

HR facilitating approach through strategic knowledge perspective - A case study approach

Ranjan Kumar Mohapatra *

Sanjeev Bansal [†]

Amity Business School

Amity University

Noida

Uttar Pradesh

India

Elena Korchagina [§]

Graduate School of Service and Trade

Peter the Great Saint Petersburg Polytechnic University

St. Petersburg

Russia

Abstract

Strategic HR practices are known to impact an organisation's capability to manage knowledge. These linkages have been postulated theoretically but there is a dearth of empirical evidence for such impacts. This paper, through an intervention undertaken at a large organisation, illustrates this linkage. We show how a new HR practice can be a tool for effectively managing knowledge. The paper extends the knowledge management literature by including the effectiveness of HR practices and setting up new ways of innovative knowledge management, which can be useful for scholars as well as practitioners.

Subject Classification: D15, D83.

Keywords: Knowledge management, Strategic HR, HR practices, Empathy, Innovation.

*E-mail: ranjan.mohapatra@s.amity.edu (Corresponding Author)

[†]E-mail: sbansal1@amity.edu

[§]E-mail: Elena.korchagina@gmail.ru

Background

Organisations are viewed as repositories of knowledge and competencies according to the knowledge-based view (Grant, 1996; Spender, 1996). The knowledge of human resources is recognised as an asset for organisations because knowledge is both specific and contextual (Collins and Clark, 2003). This knowledge, skills and attitudes of individuals is influenced by the Human resource practices (Collins and Clark, 2003). Scholars have established a link between HR practices and firm's innovation capabilities from the knowledge-based view (Chen and Huan, 2007). A study of a novel HR practice in a large organisation bears testimony to this link postulated by Chen and Huan (2007). This paper attempts to study one such practice in a very large Organisation in the context of the link between innovative practices and management of Knowledge.

Rationale behind the case Discussion

The case based on facts and practices is an attempt to understand how strategic aspects of an organization results in multi-faceted culture building of an organization. The case based on the existing practices and innovative practices adapted helps in identifying the relevant distinctive change outcomes.

Review of Literature

Strategic HRM is known for the connecting link between the organization process, strategy, and function. It serves as a connection between practices and other areas of improvement. There are different approaches which guide, shape and have directed the HR function when talked about strategic perspective that includes – Contingency perspectives and fit, shifting focus from managing people to creating contribution to measuring the outcome and identifying system components and execution. Castro, M.V.d.M. (2020)

Strategic HRM is found to affect employee voice and innovation behaviour with mediating effects of psychological mechanism as well. Since innovation is one of the primary goals of every organization it is important that right engagement of employee's voice as a part of employee engagement supported by incentive, feedback and supportive program is important. This will help in improving self-efficacy, psychological contract and innovation behaviour of employees. Li Y, Zhang L and Yan X (2022)

Strategic aspect of HRM is important as it helps workforce to remain resilient as well and exist in VUCA environment, which supports self-efficacy and self-management thus making the organization resilient as well. Yu J, Yuan, 2022

Strategic HR approach helps in building a culture of empowerment across the organization and helps to take participative management approach with right delegation of authority, performance-based rewards and thus leading to development of educated workforce through right implementation of planning, training, and performance assessment.

There can be several factors that affect this empowerment that includes intrinsic motivation, understanding, committed structure, right systems, right delegation of authority. This helps in improving productivity, outcome and overall competence and capability of organization. (Asgarsani,H, Duostdar O,Rostami,A 2013

The success of any organization is dependent on how they empower their employees along with keeping their job satisfaction and performance. It is also important to see that all initiatives taken should contribute towards societal, community and organizational perspective. Risitany C,et.al 2020,

Strategic sustainable advantage is one objective which every organization looks for in today's world to produce competitive advantage and for this defining and knowing the success factors with the right dynamics of essential leadership is a must. This is important as employees have emotional dividends and need to take care of this at workplace and thus optimally utilize human resource outcome. Thus, it is important that continuously creating value for various stakeholders is important in the organization. (Okolie,U,2021)

