

## Nataliya Strelkova, Metinvest's HR director, speaking on the company's priorities in personnel management policy and HR plans for the future

When is HR of real, but not just formal value for the business? Today's guest of the HR-Career rubric is convinced that at least three necessary conditions must exist to achieve that: professional HR-director, motivation of the CEO of the company to build a personnel management system, and, of course, mutual alignment of their goals. Nataliya shares her experience of working with such large Russian companies as KOMITEK, YuKOS and MTS. We also learned from Nataliya about Metinvest's HR policy priorities and HR-plans of the Group for the future.

**Upravlenie personalom (UP) - Ukraine: Nataliya, first, our traditional question to our guests: what University were you at?**

**Nataliya Strelkova:** I would refer two my educations as basic: engineer-physicist and psychologist. I entered my first University - Moscow Engineering and Physics Institute (MIFI) - right after high school. I chose this educational institution primarily because of its strong reputation and close proximity to my home, which is important in Moscow. At the age of 16, I still did not have a clear idea of what path in life to take; therefore I took my parents' recommendations. Nevertheless, my management decision-making style was shaped in MIFI: never view situations through the prism of stereotypes, try to implement best solutions in view of specific circumstances.

My second education in psychology, which I received in Moscow State University named after Lomonosov (MGU) in 1995, was already an informed choice. Frankly speaking, I was initially interested in clinical psychology and in pursuing psychoanalyst's career, but then, having been carried away by studying large and small groups, I graduated as a social psychologist. My graduation paper was about corporate culture diagnostics in organizations.

**UP: What additional trainings you were lucky to take?**

NS: For instance, I received formal HR-education during a training course, which prepared for the American SHRM exam (Senior Human Resource Management). This training course helped me systemize my skills and build theoretical vision of organizational HR, which determined my further professional development. Interestingly, this year my remembrance of the US labor law helped me in my work with Metinvest's USA asset UCC (United Coal Company). At the same time, I think that I established myself as an HR-professional not during formal training, but in the course of specific HR-projects involving Russian and western consultants: McKinsey, ECOPSY, Access Management and Hay Group. In such joint work I really tested theoretical "messages" of western schools, upgraded and polished my own HR-style.

I got my MBA degree only in November 2010 (though my studies lasted around three years) by taking Executive MBA program at the international IMD Business School, Lausanne (Switzerland). Why IMD? I thought their approach to learning was not so academic, like, e.g. at LBS (London Business School), and students selection criteria ensured appropriate level of the course-mates (top-executives exclusively, who are 38 on average). EMBA fully met my expectations and even exceeded them, especially if real projects implemented in India, China and the Silicon Valley (USA) are mentioned. My graduation, however, was somewhat "blurred", as I was just starting at Metinvest. But on the other hand, I was required to submit my term papers on strategy, organizational design, execution using the example of my employer, which helped me to grasp the details of the current situation and accelerated my adaptation.

**UP: How did you become an HR? What was your first professional experience?**

NS: I kind of 'migrated' from psychology to HR. I wanted to work with people and organization and apply the knowledge I obtained at MGU, - but back in 1996 I mostly aspired to join organizational consulting.

By virtue of destiny I got to work with a Moscow-based HR agency, Contact. I implemented my very first HR project there. I can recall my two-month probation – absolute flexibility and the same absolute lack of orders. I attacked my friends and acquaintances with a question if somebody was looking for someone to hire. It turned out that the husband of my friend was the Chief Financial Officer of one of ABB (Asea Brown Boveri – Swiss holding) divisions and they were looking for the Chief Accountant. They were able to find only two suitable candidates in the whole of Moscow (one of the criteria was to know Scala software) and he really doubted that it

was possible to find anyone else possessing similar skills. I managed to convince the client to sign the deal promising a miracle in two days. Can you imagine what I felt, when having dug through the whole database of the agency I found only two people with Scala experience, and one of them had been already shortlisted by my client? I do not think that I would have ever managed to close this deal without the help of my colleagues, who shared with me not only good candidates from their ‘reserves’, but also the subtleties of client relations. Finally my candidate got the job, though he formally did not meet the initial requirements – he had no Scala skills at all. But he was the guy, who suited my client’s ‘chemistry’. Professional recruiters will grasp the essence of this story. As I found out later, this was the typical recruitment situation, from which I learned a good lesson: of course we should care about the needs of the clients, but we also need to be able to read between the lines of what type of candidate the client would really ‘buy’.

