

Wednesday, June 27, 2012 | [Home](#) > [Articles](#)

**LEADERSHIP » LEADERSHIP AND MANAGEMENT »**

## CEO - Next Destination of the HR Professional



Introducing a column which shares the rare story of an HR professional becoming a CEO. As CEO, Dr. Anil K. Khandelwal, was able to achieve dramatic business outcomes because of his extensive HR experience. In his subsequent columns, he will share his journey from being an HR professional to becoming the CEO of Bank of Baroda

The HR explosion all around is evident, given the number of conferences, seminars, books and papers that have been published and presented on

the topic, but most often than not the topics and the narrations come to us as rhetorical sermons. In the emerging business environment, the core of the HR function cannot be restricted to employees alone. It has to also include customers – the very reason for business, culture, processes, governance, technology, issues of quality, etc. Together these can be clubbed as 'Intangibles'. Numerous research studies world over suggest that intangibles contribute 40 percent of the market value of the company. Management of these intangibles is emerging as the main challenge in any transformation program in an organization, and is the new agenda for HR professionals.

Remaining quarantined on 'employee' issues alone can lead to stagnancy of both the function and the HR professionals. The precise challenge ahead is how HR professionals can prepare themselves to take charge of the intangibles and promote their intrinsic value to the organization – professional preparation as well as soiling hands in the new business functions and demonstrating success.

My own professional journey from being an HR professional to becoming a CEO could be facilitated only when I took up the challenge (after initial reluctance) to banking operations in a difficult industrial relations environment. It brought me in touch with the real world and real business issues such as customers and their aspirations, problems and a host of concerns impacting the business. While the transition from HR to mainstream operations was challenging, it was also equally exciting. It was during this time that I discovered that the main challenge of any operations manager was 'people management'. My learning in operational assignment had been phenomenal and that helped me to understand how employee attitudes affect customer acquisition, retention and loyalty; how communication culture affects business growth, what are the key concerns of analysts, investors, key customers and how they affect business growth; and how competitors' strategies impact our business. In fact, my operational exposure helped me immensely to discover my own innate potential for other disciplines like marketing and technology in particular. I would emphatically say that the most effective and durable learning takes place when one is in field assignments.

One can never get to know ground zero realities by merely attending business meetings or being part of strategy groups. I believe that HR professionals should increasingly volunteer to take up business roles.

In my role as Chairman of Bank of Baroda, my continuous emphasis on building intangibles such as rebranding of the bank including logo change, customer-centric initiatives, deployment of technology, improving internal processes, talent and leadership development, and engagement of staff, resulted in dramatic business outcome and in turn, a major positive change in the perception of analysts and investors. Connecting with the people and speaking the language of business all through ought to go hand in hand, in my view, to get best outcomes. I am happy that even after my retirement, the bank has continued to perform exceedingly well on the different pillars of intangibles. This amply suggests that when we assiduously work on intangibles, performance of the organization improves and is sustained on a long term basis. My HR background helped me to diagnose and design appropriate interventions and lead execution with precision.

Mere number crunching CEOs are increasingly becoming irrelevant as CEOs who are visible, accessible and hands-on, are becoming more popular to lead organizations. In an environment where customers and employees are becoming increasingly vocal about the issues that affect them and their retention is a greater challenge, corporations need leaders who can engage with both employees and customers alike and can build seamless relationships with both. Maverick leaders who are creative, are open to take on new initiatives and can engage stakeholders in a new way will have greater chances of business success. Thus, a HR background is increasingly turning out to be a competitive advantage for the CEO role.

A CEO with a substantial HR background is in a better position to take long term steps to shape the organizational culture, identity and brand, and focus on building capabilities for future as well as set effective governance structure. The journey of HR to CEO will, however, depend on many factors such as willingness of HR professionals to accept an operational position, demonstrating a different style of management, continuous learning and experimentation with new ideas and methodologies in managing business. While at present, there may be only few HR professionals becoming CEOs but the trend is encouraging. 2012 will perhaps see many more HR professionals occupying the corner office and other top management positions.

Dr. Khandelwal is an HR professional who made it to CEO of Bank of Baroda (BOB), a staid large public sector bank and turned it out in a short tenure of 3 years. BOB today is a powerful and valuable banking brand. In this column, he would share his code of leadership that helped him achieve extra-ordinary business results. His book Dare to Lead (Sage 2011) captures his experience of the turnaround. Dr. Anil Khandelwal can be contacted at [akk1948@gmail.com](mailto:akk1948@gmail.com)

### 1 Comments



By Pankaj Chandan

Very nice and I am sure it will motivate our team HR all over the world.