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BUILDING CUSTOMER-CENTRIC ORGANIZATIONS- AN EVOLVING ROLE OF HR

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ABSTRACT

An organization sustains its strength from its customer centricity. Only 14% of the Marketers say that customer centricity is a hallmark of their companies, and only 11 percent believe their customers would agree with that characterization (CMO Council Research center Report, 2014). The customer database is huge and vast and companies don't have sufficient expertise to categorize the emotional requirements of customers and develop customer empathy in organizational culture. The big data analysis in HR is still in nascent stage. Empathy with customers is possible if the employees are engaged in customer-centric activities. The role of HR in employee recruitment, training, job design, placement, and engagement play a significant role in building such teams. Hiring customer friendly employees, facilitating direct interaction with customers, developing employee culture in synchronization with customer culture, tying employees to cluster of customers, opening customer insights to employees, instill customer empathy in the organization and the like are few measures the HR Manager can think of to build agile teams capable enough to navigate with the mindset of customers.

The authors of this paper are interested in analyzing the evolving trends of HR in meeting customer needs and the focus is on exploratory research. The literature survey is from the research papers from popular journals and the databases from Ebsco, Proquest, J gate and the like.

The research may be useful for organizations which are driven by customer needs and requirements.

KEYWORDS: Customer-Centric; Employee Engagement, Evolving HR, Employee Culture; Customer Empathy

INTRODUCTION

Central Theme

The reason for the existence of an organization is a customer. The different departments, the horizontal and vertical structures of an organization exist as long as the customer exists. Marketing and Sales is no more the exclusive domain of marketing teams. HR department's primary role may be talent management but the ultimate objective remains to stay in the market and ensure the successful navigation of the organization in the rigid competitive market. The skills that are required to gauge consumer behavior are as important as the skills required to perform the job. There is no dearth of data relating to consumer behavior. The marketing teams are saddled with data domains and they need the expert staff capable enough to explore deep into the depths of data and decipher the data for a decisive advantage in the market. The role of HR is to search for the talent required by the marketing teams, align the culture of the teams with the culture of the customers and institutionalize customer centricity in the organizational domain.

Broad Dimensions

Once the HR embraces the culture of customer centricity, its objectives are clearly defined. Everything under the domain of HR namely recruitment, training, placement, postings, promotions, compensations, and the like revolve around the customer, his needs, his problems, and the innovative solutions. It is a game changer in the sense that every employee is sought to be projected as brand ambassador for the company, its mission, and vision statements. What can HR do to institutionalize customer culture? Here are the ways to do that.

Develop Teams that Empathy the Customers

Kinetic Honda was a company which was a joint venture of Kinetic Honda Engineering Limited of India and Honda Motor Company of Japan. During the 1980s it was manufacturing two-stroke scooters which were initially a big hit in the market. One big complaint from the customers was that the body of the engine used to hit the ground whenever the scooter passes over a bump on the roads. Kinetic Honda was releasing sleek new models but did not bother to empathize the problems of the customers. The company had to vanish in no time when Honda Activa started introducing its scooters into the market. When empathy is neglected in the organization, the company suffers ignominious exit from the market. The role of enlightened HR in a company is to hire employees who have customer empathy in their genes. Once employees are hired and placed, a sufficient time is allowed for the employees to see the customer viewpoints, criticism, comments etc in the social media. The needs of the customers are to be identified before giving a signal for new initiatives and ventures.

Encourage 'A Day with the Customers

The role of the HR is to ensure that the employees stay with the customer groups for a day or two, engage with them in public and private functions, dinner parties and the like to closely watch the usage of its products by the customers and allow them to record their experiences. LIC of India, the public sector giant in India consciously allows selected employees to go to rural India with publicity vans. The employees play puppet shows, dramas, mimicry with the help of expert artists and ultimately the message of insurance is spread to the mass of the people. Employees stay overnight in the houses of the customers, village heads and village pramukhs. The employees feel the pulse of the people, understand their emotional needs and try to design solutions with the help of marketing teams.

Aligning Employee Attitude with the Needs of Customers

While hiring employees care is to be taken to recruit on the basis of customer orientation of the incumbent employee. Gamification is the popular technique employed by elite HR teams to navigate the aspirant job seeker to play the games on their own, understand company culture and decide his or her fitness to the organizational culture. The HR Manager, in turns, understands the employability of the prospect. The Generation Z people 'process information at faster speeds, but their attention spans are shorter and their brains have evolved to process more information at faster speeds, and are cognitively more nimble to handle bigger mental challenges" (Julian Smith, 2014). They cannot be assessed on the basis of traditional written tests, oral interviews etc. Price water house Coopers (PWC) is known for its recruitment game named Multipoly which allows both the HR Manager and the prospective employee to know the culture of each other.