I enjoyed working with Contact agency during around one year: I got acquainted with HR-directors of western companies and I realized that it would be more interesting for me to work as an in-house HR, rather than endlessly search and sell the candidates.

**UP: Please highlight most interesting and productive project of yours from a later period.**

NS: Then I joined KOMITEK (oil holding), where initially I worked as a recruiter, and when the enterprises of the company started to experience social tensions triggered by the trade unions, I switched to social work with the labor groups in the interest of the employer. This gave me several very important skills: staffing of the managing company of the holding, application of special technologies under the conditions of social tensions at the enterprises, as well as experience of direct cooperation with the shareholder (KOMITEK that time belonged to a well-known Russian businessman Grigory Berezkin).

In 2001 headhunters introduced me to the HR Director of YuKOS, and I got interested in taking the opportunity to join the HR-team of this company and implement large scale HR-projects. I could mention two major projects in YuKOS – establishment of the internal assessment center as a standalone department to conduct assessment and the talent pool management project. With regards to the Assessment Center – whatever company employs my former colleagues and staff members, I would always find signs of this Center. Thus, for example, I found the outcomes of the Assessment Center project at Metinvest’s Azovstal, where my former YuKOS colleague Ahmed Bedredinov used to work (currently he works as the HR Policy Department Director of Sberbank of Russia); and at DTEK, where Dmitry Artyushkin, my former YuKOS subordinate worked.

As far as the talent pool management project is concerned, I was not able to complete it due to onset of the well-known developments, which led not only to these talents fleeing the company, but also, in many instances, the country. I managed to complete a similar project in MTS, which hired me later in 2004 for the position of the HR Policy Director.

From 2004 to 2006 together with the team of operational HRs headed by the HR Vice President Dmitry Prokhorenko (currently he is the head of the Moscow office of Heldrick & Struggles) we built the management system of a Russia-wide company actually from scratch. During two years we developed and introduced all important policies and procedures. We selected effective HR-directors to macro-regions. We build the HR solutions system enabling to combine authority delegation with personnel quality control Russia-wide. For me, most important was the implementation of the projects in the field of C&B, such as grading, grading-based salaries management system, performance management system development. Frankly speaking, I got tired of endless projects and steering types of activity, and when in 2006 MTS was split into business units, I became the Operational HR Director of MTS Russia unit. In my opinion, the most interesting and important HR function is solution of real operational tasks in cooperation with the line management. Only under such cooperation one can feel the contribution to the bottom-line results of the company.

**UP: Nataliya, let’s talk about your current employer.**

NS: I joined Metinvest in June 2010 as the HR Director. I knew about this vacancy for a long-time before that, and the first meeting with the company management took place soon after the company incorporation in 2006. However the negotiations were not finalized – I had unfinished projects at MTS, and Metinvest had other candidates. However, the team impressed me, and when the company started to look for a candidate in the Russian market I agreed to take part in the competition. This is how it happened. Currently Metinvest controls many assets both in Ukraine and in foreign countries. Some have been owned by the company for quite a while, other have just been acquired and are going through integration processes. Total headcount of the Group exceeds 100,000 people. Therefore, HR practices at the enterprises are at really different stages of development. Some enterprises employ effective annual personnel assessment, development and training systems, whereas others require a lot of HR work. However the Group, in General, is placing the right priority on the programs. This helped me to catch-up with already implemented projects or ongoing implementations, such as grading, annual assessment system, competency model, performance management system. Our priorities for 2011 include improvement of these programs quality and their roll-out to all enterprises of the Holding.

Furthermore we are planning to develop the management training center with emphasis on mid-level management, and in March we are launching a number of joint programs with Skolkovo Business School. Metinvest

management and talent pool development is the primary goal of these programs. The next year's main objective is to translate effectively the Group's new strategy into team and individual performance indicators and consolidate the efforts of the whole staff to achieve the goals of the approved strategy.

This required inviting external consultants from Ukrainian and Russian markets. I hope that with time the local and external teams will ultimately form a strong business partner for the line-management of the Group.

