Emerging Trends In HRM

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Abstract

Human resource is said to be a relatively modern management term having been coined in the early 1960s. The origins of the function arose in those organizations which introduced 'welfare management' practices and also in those that adopted the principles developed by F.W Taylor ('scientific management'). Since 1990 due to liberalized government policies, Indian scenario also began to change. Human resource became one of crucial driver for development and change. As the viewpoint of management towards its employees began to change, role and contribution of human resource as a talent pool also become so vital that most of the organizations started to focus their vision and mission statements on the people who work for them. With the boom in the technology sector in 20 century, newer and newer ways of attracting, recruiting and managing tenant in the companies also started to emerge. This paper tries to identify various trends which came into existence as a result of technology revolution in the country and make a comparison between pre and post liberalization HR trends in IT industry.
The business world is changing at bullet-train speed – technology, the global economy, increasing regulatory scrutiny, the looming talent crisis, the recognition that mental illness is dramatically affecting the workplace. All of these are having a huge impact on the HR profession. The c-level is finally starting to realize how important your role is. They want you to get out of the day-to-day administered via - while still making sure everything is done perfectly, mind you. They want you to measurably contribute to the top-line and the bottom line, and help mitigate risk. There are ten major trends that you need to be aware of as your role evolves to meet these challenges. Let’s start with the most obvious.

1. The Changing Role of the HR Professional:
We need to put the “human” back into human resources. Employees are humans, 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. We need to stop whining about being at the table. These days, almost every book or article you read about the role of HR talks about HR needing to be ‘at the table’ or to be more strategic. It’s my observation that in almost every respected company, HR is at the table. So for most HR leaders, the question is not ‘how do you get to the table’. It is ‘now that you are at the table, how do you best contribute to the success of our organization?’ ‘How can you be taken seriously at the table?’ Clearly the first step is to make sure that the organization’s HR practices are effective. The practices should create competitive advantage by building strong organizations, strong leaders and managers, and strong teams and employees. But few HR departments do this in a measurable way. CEOs are demanding that HR stop giving lip service to strategic performance and find the metrics that prove they are contributing to the growth and performance of the company through effective people management. Increasingly, more is being expected of HR practitioners than just being good at HR. They need to broaden their skill-sets so that they can sit at the executive table and understand as much about the business as the other leaders.

A Finance person who only understands Finance and a financial perspective, a Sales person who only understands Sales and the Sales perspective – these individuals will have limited career prospects and very little chance of succeeding in a leadership role. The same holds true for HR people. That this is the case is good news for HR. It means that HR and HR people are too important to be set aside in the corner. It means that HR skills and knowledge need to be brought to bear on the strategic management of the organization. Organizations consist of people. People are real. You can see them, touch them, hear them. And people have capabilities. And those people with their capabilities will determine whether the organization thrives or dies. As Jim Burns, Ceridian’s president, likes to say “people are the only company asset that increases in value.” If HR is to be perceived as an enabler of business strategies, they need to be seen to be making 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 the talent departments of tomorrow.

2. The War for Talent:
The most important corporate resource over the next 20 years will be talent: smart, sophisticated business-people who are technologically literate, globally astute, and operationally agile. Talent really does matter – for example “top software developers are more productive than an average software developer not by 10x, 100x, or even 1000x … but 10,000x” (Nathan Myhrvold, former Chief Scientist, Microsoft) According to The Conference Board of Canada, “the war for talent is fierce, and is likely to become more so with the massive number of employees retiring in the next five years. Top organizations are moving beyond the vanilla “employer of choice” concept to a more rigorous strategy of attracting and retaining the right employees through branding.” Here are the facts:
- The Conference Board of Canada predicts a shortage of 1 million skilled workers by 2020.
- By 2006, for every two workers leaving the workforce, only one will enter.
- 2.6 new jobs are expected to be created for every person entering the workforce.
- Younger workers are now bosses of the older workers.

