

## **2014-2015 HCMS Scholarship**

### **Question:**

**How can a HR professional achieve his/her very important role of nurturing human capital of his or her organization to support the dynamic and continuous growth of both the organization and human capital?**

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Gone are the days when employees looked for iron rice bowl and companies demanded loyalty. Such employment framework is outdated and replaced by the changing mindset of both employees and companies. Job hopping is frequent among employees to enrich their work experience in different fields and to move up the salary ladder. Both employers and employees have to acknowledge that the employment term is nowadays shorter, which however does not imply the lack of motivation and commitment. In addition to the traditional training and development workshops, there are two ways for a HR professional to support the dynamic growth of both the organization and its human capital.

### **Establishment of Tours of Duty**

The relationship between employees and an organization has long been put into a monetary frame, in which the company pays the employees who in return put in effort. However in reality, the company expects more than minimum effort, so do talented employees demand more than money. How to motivate both parties to pool in more within a definite term of employment is

the duty of a HR professional and here comes the tour of duty. It is a personalized plan which enlists compelling reasons for employees to finish their tour and builds a clear time frame for how things go once it ends. It is an ongoing compact based on the actual need and progress of the employees, rather than a rigid contract of guaranteed benefits. As the career growth of employees vary from one to another, the best way for implementation of tour of duty is a decentralized HR department so that each functional department has its own personnel to have conversations with the employees. Usually set at 2-4 years, the tour of duty enables the employees to see a project through, their expected benefits and the planned end. If the employee moves the needle on the business, the company in return helps advance his career with breakout opportunities. It is an individualized, time framed guide for both parties.

The career development of Dr. Lee Kai Fu is a vivid example to demonstrate the wonder of tour of duty. In 2005, a high profile legal dispute between Microsoft and Google broke out as the former talented employee of Microsoft, Dr. Lee joined Google. Microsoft sued Google for violation of the non-compete agreement and Google countersued. Without a clear definition of tour of duty, the acrimonious departure of Dr. Lee has cost Microsoft a large sum of legal fee and brought annoying problems to Dr. Lee. It was a bitter end.

On the contrary, Google has successfully built rapport with Dr. Lee in his four-year term in the organization. With a clear goal of building Google China and expanding its market share, Dr. Lee built a 700-person organization with dramatic advancement in the search quality, partnership and product offering. As of 2009, Google has benefited a doubled market share in China from 16.1% to 31.0% while Dr. Lee, with the help of Google, has become a popular entrepreneurial figure among 500,000 students whom he offered hundreds of lectures. This turned out to be a very useful recruitment network as he started out his own business in China. In his interview with VentureBeat, he described his departure from Google as a sign of successful accomplishment of duty and the perfect time to start on something new.

To achieve a win-win situation for both the firm and the employees, organizations have to think outside the contractual employment terms and understand the true need of every individual. Tour of duty is the foundation of popular HR concepts such as talent management and reverse mentoring. It is said that stretch assignment and job rotation, for examples, are two ways to

motivate and retain star employees. While it is probably a single-sided perspective of the organization, moving on to another firm may be the true wish of the employee. By constructing a beneficial tour of duty, the organization has to understand and realize, instead of maximizing the benefit itself, the importance of reaching an optimal solution for both organization and employees.

Matt Cohler, the former LinkedIn employee, first started a two-year tour of duty in LinkedIn. When it came to the end, Reid Hoffman, the founder of LinkedIn, helped figure out how Matt could move on and later Reid advised him to take the opportunity to join Facebook as one of the first five employees to enrich his start-up experience despite the fact that Matt is a valuable asset to the company. Tour of Duty embodies the realistic term of trust as a caring organization would help the growth of its human capital by offering breakout opportunity.

### **Human Capital Beyond Company's Boundaries**

Human capital of an organization has always been regarded as the employees who contribute their time, effort and talent to the company. Therefore, to increase their efficiency, there are different programmes of training and development because they are the asset of the organization worthy of development. This narrow focus of human capital, can be broadened by not only consisting of the present employees, but also stretching backward to the job applicants and forward to soon-retired veterans.

Jan Koum and Brian Acton are founders of WhatsApp, the smartphone messenger of 0.8 billion users around the world. Once in an interview with the Forbes magazine, they mocked themselves as part of the Facebook Reject Club - in 2009, they applied for the job and failed due to intense competition. Several years later, Facebook acquired WhatsApp with \$19 Billion in 2012 as Mark Zuckerberg, the founder of Facebook, first reached out to Jan Koum to talk about the possible acquisition. Here we couldn't help but ask, if Koum and Acton had been employed by Facebook at the beginning, wouldn't Facebook have saved the staggering sum of \$19 billion acquisition fee? What serves as a consolation prize is probably the long standing friendship between Zuckerberg and Koum. The messaging giant WhatsApp is acquired by Facebook, but not by Microsoft or Google which would rather pose an even larger threat to Facebook.

A successful firm like Facebook for certain attracts a large pool of talented applicants and some of them, despite with high potential, are unfortunately screened away in reality. Drawing on the expensive lesson from Facebook, it seems worthy of establishing or maintaining connection with these job applicants despite denying their application. In reality, an organization rarely pays substantial effort to maintain these connections, especially for those who are not as competent as the organization demands. However, the opportunity cost could be huge as we could not deny the potential business opportunities the rejected pool will offer for the organization in future, especially in the dynamic technological industry.

As seen in Zuckerberg who casually invited Koum for a coffee chat, maintaining connection does not always have to be formal. That's how the employee screening and LinkedIn kick in. I suggest that during a job interview, the job applicants can be classified into two types. In addition to a few who are desirable candidates and ready to go, some are rising contenders who could be put on an observation list. HR professionals could maintain connection with their LinkedIn account and keep updating their latest news. It is to internalize the job of headhunting by maintaining a network of potential future prospects who are likely to come up with brilliant ideas and potential cooperation is possible.

The above idea of network development applies not only on job applicants but also on existing employees as the growth of an organization is facilitated with the strength of employees' network. That's why there are companies setting up networking fund and employees can use the fund for business and networking lunch so far as they report on what they have learned and gained. The same goes for those who leave the organization. For example, it is a pity that the companies let go of experienced retired employees and their network. With a goal to build lifelong affiliation, an active alumni network is a good way to keep in touch, to rehire former employees, and to have external engagement to share information on competitive business practices.

## **Conclusion**

To establish a virtuous cycle of the growth of organization and human capital, a HR professional has to confront the reality and lays out a tour of duty with clear goal, expected benefits and most importantly, a time frame. Moreover, more attention is needed for human capital over company's boundaries as

opportunities brought forward by network development are beneficial to both companies and the human capital.

## References

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