Emerging Trends in Human Resource Management

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Abstract

In order to survive in the global competitive scenario and be in the race of this competition, Human Resource Management should continuously update with the changes in Human Resources and be aware of emerging HR issues. With high attrition rates, poaching strategies of competitors, there is a huge shortage of skilled employees and hence, a company's HR activities play a vital role in combating this crisis. Suitable HR policies that would lead to the achievement of the organization as well as individual's goals should be formulated. HR managers have to manage all the challenges and changing trends that they would face from recruiting employees, to training them, and then developing strategies for retaining them and building up an effective career management system for them. Just taking care of employees would not be enough new HR initiatives should also focus on the quality needs, customer-orientation, productivity and stress, team work and leadership building.

Key Words: Human Resource Management, Human Resource Policies, employees, training.

Introduction

to describe the individuals which Human Resource is a term comprises the workforce of an organization, although it is applied in labour economics. Human Resource is also the name of the function within an organization charged with the overall responsibility for implementing policies and strategies relating to the management of individuals i.e. human resources and is also abbreviated as 'HR'. HR is relatively modern management terms which have been coined in the 1960s. The origins of HR function in those organizations which introduced 'welfare management' practices and in those organization adopted the principles of, 'scientific management'. The term 'Human Resources' used by different organizations describe the workforce capacity available to the achievement of its strategies and objectives. In other words, objectives of an organization's human resource management strategy are to maximize the return on investment from the organization's human capital and minimize fiscal risk. HR achieve this by aligning the supply of skilled and qualified individuals, and the capabilities of the current workforce, with the ongoing and future business

plans and requirements of the organization in order to maximize return on investment and seeks to secure the future survival and success of the entity. By ensuring such objectives are achieved, the HR function purpose is to implement the organization's human requirements effectively, by taking account of legal, ethical manner which retains the support and respect of the workforce.

HRM is a management function which is concerned with the people's dimension in organization. Earlier, personnel departments were called "Health and Happiness" department. The people assigned to deal with personnel issues were often individuals who were past their prime. The personnel management was seen as lesser productive and unimportant to the organization. HRM is a process of bringing people and organization together so that the goals of each other met. The role of manger is shifting from that of a protector and screener to the role of a planner and change agent. Personnel directors are the new corporate heroes. The name of the game today in business is personnel. Now days it is not possible to show a good financial or operating report unless personnel relations are in order. Over the years, highly skilled and knowledge based jobs are increasing low skilled jobs are decreasing and this calls for future skill mapping through proper HRM initiatives. Indian organizations are also witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organizations and there is a need for multi-skill development and role of HRM is becoming more important now days. Managing and attracting the human resource in today's time is very difficult/task. The role of HR manager has changed a lot from being protector and screener to the role of savior, who acts as planner and change agent affecting bottom of the pyramid where it is blue collar workers and at the top and middle level executives.

The HRM function is used to set strategies in areas for which the following would be typical in a wide range of organizations:-

- 1. Resourcing which means Recruitment and Selection.
- 2. Organizational Design and Development.
- 3. Business Transformation and change Management.
- 4. Performance, Conduct and Behaviour Management.
- 5. Industrial and Employee Relations.

6. Human Resource Analysis and Management of Workforce Personal Data.

7. Compensation, Rewards and Benefits Management.

8. Training and Development which means Learning Management.

Implementation of such policies, processes or standards may be directly managed by the HRM functions itself or the HRM functions may indirectly supervises the implementation of such activities by managers, other business functions or via third-party external partner organizations.

HRM has evolved considerably over the past century and experienced a major transformation in form and function primarily within the past two driven by significant internal and external environmental factors, HRM has progressed from a largely maintenance function, with little if any bottom line impact, to what many scholars and practitioners today regard as the source of sustained competitive advantage for organizations operating in a global economy. With increasing globalization, firms are entering a dynamic world of international business that is marked by liberalization of economic policies in a large number of emerging economies like India. To face the challenges and changing trends of increasing competition that has resulted from liberalization, Indian organization have initiated adoption of innovative human resource management practices both critically and constructively to foster creativity and innovation among employees.