Strategic HRM is also found to affect the creativity of employees at workplace and drives them to strengthen knowledge acquisition, sharing and application in similar ways, the style of leadership is also found to affect the creativity and HRM practices largely, this helps also in strengthening the employee potential and vision towards organization,Saleem,S,2017

To improve the strategic role of leadership the role of HRIS also is important, tacit knowledge is important to take correct leadership decisions and decide the sensitive and successful ways of organization outcome and describe holistically the phenomenon of pragmatic leadership with useful outcomes. This results into effective team performance, make employees work effectively, create wholeness at workplace, knowledge creation Methuku,H et.al 2013

Research studies have indicated that there is an interrelationship between firms' performance and strategic leadership in form of strategic HRM, transformational leadership is found to facilitate and support this outcome, thus an alignment between the strategic HR and business policies helps in integrating leadership outcome and helps in keeping manpower prepared proactively for future actions. Alari.N 2013

Strategic leadership affects all areas of industry whether manufacturing or service industry as in today's context it is not only the experience or the present distinctiveness but also a combined and collaborative approach towards inclusive development that decides the future of organization. Business environment needs to keep in pace with organizational changes consistently to ensure a smooth and quick adaptation to right outcome respectively. This affects empowerment and jobs satisfaction of employees largely. Ebrahimpour A et.al(2015)

Objectives of Case Study

The case focuses on two important aspects:

1. To understand the leadership initiative context of organization through current practices
2. To understand the change and its impact on overall organization effectiveness.

Research Methodology

It is a case study approach based on descriptive analysis of the selected organization. Secondary literature from annual reports, interviews and observations of the policy and changes brought.

Case Methodology

The study uses a case study approach to understand the relevance and appropriateness of leadership that affects organization working and level of initiative taking ability to understand how creativity and innovation can be nurtured to build a fostering work environment.

Analysis and Observations

Based on first objective that aimed at understanding the leadership initiative in context to current practices was understood with the details of organization

About the Organisation

Indian Oil Corporation Limited (IOCL) is a leading public sector oil and gas major of India with a workforce of over 33000 spreads across different parts of India. With a turnover of USD 86.68 billion and a net profit of USD 6.1 billion in 2020-21, Indian Oil is one of India's most valuable companies. In order to address the business and service requirements, the workforce of IndianOil is posted across the country.

IOCL is headed by a Chairman, who manages the affairs of the organisation and heads the Board of Directors. The Board comprises full-time Directors, Government nominees and Independent Directors – all of whom are appointed by the Government of India. There are seven full-time Board members – Marketing, Refineries, Pipelines, Research and Development, Petrochemicals and Business Development, Human Resources and Finance.

In IOCL, though the Human Resources of the Organisation is headed by Director (HR), the Human Resources function is organised in such a way that each Division had an HR vertical (**Exhibit 1**). HR policies are framed at the Corporate Office and implemented across all Divisions and functions as per policy decisions conveyed from the office of Director (Human Resources). The execution is undertaken by the Divisions. The HR officers are posted in Head Office of each Division as well as in each State Office (Administrative offices of Marketing Division), each Unit (Refinery locations) and each Regional Office (Administrative offices of Pipelines and Marketing Divisions).

The multi-division, multi-level, multi-functional expanse led to diversity and complexity in services rendered by HR. This was largely happening due to different operating practices and different level of knowledge amongst the HR team of various divisions. Even though the policies were framed centrally, the gaps in interpretation led to differential competencies and knowledge.

It was leading to a stable HR environment with a very limited change in policies and practices over the years. As a result, the enthusiasm of many youngsters was going down and the innovation aptitude was on the decline. With dynamic business environment and uncertainties in the energy sector, in which IOCL was the lead player, it was a problem that needed immediate solution. The then Director (Human Resources) was contemplating how he could manage the knowledge of his people effectively to trigger a revolution of positive change in the organisation and lead to improved innovation appetite.

