

## Emerging Trends in Human Resource Management

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### Abstract

The world is considered as a global village and human resource management is an integral part of the world's new system. The success of any organization depends on its member's capabilities. The firm's problems, opportunities, challenges are all people oriented. Both human resource and wealth are the life sources of an organization. Even though the advent of new technological advancements and automation have taken over human resource is still a relative and adaptive concept of the organization. Hence every enterprise depends on its human resource for its success and its survival. The crucial role of a human resource manager is to evolve with the changes in the existing competitive market environment. The strategic role played by human resource is intertwined with that of the success of an organization. This paper highlights on how an organization faces its challenges and the recent trends that are appropriate in human resource management while dealing within the competitive market.

**KEYWORDS:** Human Resource Management, Trends, Competitive Market, Challenges, Environment.

### INTRODUCTION

Human Resource Management (HRM) is a management function that helps manager's recruit, select, train & develops members for an organization. Obviously, HRM 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 department was seen as lesser productive and unimportant to the organization. Coming to its composition of the HR department, it may be stated that it depends on the scale of operation and attitude of the top management towards its personnel. However, a globalized HR department is headed by Vice President, under whom Sr. Manager- Personnel, Sr. Manager- Administration, Sr. Manager- HRD and Sr. Manager- Industrial Relations. The department will grow in size and importance when new demands are placed on it by the top management. The role of the Human Resources Department has changed dramatically over the past 30 years and will become increasingly more strategic in nature in the future. The role of HR manager 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.

Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order. As identified by scholars in the field that several other trends in the industry, as follows: (1) a shrinking talent pool! (2) An increase in

outsourcing, (3) A more intense focus on work/life balance; (4) Changing workplace demographics, (5) Greater need for talent management, (6) Ethics requirements, and (6) Globalization. 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. Role of HRM is becoming all the more important. The role of HR Dept. saw a radical change over the period of years. It is said that the history of creating a new division to deal with the interests of the employees can be traced back to the socialist parties who appreciated the employee's role in the output created to the company and worked for better employee benefits. The HR Dept. is to guarantee that the right and the job offered to them is capable of utilizing their capabilities to the maximum adding to self-motivation leading to better performance. The HRD is to formulate a good salary policy which is capable of helping in hiring the best in the industry without compromising on the company profits. Today with the company having a global mix of the employees, understanding of the employees is a tough task in the hands of the HRD. The HRD has the skill to forecast the future changes in the technology and make its employees capable of adapting and adopting the same into their environment with less complexity.

#### **LITERATURE REVIEW:**

In the early 18<sup>th</sup> century Europe first gave shape to the human resource field. Robert Owen and Charles Babbage concluded that the success of any organization was directly linked to its people. The well being of employees led to perfect work without these workers the organization wouldn't survive. The early 20<sup>th</sup> century Frederick Winslow Taylor emerged human resources as a specific field.

#### **EMERGING TRENDS IN HUMAN RESOURCE DEPARTMENT:**

The emerging trends in human resource department can be easily understood by the below mentioned concepts which has been applied by the research scholars, practitioners, and professionals.

**TALENT MANAGEMENT:** Campbell of Hewitt Suggests focusing on 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. HR Dept. as a professional consulting team position HR to be the internal experts on talent management.
3. Measure the results if talent management initiatives are being implemented and are effective.

**ABSCONDING EMPLOYEES:** In large Company's HR Department should evolve a system of analysis? How does HR Department 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 following manner, firstly, on the second, HRD should contact employee telephonically. If telephonically contact is not possible then send an official communication within 2-3 days. If even receives no response can seek legal advice and accordingly act to terminate the service. In second case of warning, if a person remains absent more than 7 days. The act of disappearing in itself is unethical & illegal. But in genuine cases, employers may reconsider for re-joining

**BALANCED SCORECARD:** The Balanced Scorecard (BSC) is a tool that translates an organization's mission and strategy into a comprehensive set of performance measures that provide the framework for a strategic measurement and management system. It is basically a visual representation of an organization's strategy. The BSC is a way of:

- \* Measuring organizational, business unit or department success
  - \* Balancing long-term and short term actions
  - \* Balancing different measures of success - Financial, Customer, Internal Business Processes, Human Resources Systems & Development (learning and A way of tying strategy to action measures growth), and
  - \* A way of tying strategy to action measures
- The role of the Human Resources Department in a measurement organization should be to indicate how much each employee contributes to the organization - such as revenue generated minus the cost of salary, benefits and training. The HR department 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 balanced scorecard strategy. People management is an important function of the HR Department and can play an important role in an organizations' financial performance as well as the service it offers its customers. The HR 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 the HR department can help the different departments meet their goals particularly as they relate to employee issues. In implementing a balanced scorecard system an organization goes through four-phases:
1. Strategic Focus - Refine and commit to the organizations' strategy
  2. Assessment - 4 steps are involved in this phase
    - a) Audit measures b) Develop new measures as needed c) Apply new measures d) Analyze and report
  3. Change Planning and Implementation – Implement improvement plans
  4. Continuous Improvement: a) Track metrics b) Continue improvement c) Revisit scorecard cascade.