The decade of the 1980s and 1990s witnessed an upheaval in economic thinking and brought about major social changes. Firms entered a more dynamic world of international business and economic liberalization of most developed and emerging economies. The liberalization in the economies that has resulted in dense competition. To face this dense competitive environment, organizational adaptations and alternative adaption of innovative practices including HRM strategies and practices have been put in place by firms for survival and for sustainable corporate performance.

New Trends in Human Resource Management

In organizations, it is important to determine both current and future organizational requirements for both core employees and the workforce in terms of their skills/technical abilities, competencies, flexibility etc. The analysis requires consideration of the internal and external factors that can have an effect on the resourcing, development, motivation and retention of employees and other workers. The external factors are those largely out with the control of the organization and include issues such as the economic climate, current and future trends of the labour market such as skills, education level, government investment into industries etc. And internal factors are within the control of the organization to predict, determine and monitor the organizational culture by management behavior styles, environmental climate and the approach to ethical and corporate social responsibilities.

HR Trends in Pre-Liberalization Phase

In 1990 due to liberalized government policies of various countries the human resource started moving from one country to another country. This leads to diversification of workforce and cross culture took place as a result employees from one nation migrating to another nation and bringing their culture with them which leads to mixed organizational culture. Because of this the HR professionals have to play major role in coordinating the workforce of different culture and race in an organization.

Evolution of Personnel Management started in the 19th century. At that time there was a boom in industrialization which leads to increase in influence of trade unions and improvement of industrial condition for the betterment of having personnel department because of producing large war materials, as a result of which the ministry of labour and national services insisted to combine both personnel department and welfare officer work on the full time basis.

HR Trends in Post-Liberalization Phase

Corporate India has come a long way since independence. In the present scenario the Indian companies have spread themselves across the globe and moving to a borderless world. Because of post liberalization and globalization large population of Indians have become a part of the MNCs and foreign units. Also, the Indian workforce and the Industrial climate are both continuously changing. Thus, at this point it is very important to understand the changing trends of the most valuable asset of an organization-its people. There is constant need to develop capabilities, leverage them to ensure the growth and success of an organization and at the same time add value to an organization. The key players who have served as facilitators are the HR professionals who have moved beyond their administrative role to emerge as a strategic business partner. Their role has become very critical in providing radical solutions to organization success. Today, they no longer work in independent soils, but have aligned

themselves with the strategic goals. With the changing market trends HR today is faced with several challenges and people management issues in this talent-short market. Human resource professionals need to think differently today and further experiment varied processes and methodologies benefiting the human capital and the organization at large.

Emerging Trends of HR in India

If we look at the trends in managing people in the dynamic industry reflects that Attracting, Managing, Nurturing Talent and Retaining people has emerged as single most critical issue in lieu of the enormous opportunities spun off by the market. The new concept of talent is the knowledge professional that is innovative, business savvy, quick on the uptake, has an instinctive ability to network, and processing unbridled ambition. They are driven by an urge to experiment, scan new avenues that can encourage their creativity. The knowledge professional will moved towards an organization that is flexible, has strong values, a robust performance ethics and provides challenging work on latest technology. Over the years, highly skilled and knowledge based jobs are increasing, while low skilled jobs are decreasing and this calls for future skill mapping through proper HRM initiatives. The Indian organizations are also witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organizations. There is a need for multi skill development and role of HRM. The emerging trends in human resource management can be easily understood by the below mentioned concepts which has been applied by the research scholars, practitioners and professionals.

Talent Management

In the words of Campbell of Hewitt, he suggested that to make the HR department of the organization more fruitful, the HR managers have to focus on the following three steps or he has take into consideration the following three steps:

- 1. Determine the most critical areas of the business to support. Ask what aspects of talents management are most closely aligned with the company's top business priorities.
- 2. HRD as a professional consulting team position HR to be the internal experts as talent management.
- 3. Measure the results, if talent management initiatives are being implemented and are effective.

Absconding Employees

In large corporations/companies/organization's HRM should evolve a system of analysis? How does HRM of a company react, when the employees themselves go missing and the company becomes liable? When an employee remains absent for sometimes without any intimation, the employer has to act in the manner as mentioned:-

- 1. The HRM Department should contact employee telephonically. If telephonically contact is not possible then send an official communication within 2-3 days. If even receives no response, the HRM Department can seek legal advice and accordingly act to terminate the service.
- 2. If employee remains absent from job for more than 7 days. The act of disappearing in itself is unethical and illegal. But in genuine cases, employers may reconsider for the re-joining.

