision making and advising.

### **Conclusion**

Everyone is required to have a practical approach to adjust in the new environment rather than a paradoxical frame of mind. These steps would guide the employee to achieve the defined target and goals more conveniently and easily. The change in the role is just an instrument which will direct the new employee towards growth and success, if adopted with the right attitude.

If increased uncertainty and change are the key variables that create stress in new jobs,

then increased predictability and control are the key goals of coping strategies. When people feel they have little hope of reducing uncertainty or reasserting control, they are much more likely to develop feelings of helplessness and depression. So, the solution is prediction of outcome or the results still possible but the uncertainty from the nature cannot be removed. It is always suggested to adapt in the uncertain environment which would give us a chance to explore further as the certainty blocks the way towards growth and struggle. The organization can support the employee—the human capital—by giving the appropriate training and support to adjust well in to the new role and groom intrapreneurs. This definitely helps organizations to reduce attrition and increase productivity also.

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### ***Simple solution for a mega problem***

#### **The Empty Soap Box**

One of the most memorable case studies on Japanese management was the case of the empty soap box, which happened in one of Japan's biggest cosmetics companies. The company received a complaint that a consumer had bought a soap box that was empty.

Immediately the authorities isolated the problem to the assembly line, which transported all the packaged boxes of soap to the delivery department. For some reason, one soap box went through the assembly line empty.

Management asked its engineers to solve the problem. Post-haste, the engineers worked hard to devise an X-ray machine with high-resolution monitors manned by two people to watch all the soap boxes that passed through the line to make sure they were not empty.

No doubt, they worked hard and they worked fast but they spent whoopee amount to do so. But when a workman was posed with the same problem, did not get into complications of X-rays, etc but instead came out with another solution.

He bought a strong industrial electric fan and pointed it at the assembly line. He switched the fan on, and as each soap box passed the fan, it simply blew the empty boxes out of the line.

Moral of the story: Always look for simple solutions. Devise the simplest possible solution that solves the problem. So, learn to focus on solutions not on problems.

*An oft spoken Management quote – contributed by Rammohan Gupta*