There are several barriers to establishing an effective measurement system:

1. Unclear objectives
2. Unjustified trust in informal feedback systems
3. Entrenched management systems
4. Too many measurement systems within an organization

**OUTSOURCING:** It simply means hiring someone from outside the company to perform tasks that could be done internally. There are several HR concerns with regard 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 drop rapidly. To minimize problems, 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. In some cases, the outside vendors may actually hire the displaced employees. For example, M. W. Kellogg Inc., a petroleum services company based in Houston, recently outsourced its entire clerical staff to the Mere Company, a temporary employment agency. Mere hired most of Kellogg's secretarial staff, so even though the people were employed by a different company, their job and locations stayed the same. This process is known as employee leasing. Employee leasing has been growing rapidly. The value of employee leasing lies in the fact that an organization can essentially maintain its working relationships but shift

the administrative costs of health care, retirement, and other benefits to the vendors. The 1997 survey of Human Resource trend in 1700 organization reported that 53 percent planned to outsource more in the future. HR Departments are facing the classic make or buy decisions that other functional areas confront when considering the outsourcing of services or products. From the review of literature, it has been found that there are five competitive forces that are driving more companies to outsource some or all of their HR activities

- (1) Downsizing
- (2) Rapid growth or decline
- (3) Globalization
- (4) Increased competition and
- (5) Restructuring.

Over the past decade, these factors have significantly altered the strategy and structure of many firms.

**SIX SIGMA:** It is a project driven management approach 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%. Six Sigma is a systematic data driven approach using the define, measure, analysis, improve and control (DMAIC) Antony & Manuela's (2002) & Manuela's Coronado & Antony (2002) presented the key ingredients for the effective, introduction & implementation of Six Sigma. Cultural Change, Training, Management commitment & involvement, Organizational Infrastructure Linking Six Sigma to human resource, Linking six sigma to a business strategy. As in HR Department's Six Sigma can assist in identifying areas that have an impact on the external customer. They may concentrate on such aspects as leadership selection & training, enabling employees to focus on decreasing the non value added time. It must identify high potential employees, here them as Black Belt & move then back into the organization as part of their rotation, and leadership training.

#### **SOME OF THE OTHER RECENT TRENDS THAT ARE BEING OBSERVED ARE AS FOLLOWS:**

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 centred issues with commitment from the top management, with renewed thrust on HR issues, more particularly on training. Charles Handy also advocated future organizational models like Shamrock, Federal 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 increasingly becoming difficult, especially in India. Therefore by creating an enabling culture, organizations are also required to work out a retention strategy for the existing skilled manpower.

#### **HUMAN RESOURCE DEPARTMENT PRACTICES IN GLOBALIZATION:**

International HRM 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.

\* Selection of employees requires careful evaluation of the personal characteristics of the candidate and his/her spouse.

- \* Training and development extends beyond information and orientation training to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Managers need to be protected from career development risks, re-entry problems and culture shock.
- \* To balance the pros and cons of home country and host country evaluations, performance evaluations should combine the two sources of appraisal information.
- \* Compensation systems should support the overall strategic intent of the organization but should be customized for local conditions.
- \* In many European countries – Germany for one, law establishes representation. Organizations typically negotiate the agreement with the unions at a national level. In Europe it is more likely for salaried employees and managers to be unionized.

## **HR MANAGERS TODAY ARE FOCUSING ATTENTION ON THE FOLLOWING:**

- 1. Policies-** HR policies based on trust, openness, equity and consensus.
- 2. Motivation-** Create conditions in which people are willing to work with zeal, initiative and enthusiasm; make people feel like winners.
- 3. Relations-** Fair treatment of people and prompt redress of grievances would pave the way for healthy work-place relations.
- 4. Change agent-** Prepare workers to accept technological changes by clarifying doubts.
- 5. Quality Consciousness-**commitment to quality in all aspects of personnel administration will ensure success.

## **CONCLUSION:**

Human Resource Department is no different than other aspects of a business in being able to deliver significant benefits to the company. When reviewing an HR Department, it becomes clear that a number of business processes have an impact on the effectiveness of employee efforts in delivery services or product to customers. HR Dept. may be misunderstood of all corporate departments but it's also the most necessary. Those who work in Human Resource are not only responsible for hiring & firing, they also handle contacting job references and administering employee benefit. It's true that any individual who works in HR Department. "Must be a people's person". Employees are human, not commodities and HR departments have to start seeing them differently, with the current push towards strategies that engage employees, attract top talent, and contribute to the bottom line this change is imperative. The HR department should create competitive advantage by building strong organizations, strong leaders, managers, strong teams and employees. HR Department does this in a measurable way. If HR is to be perceived as an enabler of business strategies they need to be seen by measurable contributions to the bottom line through expense reduction or revenue generation, talent management and risk mitigation. HR people need to be a lot more creative in the way they do things. The "one size fits all" approach doesn't work anymore. HR departments of today need to be talent of tomorrow.

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