Balanced Scorecard (BSC)

It is a tool that translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system. It is basically a visual representation of an organization's strategy. The Balance Scorecard is a way of:-

- 1. Measuring organizational, business unit or department success.
- 2. Balancing long-term and short-term actions.
- 3. Balancing different measures of success such as financial, customer, internal business processes, human resources systems and development i.e. learning and a way of tying strategy to action measures growth.

The role of HRM department in a measurement organization should be indicating how much each employee contributes to the organization such as revenue generated minus the cost of salary, benefits and training. The HRM needs to look at the rest of the enterprise as its customer. It can achieve this by developing the human capital within the organization, which it can measure by setting up its own BSC strategy. People management is an important role in an organization's financial performance as well as the service it offers to its customers. The HRM department can also respond proactively to the organizations needs by evaluating the strategies of the different departments as well as what their goals are and evaluating how HRM department can help the different departments meet their goals particularly as they relate to employee issues.

Human Resource Outsourcing

Outsourcing means hiring someone from outside the company to perform tasks that could be done internally. There are several HR concerns with regards to outsourcing, not the least of which is that if employees are likely to lose their jobs when the work is outsourced, morale and productivity can decreased rapidly. To minimize problems or obstacles, the Line and HR managers have to work together to define and communicate transition plans, minimize the number of unknowns, and help employees identify their employment options. The use of outside business to perform necessary business activities and process in lieu of internal capabilities. Outsourcing is a basic HR service that can be the key to achieving a mere influential and strategic role for the HR function. It provides various advantages to the organizations such as increases effectiveness of HR delivery as experienced outsourcing providers can often deal with HR processes more effectively and recruitment maybe undertaken more quickly, reducing employee turnover costs and it speeds up pace of growth. It provides greater expertise facility to the organization as external providers may offer greater levels of specialist knowledge or experience than affordably available in-house. Another advantage of outsourcing human resource administration can lead to shift in HR focus towards policy and decision-making. The outsourcing of burnan resource aided the organizational growth.

Six Sigma

It is a project driven management approach used to improve the organization product, services and processes by continually reducing defects in the organization. Six Sigma is defined as having less than 3.4 defects per million opportunities or a success rate of 99.9997%. Banuels Coronado and Anotony in 2002 suggested that it is a systematic data driven approach using the define, measure, analysis, improve and control (DMAIC) and also presented the key ingredients for effective introduction and implementation of Six Sigma-

- 1. Cultural change
- 2. Training
- 3. Management commitment and involvement
- 4. Organizational Infrastructure

5. Linking Six Sigma to HR

6. Linking Six Sigma to Business Strategy

As in HRM Department, Six Sigma can assist in identifying areas that have an impact on the external customer. They may concentrate on such aspects as leadership selection and training, enabling employees to focus on decreasing the non-value added time. It must identify high potential employees and then move back into the organization as a part of their rotation and leadership training. Six Sigma is a logical and methodological approach to achieving continuous improvements in areas critical to the success of any manufacturing or service-oriented business. This process improvement methodology was developed in the 1980s in Mototola's high volume manufacturing environment. This has contributed to the creation of the general opinion that six sigma is only applicable to high-volume manufacturing process. It is applicable to both manufacturing and service industries, and to both high-and low-volume production environments.

The six sigma HR team was established, involving HR process owners, facilitator (six sigma black belt) and mentor (HR director). Internal customers were identified as critical stakeholders and their participation was secured through their direct/indirect representation or through feedback communication. The analysis started with the development of HR process maps, which effectively revealed shortcomings in the process with immediate remedies and benefits. Communication, resourcing, rewarding and development were selected as the first process. **ISO 9001 and ISO 3004**

The recent quality management standards ISO 9001 and ISO 9004 of 2000 focus more on people centric organizations. Organizations now need to prepare themselves in order to address people centered issues with commitment from the top management, with renewed thrust on HR issues, more particularly on training. Charles Handy advocated future organizational models like Shamrock, Fedrel and Triple I. Such organizational models also refocus on people centric issues and call for redefining the future role of HR professionals. With the increase of global job mobility, recruiting competent people is also becoming difficult, especially in India. Therefore by creating enabling culture, organizations also required to work out a retention strategy for the existing skilled manpower.