Need of a change in the structure:

Strategic HR practices are known to positively impact innovation performance. According to Chen and Huan (2007), “managers need to actively manage their firm’s human capital through variety of strategic HR practices to stimulate its capability in managing knowledge acquisition, sharing, and application.”

IOCL management was convinced that they must bring out strategic HR practices to promote a better level of knowledge which in turn can lead to favourable innovation outcomes. Director (HR) was keen to give a new shape to HR and in fact, his inaugural message stated, *“Let us create happy teams of internal customers across the organisation based on empathy and emotional ownership of this great organisation.”*

An idea was conceived in the name of HR Facilitator.

Objective -2

The second objective of the case study aimed at understanding the changes brought and its impact on organization effectiveness.

Thus, based on above changes the following new structure was incorporated which brought a transformational change in the working and effectiveness of organization.

Human Resource Facilitators – New fulcrum of knowledge

Soon, it was announced that in Corporate Office as well as every Head Office and State Office/Unit/Region, at least one HR officer shall be assigned as Human Resource Facilitator (HRF). The primary role of an HRF shall be to serve as a single window HR solution provider for employees.

HRFs shall be HR Officers who shall handle the primary communication and work as a single window HR solution provider for employees posted under the jurisdiction of their respective Offices. HRFs shall provide transactional support to employees in dealing with concerned HR functionaries to facilitate processing of required actions. HRFs shall also provide overall guidance to the concerned employees in accordance with the HR policies of the Corporation. Employees could raise their concerns and / or specific issues to HRFs, who shall try to resolve the issues.

However, for issues that they cannot resolve, they will raise the queries to next level as per a defined escalation matrix. Irrespective of

where the query is escalated, the HRF shall continue to remain the single window contact point for sending a solution / response to the employees who raise a query.

The names, email IDs and cell numbers of each HRF was conveyed to everyone through an email broadcast message. This was the most unique and the most impactful feature of the scheme; and indeed, a courageous example of giving wings to the spirit of the scheme. Empathy cannot come without listening.

Hence, while a specific intranet portal was created to enable the employees to place their issues, it was also ensured that the cell number of each HRF was made available on the portal so that employees would get the comfort of knowing that their HRFs were just a call away! The HRFs were asked to log in all the issues received – whether through phone or in person or through emails – in the portal created for the purpose. The portal would also help in effective tracking and monitoring of the issues raised through HRF system.

The HRFs had immense responsibility on their shoulders – they were to act as a bridge between employees and the HR Department. A well-articulated preparation and launch strategy yielded results. The knowledge and empathy based single window solution provision scheme gained momentum within a few weeks of its launch and generated many happy internal customers.

Differences in the present and earlier change initiatives

IOCL had tried several measures for internal customer satisfaction but none of these were uniformly implemented across all Divisions. In fact, in some Divisions, there was no such organised system available. And in the Divisions where it existed, the variants were either in a dormant state or had a very narrow scope. The primary reason was that the basic issue had not been addressed - there was never a central repository of knowledge for all employees engaged in such systems.

It was for the first time that the internal customer satisfaction methodology was conceived with empathy and knowledge management as the cornerstone. Deployment of technology ensured that employees had an opportunity to log into the portal. However, the human touch was maintained in the era of advancing technology so that people should not feel the absence of a human being in HR spectrum.

The system was not left to a solely automated chatbot or an interactive voice response system. Human sentiment was the backbone. Likewise, the

HRFs had access of all HR policies and guidelines centrally and they could address the issues irrespective of the administrative Divisions.

Change interventions - The innovation.

It was time for some soul-searching within HR of IOCL. It was a time when the industry was witnessing a rapid digital transformation. In the emerging environment, everything was moving towards automation, machine learning and artificial intelligence. However, the Director (HR), in his frequent talks with the line managers – seniors and juniors alike - was soon to realise that human pains were better addressed through human touch. Sticking to this premise, the HR team had crafted the HR facilitator concept with many novelties.