Job Rotations

Internal mobility- intradepartmental and interdepartmental transfers and job rotations are the ploy used by the major public sector and government organizations in India for ensuring the employees to understand their clientele. The HR in LIC of India interchanges the officers in Operations, Marketing, Accounts, Housing, Finance, and Legal departments among the

departments. This is to ensure that the officers in each department should know the customers of all departments and this ensures mutual empathy among officers themselves and for smooth flow of office business.

Blurring the Difference between the Functions of the Back Office and Front Office

The back office is not necessarily to attend the customer complaints forwarded by the front office desk. The elite HR teams are blurring the line of difference consciously to focus customer friendliness. The Bajaj Allianz Life Insurance Company, a joint venture Bajaj Finance (India) and Allianz of Germany consciously ensure the operations team in the back office visit at least three customers a day for collecting the renewal premiums. By virtue of their contacts with the customers, the employees of the back office understand and appreciate the nuances of customer contacts and front office limitations. At the end of the day, the employees are encouraged to report 'customer experience' delivery. Airbnb considers hosts, the people who rent out their homes, to be customers, so it facilitates employee-host interactions by requiring employees to stay in Airbnb rentals whenever they travel for business (Denise Lee Yohn, 2014)

Encourage and Institutionalize Customer Advisory Board Meetings

'Meet the Customer', 'Customer Advisory Boards', 'Customer Contact Programs' and the like are as much driven by HR as any other Marketing department. The members of these committees normally constitute of customer representative groups, NGOs, opinion makers, Marketing Heads, and HR Chiefs. In some organizations like BSNL, Canara Bank etc, these initiatives are driven by the HR teams. The purpose is to sensitize the HR teams in understanding customer grievances.

The HR practices of elite organizations have not restricted to the above practices. A blend of many practices is on vogue. The basic idea is HR should drive the employees to the customers, HR should sensitize its employees to customer needs and HR should stand as a fulcrum around which the other departments rotate.

Benefits

If employees across the organization feel sensitized by the customer needs, what would be the benefits? "Like a lot of other companies, we started with the belief that if people felt great about working with us, our clients would too. That wasn't a new thought, but it's certainly one we took very seriously, going back about four or five years. We've since seen it borne out. We've found that employee engagement explains two-thirds of our client experience scores. And if we're able to increase client satisfaction by five points on an account, we see an extra 20% in revenue, on average. So clearly there's an impact. That's the business case for the change"(Lisa Burrell, 2018). The drive and the push by HR department towards customer centricity result in recruitment of customer-focused staff across all the departments. Each one in the organization is aware of the vision and the mission for which the organization propels its activities.

CHALLENGES

The HR drive towards customer centricity is not as easy as it is said. The lurking challenges always limit the organization to make HR assuming marketing roles.

- HR is a staff agency and if it takes up the activities of a line agency, there are always protests and that may mean undermining the significance and primacy of Line agencies.

- HR teams may not have the expertise to gauge the pulse of the customers in the way the marketing teams can do. Marketing teams meet the customers by intrinsic nature of work and also by compulsions of reaching the assigned targets. An HR driven customer centricity may not have the same drive and zeal and may result in perfunctory activity.

- Training HR teams in the areas of product, placement, advertisement, etc is a tedious and herculean task and also expensive.

- When the demarcation between line and staff are blurred, the nature of organizational functioning, and the management philosophies like 'unity of command', 'theories of Scientific Management', 'Specialization' and 'Division of Labor' etc. get a back seat and there may arise a need for recasting the organizational behavior from other perspectives.

- It may be viewed as HR intrusion into the activities of others.

SUMMARY

Like any other wing of an organization, HR has also been increasingly becoming innovative. Many elite organizations have HR teams driving customer centricity across the board. HR has been embracing the concepts of building teams that are empathetic to customers. A conscious theme of synchronizing employee culture with that of customer culture and attempts to institutionalize customer culture by the HR have been paying rich dividends to the organizations. But there are lurking challenges which need to be addressed for the smooth functioning of the organizations.

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