International Human Resource Management/Human Resource Practices in Globalized World

IHRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country. We can define IHRM as a set of activities aimed managing organizational human resources at international level to achieve organizational objectives and achieve competitive advantage over competitors at national and international level. It includes typical HRM functions such as recruitment, selection, training and development, performance appraisal and dismissal done at international level and additional activities such as global skills management, expatriate management etc.

Approaches to Managing and Staffing Subsidiaries:-

Ethnocentric: The home country practice prevails with this approach. Headquarters from the home country makes key decisions, employees from the home country hold important jobs, and the subsidiaries follow the home country resource management practice.

Polycentric: Each subsidiary manages on a local basis. A local employee heads a subsidiary because headquarters' managers are not considered to have adequate local knowledge. Subsidiaries usually develop HRM practices locally.

Geocentric or Global: The company that applies the global integrated business strategy manages and staffs employees on a global basis. Functions:

The functions of IHRM are as follows:-

Recruitment and Selection: The process through which an organization takes in new members. Recruitment involves attracting specific qualified applicants for the positions available. Selection requires choosing from specific candidate whose qualifications most closely watch to the job requirements. In companies that function in a global environment have to distinguish different types of employees. Traditionally, they are classified as one of the three types: -

Parent Country National (PCN): The employee's belong to the same country to which the organizations belongs.

Host Country National (HCN): The employee's nationality is same as the location of the subsidiary.

Third Country National (TCN): The employee's nationality is neither that of the organization nor that of the location of the subsidiary.

Development and Training:

The overall aim of the development function is to provide that adequately trained personnel in a company are capable to fulfill their goals, as well as to contribute to better performance and growth with their work creation and transfer of international human resource development programs may be carried out in two ways:

Centralized: With a centralized approach, training originates at the headquarters and corporate trainers travel to subsidiaries, often adapting to local situations. This fits the ethnocentric model. A geocentric approach is also centralized but the training develops through input from both headquarters and subsidiaries staff. Trainers could be sent from various positions.

Decentralized: In decentralized approach, training is on a local basis, following a polycentric model. When training is decentralized, the cultural backgrounds of the trainers and trainees are usually similar. Local people develop training materials and techniques for use in their own area.

Performance Evaluation:

In most of the large as well as small organizations, the performance evaluation tool is frequently carried out for administration or development intentions by the management.

Remuneration and Benefits:

Remuneration of employees has a key role in acquiring new employees and is important for employees as well as for the employers. Pay is the basic resource of living of the employees, while benefits cover better health care, the possibility of spending vacations in the company's holiday package facilities at a reasonable and affordable cost, also including other advantages to the employees.

Management of Expatriates

One of the most challenging tasks for any company operating internationally is to manage its expatriates.

Reasons for Expatriate Failure:

In international companies, it is important to understand the reasons behind expatriates' high failure rates so that preventive measures can be taken. The factors taken into account for most failures, although their relative importance varies by firm. These factors are career blockage, culture shock, lack of cross-cultural training, an overemphasis on technical qualifications, a tendency to use international assignment as a way to get rid of problem employees, and family problems.

Cross-Cultural adjustment:

Expatriates and their families need time to become familiar with their new environment and to become comfortable living there.

Expatriate Re-Entry:

After the expatriate completes his assignment and returns home, he must adjust in the same way as when going abroad. The disorientation experienced by a returning expatriate is known as reverse culture shock.

Selection of Expatriate:

To select the best employee for the job, management should take into consideration the following:

- Emphasize cultural sensitivity as a selection criterion.

- Establish a selection board of expatriate.

- Required previous international experience.

- Explore the possibility of hiring foreign-born employees, who can serve as "expatriates" at a future date.

- Screen Candidates' spouses and families.

Expatriate Training:

Expatriates are more successful when their organizations/train them to prepare for their life and work abroad. Lack of training is a major cause of expatriate failure

Expatriate Evaluation and Remuneration:

The performance evaluation of expatriate managers is particularly difficult. The job a person does abroad can include much more than what he does at home. A manager often steps into the role of counselor, trainer, troubleshooter, or diplomat, in addition to his assigned job responsibilities. With the need for adapting a new culture, a different way of doing business, and often new culture, a different way of doing business and often a new language, many factors influence expatriate performance.