While the philosophy behind the concept was empathy, the design principles embedded elements of effective knowledge management. The tagline was *“Let HR lend an ear to the employees”*.

The foremost novelty, therefore, was that the human touch was retained and the phone number of every HRF was communicated and broadcast across IOCL. Employees were encouraged to choose from the platter of contact options to reach their HRFs - phone, email, HRF portal or in-person.

Second, the scheme was designed for uniform implementation cutting across Divisions. Hence, the launch of HR Facilitators was announced in a big way on a single day simultaneously after identification of 41 HRFs across various offices in IOCL. It was launched by the highest HR official – Director (HR) of IOCL.

Third, a lot of emphasis was laid on the identification of officers as HRFs because they were the buds through which the flowers of happiness would bloom. A meticulous process was adopted with suitable inputs from the Human Resource Development (HRD) section for identification of people-friendly officers as HRFs.

Fourth, since the approach involved a change in the existing operational practices, the HR Heads of Divisions were taken on board and like a cinema release, they were the selected few who had a preview of the forthcoming scheme and aired their views for its effective implementation.

Fifth, the officers identified as HRFs were exposed to a sensitisation workshop before the launch of the HRF scheme to bring their understanding at par with the thoughts of management. Capability building sessions for HRFs were undertaken for the HRFs and they were empowered with the requisite knowledge on all HR processes and requisite policy inputs.

It was a cultural change for many people because they were expected to go beyond the call of duty and address issues even not at all related to their sphere of work. It was a role where their tacit knowledge was to play a key role.

Sixth, a well-defined escalation matrix was put in place. The workflow was so defined that the HRF felt adequately empowered to approach any official in the HR hierarchy (Refer **Exhibit 2**).

Seventh, the scheme would not have gained popularity had it not been branded well within the organisation. The role of Corporate Communication Department was very critical. They ensured that the spirit of the scheme was conveyed well to everyone in the organisation through regular fliers, email messages and promotional literature.

Employees soon began to use this platform because there had been a vast promotion of the concept and that they wanted to have an experience of how it worked (Figure 1 and 2).

Conceptual understanding based on observations-

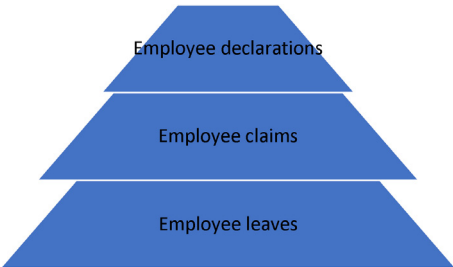


Figure 1
Major areas of Changes

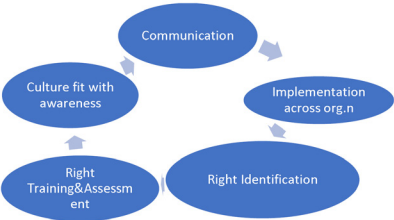


Figure 2
Major elements of Changes

Findings of the Case

1. The initiative of HR facilitators enhanced and promoted the role of effective communication and togetherness. This acted as a personalized role of HRM.
2. The initiative enhanced and strengthened the strategic role of HR at an organizational level thus ensuring an emerging role of HR.
3. The initiative was well planned with training and sensitization of employees who took the role of HRF thus helping a specific and strategic role in ensuring further development.
4. The culture of organization became more enriched and collaborative with the initiative.
5. The branding and awareness about the initiative needed to be more pushed and spread to see how maximum workforce can benefit from same.

Observations based on change interventions.