**UP: It is appropriate to touch upon the key topic of this issue of our journal. What is the foundation for effective communication within your Company? How does the communication chain work among the HR, top-executives and the line-management?**

**NS:** Before, when we discussed communication, we first of all implied outside mass-media or internal corporate paper-based or electronic communication. The situation changed with time, and everyone now understands that direct supervisors play the main role in communication - direct supervisors, who usually have real weight for their staff, whose opinion is perceived as expert one. Therefore, it is crucial that they receive objective and reliable information about developments in the company, support changes, consider dissemination of this information to their subordinates as one of their important functions, and are eager and able to do it. I can breakdown communication into several tasks – this is, first of all, competent change management and timely involvement of the key managers into development and implementation of those changes, and secondly, building people management skills and competencies, an integral part of which are communication skills with the subordinates. Of course, it is necessary to build direct communication channels to all employees in order to convey important messages without distortions. But it is also important that the direct supervisors support those messages, as opposed to criticize them. We are trying to involve the top-management as much as possible into the development and discussion of our HR solutions, so that they disseminate the common perspective to the personnel independently.

Another frequently missed point is so called meaningful leadership. Organizations frequently attribute sense not to words, but to observed events, which are interpreted sometimes very differently from employee to employee. This effect is based on the psychological need to relieve anxiety.

For example, a top-manager leaves the company. Rumors say he was dismissed, but the reasons remain unclear for uninvolved employees. And if the company does not provide an explanation, people start inventing causes in order to adjust their own behavior, relieve their anxiety and not follow the «poor» colleague's example. In terms of communication, this mechanism can lead to serious negative consequences, when declared values are far from reality. Let's say, a corporate edition issues a complimentary article about newly developed corporate competencies, personnel appointment criteria, future career perspectives, however, in reality appointments continue to be based on loyalty to the manager, but not on the basis of communicated and documented qualities. This jeopardizes and undermines credibility of HR-programs.

Employees quickly detect double standards and will hardly believe what is being said, as they draw their conclusions based on reality. Behavior and conduct of the management is part of corporate communication, and usually this part is more important than words.

**UP: In your opinion, what approaches to recruitment, adaptation, training and other HR-issues does Ukrainian market lack?**

**NS:** To be honest with you, I was pleasantly surprised with quality of HR-professionals, whom I met in Ukraine. I expected that I will have to form a Moscow team and headhunt people from Russia, however it proved unnecessary. I found experts in a number of HR areas, both within Metinvest Group and in the open market. Therefore, I would not draw generalized conclusions regarding the Ukrainian HR market. For instance, performance of my Moscow colleague Sergey Kordashenko in DTEK inspires my deepest respect, and I am finding good examples in Metinvest as well – implemented HR-technologies in Iron Ore Division, where HR-Function is headed by Oleg Kiykov. However, at the same time there are enterprises with absolutely different style and quality of work with people.

I think that in order for HR to succeed at an enterprise, three absolute necessary conditions must exist as minimum: professional HR-director, motivation of the CEO of the company to build a personnel management system, and, of course, alignment of their goals.

When there is no well-established HR, any of these variables may fail. Enterprise directors must understand what they gain from the HR-process, which, in its turn, shall be as professional as possible to explain complex technologies using simple language comprehensible for line management. There is a vast room for improvement.

**UP: Please tell us a little bit about your families and hobby.**

**NS:** Unfortunately, due to heavy workload because of the MBA and changes in my career, I do not have much time for hobbies – only in my dreams. The time I used to spend in Moscow traffic jams, I now use to be with my children, get involved in their education – my two sons are eleven and six years old. I like to travel – I just

returned from Mexico, where with friends we learned about the Mayan civilization. In general, I am a classical Muscovite, who went to musical school in my childhood, therefore I dream of buying a piano, taking vocal lessons and going out to the theatre more often.

**UP: What would you wish to your colleagues?**

**NS:** I think that HR profession is for people who want and can love other people and help managers in solving business tasks through development of personnel relations skills. Unfortunately, I frequently meet people who come to HR in order to realize other ambitions – e.g., satisfy their need in power and control.

When line managers, who were in my group in IMD business-school learnt that I was an HR-Director, I experienced and survived several serious attacks against this profession in the western companies, starting from complaints about absolute indifference to accusations in administrative formalism.

I would like to be proud of my profession and my colleagues, therefore I dream that every HR-freshman is aware of his/her motivation for such a choice and would be willing to work on his/her own development.

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