Human Resource Information System

With the changing world and constant new technology that is available, managers need to be aware of technology that will increase effectiveness in their company. **HRIS** have increasingly transformed since it was first introduced at General Electric in the 1950s. It has gone from a basic process to convert manual information keeping systems into computerized systems, to the HRIS systems that are used today. HR professionals began to see the possibility of new applications for the computer. The idea was to integrate many of the different HR functions. The result was the third generation of the computerized HRIS, a feature-rich, broad based, self-contained HRIS. The third generation took systems far beyond being more data repositories and created tools with which human resource professionals could do much more. It is an integration of HRM and IS. HRIS helps HR managers perform HR functions in a more effective and systematic way using technology. It is the system used to acquire, store, manipulate, analyze, retrieve, and distribute pertinent information regarding an organization's human resources. The HRIS system is usually a part of the organization's larger MIS.

Increase in Education Level

Due to technological progress and the spread of educational institutions workers will increasingly become aware of their higher level needs; managers will have to evolve appropriate policies and techniques to motivate the knowledge of workers. Better educated and organized will demand greater discretion and autonomy at the workplace.

Diversity or Changing Composition of Work Field

Diversity or changing composition in the field of HRM can be defined as the situation that arises when employees differ from each other in terms of age, gender, ethnicity; education etc. workforce diversity means that organizations are becoming more heterogeneous in terms of age, gender, race ethnicity etc. the composition of the workforce also changes in India. Young, skilled and knowledge employees are occupying important positions in the companies. Because of opening up of private sector, now employees are no more fascinated by secure, less paying routine and standardized jobs offered by the public sector companies like BHEL, NTPC etc. and government owned or controlled organizations. Old employees have grown in number because of improved and better health care or medical facilities provided by the organizations. Big private sector firms have been exploiting their talents to conceive, operate and develop new ventures in emerging areas such as oil, telecom, insurance, banking, health care etc. Organizations now cannot discriminate on the basis of age and they must listen to their experienced employees, to draw from their expertise and initiate programs and meets their needs. The women, minority groups, Scheduled castes and

scheduled tribes would become an important source of manpower in future on account of easy access to better educational, professional, technical, and mechanical and employment opportunities. Therefore, manpower planning of every organization will have to take into consideration the potential availability of talent in these groups. Changing composition or mix of the workforce will lead to new values in organizations.

New Work Ethics

The greater forces will be on project and team forms of organizations. As changing work ethics requires increasing emphasis on individuals and jobs will have to redesign to provide challenge. The work ethics is a cultural norm that advocates being personally accountable and responsible for the work that one does and is based on a belief that work has intrinsic value. It does not include how one feels about their job, career or vocation, but also how one does his/her job or responsibilities. This involves attitudes, behavior, respect, communication and interaction, how one gets along with others. Work ethics demonstrates many things about whom and how a person is. Work ethics involves characteristics such as honesty, integrity and accountability. Essentially, work ethics break down to what one does or would do in a particular situation. The question arises in a particular situation involves what is right and acceptable, and above board, versus what is wrong, underhanded, and under the table. Work ethics are intrinsic in nature; they come from within and come from God, the Creator. God made human in His Image and His word proclaims these various work ethics such as honesty, integrity, doing a job well, keeping things above board, accountability factors and also involves loving your neighbor, loving your enemy, doing good to those who dislike you, valuing others and knowing they have worth.

Conclusion

It is concluded from the above discussion that HRM will be an important field of attention and interest in 21st century as in companies and government organizations put in place strategies to cope up with the economical crisis and recovery and compensation cost management, and workforce reduction in the hardest hit segment and as the era of skill-based workers has arrived but if India wants to truly move to the global arena, it has to make smarter its workforce. In the knowledge era and a skill-based economy, it has become imperative that human resources are the one of the most essential ingredients of success. As we know that HRM of the organization deals with the individuals putting their hard work to meet the

organizations goals. Managing people is the toughest element of any organization than land, machinery or finances. Every human being has its own degree of preferences, likings and attitude. So, HR managers have to take care of all these things in mind while dealing with the number of people working in the organization.

(Abbreviation used: HR for Human Resource, HRM for Human Resource Management, BSC for Balanced Scorecard, HRIS for Human Resource Information System, HRD for Human Resource Department, IS for Information System, MIS for Management Information System)

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