1. HR facilitators have now been able to make their presence felt. HRFs welcomed this opportunity and responsibility because it was and continues to be a unique learning journey for them.
2. They not only gained a lot of knowledge while answering people's queries but also expanded their internal network. This role gave them an opportunity to serve their colleagues and get a feeling of seeing someone smile as a consequence of their actions.
3. The other gains out of it were the rising knowledge level of the HR officers, increased solidarity amongst HR folks and trust building between HR and non-HR functions. As an HRF, a person needed to interact with officials in different sections and at different levels of seniority. However, the moment the HRF would go to others or talk to them as an HRF, they looked upon him/her with respect and more so, they handled the issue under consideration with utmost priority and piety.
4. HRFs had their combined group where they would discuss specific problems and the experiences of other HRFs would add to the collective knowledge of the group.

5. HRFs could settle long pending issues of employees or are able to provide immediate guidance on their queries, they went back with a sense of happiness and trust towards HR.
6. The latent advantage was this brought more efficiency to the organisation because the employees could spend more time on their business rather than following up for their issues with a service function.
7. The issues that surfaced through this system fell in three categories
- *Claims, Leaves and Employee Declarations.*

Discussion and Implications

Based on the case study it was observed that **in** the first year, over 2000 queries had been raised in the HRF portal. However, this number would be much smaller in comparison with the total number of queries encountered by HRFs because many queries were raised out of the portal - through phone or email or in-person meeting. While the wearies can be counted, the knowledge that the HRFs gained cannot be counted.

The opinion of HR facilitators was divided on the new concept. For a few, this came as an additional responsibility which needed extra effort whereas for some others, it was just an extension of their routine assignments. One HRF also expressed discomfort at getting unsolicited calls because his cell-number had been broadcast. Apparently, there were a few unwilling facilitators.

For many others, HRF concept was good because they got appropriately trained to handle conflicting situations and thus, besides the initial inputs on various policies they were continuously getting upskilled and reskilled. Thus, they became the fulcrum of knowledge in the organisation.

However, despite the initial hiccups, there was no instance where the HRF had expressed reluctance in addressing the concerns of employees. This was a manifestation of the core values of the organisation, which were – Care, Innovation, Passion and Trust. These values were intricately woven in each aspect of the HR facilitator scheme. It was time for extending this methodology to all service functions in the organisation.

Pondering points for Case Discussion-

The case brings a necessary and a common issue based on operational, leadership and innovative attitude.

Certain questions that will raise further discussion -

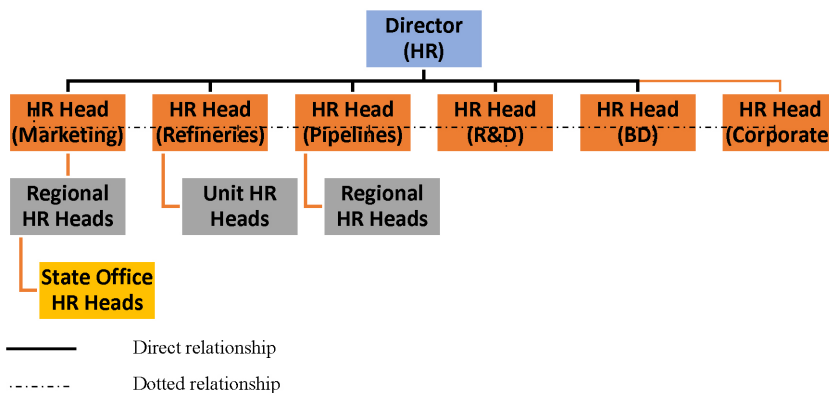
Q.1. What would be an appropriate measure of assessing employee satisfaction on this scheme?

Q.2 Was this empathy-driven scheme not being empathetic towards HRFs, some of whom had raised concerns? Could we have only volunteers as HRFs?

Implications

The loopholes had to be plugged before the scheme was extended to other service functions. Nevertheless, this case has shown how the relationships among strategic HR practices and knowledge management can be empirically examined. In the past, few studies have empirically examined this relationship (Jiménez Jiménez and Sanz-Valle, 2005). With the illustration from a large organisation, we notice that a new HR practice can be a tool for effectively managing knowledge. The findings of this paper fill the gap in the literature with respect to the lack of empirically examining the relationship between knowledge management and strategic HR practices. This is inline with the past literature that if certain enablers (such as organizational factors to overcome human barriers to knowledge) are properly set up, the Knowledge management capacity of the firm can be more successfully exploited (Donate & Guadamillas, 2011).

EXHIBIT 1



[illegible]

- [1] Asgarsani,H, Duostdar O,Rostami, A Empowerment and its impact on organization productivity, *Singaporean Journal of Business Economics and Management Studies*, vol1, issue 9, pp25-32 (2013).
- [2] Chen, C. J., & Huang, J. W. Strategic human resource practices and innovation performance—The mediating role of knowledge management capacity. *Journal of Business Research*, 62(1), 104-114 (2009).
- [3] Collins CJ, Clark KD. Strategic human resource practices, top management team social networks, and firm performance: the role of human resource in creating organizational competitive advantage. *Acad Manage J*. 46(6): 740–51 (2003).
- [4] Castro, M.V.d.M., de Araújo, M.L., Ribeiro, A.M., Demo, G. and Meneses, P.P.M. Implementation of strategic human resource management practices: a review of the national scientific production and new research paths, *Revista de Gestão*, Vol. 27 No. 3, pp. 229-246 (2020). <https://doi.org/10.1108/REGE-10-2018-0102>.
- [5] Donate, M. J., & Guadamillas, F. Organizational factors to support knowledge management and innovation. *Journal of Knowledge Management* (2011).
- [6] Ebrahimpour Azbari, Mostafa and Akbari, Mohsen and Hooshmand Chaijani, Milad, The Effect of Strategic Leadership and Empower-

- ment on Job Satisfaction of the Employees of University of Guilan (2015). *International Journal of Organizational Leadership* 4, 453-464 (2015), Available at SSRN: <https://ssrn.com/abstract=3330502>.
- [7] Grant RM. Toward a knowledge-based theory of the firm. *Strateg Manage J*, 17:109–22 (1996).
- [8] Jiménez-Jiménez D, Sanz-Valle R. Innovation and human resource management fit: an empirical study. *Int J Manpow*, 26(4):364–81 (2005).
- [9] Li Y, Zhang L and Yan X. How Does Strategic Human Resource Management Impact on Employee Voice Behavior and Innovation Behavior With Mediating Effect of Psychological Mechanism. *Front. Psychol.* 13:920774 (2022). doi: 10.3389/fpsyg.2022.920774.
- [10] Methuku, H, Ramadan, H, *American Journal of Industrial and Business Management* Vol.3 No.5 (2013), Article ID: 36065, 10 pages DOI:10.4236/ajibm.2013.35057).
- [11] Okolie, U, Omole, O, Yakubu A, Leadership and effective HRM in organization, *RUDN Journal of Public administration* (2021), DOI: 10.22363/2312831320218327729.
- [12] Risitanty C, et. al., The Influence of Leadership on Human Resource Empowerment and Job Satisfaction in Improving Employee Performance, *European Journal of Molecular & Clinical Medicine* ISSN 2515-8260 Volume 07, Issue 01, 3844-3852 (2020).
- [13] Sadhana Tiwari, Priyanka Agarwal & Rupali Singh. The impact of digital transformation on workforce engagement in Indian banking sector, *Journal of Information and Optimization Sciences*, 44:1, 171-178 (2023), DOI: 10.47974/JIOS-1305.
- [14] Spender JC. Making knowledge the basis of a dynamic theory of the firm. *Strateg Manage J*. 17(10) : 45–62 (1996).
- [15] Yu J, Yuan L, Han G, Li H, Li P. A Study of the Impact of Strategic Human Resource Management on Organizational Resilience. *Behav Sci (Basel)*. 12(12) : 508 (2022 Dec 13). doi: 10.3390/bs12120508. PMID: 36546991; PMCID: PMC9774348.