The key to attracting and retaining scarce skills is to be, and be seen to be, a first-tier employer that can meet the needs of high potential/high performance employees. Traditional workforce planning is being replaced by talent strategies and skills gap analysis. Once they determine the gap, it becomes clear what talent they need to hire, to layoff, or to develop or transfer internally. Now is not the time to sit in the ivory towers thinking you know who your major contributors are. You need to dig deep into the organization to identify the top talent, the high performers in every aspect of your business. In all likelihood it’s not the people who are the most politically astute or the most popular. Traditional marketing practices are going to have to be applied to recruitment. Employer branding and unique selling points with a strong differentiator are imperative. Look at strategies such as changing your employer brand from the groan-inducing “we’re a big successful company” to a company delivering on the promise of continuous learning, work-life balance, personally-fulfilling roles and innovative reward and recognition programs.

Some recruitment effectiveness strategies include:
- Employment branding
- Ongoing recruiting, not stop-start
- Nurturing relationships with strong candidates, even though no jobs for them are currently available
- Referrals – this is particularly effective with Generation “Y”ers. They do everything through leveraging their networks. They are always connected – using mobile phones, text messaging, instant messaging, blogging or email.
- Realistic job previews
Managers trained in interviewing (so that they will create a favourable impression of company)

Selection criteria – Can they do the job? (Competencies) Will they do the job? (Motivation) Can we offer them what they are looking for? (Cultural Fit)

Rapid response and follow up – Hard to hire skills are in high demand

Debrief candidates as quality control monitoring for recruitment process

Most candidates will not get jobs – but they might be current or future customers, hence the importance of handling the rejection process effectively.

Note: Ceridian surveys rejected candidates to get their feedback on the entire recruiting and selection process. Even though we have not hired those candidates, their feedback about the process and their treatment during it is very favorable.

Recruitment, while strategic, involves a lot of administration. Now is the time to outsource some of those tasks to organizations that have the people, technology and process so that you can decrease time-to-hire, increase the quality of your candidates and reduce your expenses…which leads into our next point.

3. Outsourcing of HR Functions: The Virtual HR Organization:

If you are an HR professional I doubt that you got hired for your ability to process employee information changes, sort resumes or process the payroll every other week.CEOs’ expectations of their senior HR people have changed significantly. The HR executive is expected to deliver value in areas like organizational effectiveness, talent management, change management, leadership development, succession planning, merger integration, strategic compensation. If you read job postings for senior HR positions, these items are listed time and time again as the key expectations for HR leaders. The primary benefit of HR outsourcing is that it will allow you to keep your job because it will enable you to tackle these more strategic issues! HR professionals need to embrace outsourcing. They can’t be afraid of it. Outsourcing of HR transactions is a proven way to reduce costs and get access to a higher level of service.

There are five good reasons why companies outsource their HR services:

1. Cost reduction – economies of scale, automation and process improvement, especially for transactional work
2. Focus – allows HR to allocate time to strategic, not transactional, concerns
3. Regulatory compliance – minimize or transfer legal risk to the outsourcer and obtain specialized regulatory expertise.
4. Access to best technologies – mutual benefits to ensure technology is continually upgraded
5. No available internal resources – provides an HR capability for a company that does not have one, cannot staff it, or cannot afford a full-time resource, but has reached a size and complexity where expertise is required However, all that being said, the administrative, transactional aspects of HR are key. What you need to do is identify them now – whether it’s your payroll,
your Employee Assistance Programs, your recruitment or your HRIS systems. Then you need to
go out into the marketplace and find outsourcing partners who can help take them off your
hands. It’s the only way you are going to become more strategic

4. The Impact of Technology:
Resistance is futile! Eventually technology is going to eliminate most HR jobs as they exist
today. Which is another reason for HR professionals to become more strategic? Technology,
with all its self-service and anytime-anywhere communications capabilities, coupled with
outsourcing, guarantees there will be fewer HR people in corporations. Technology continues
to impact us profoundly, both in our personal lives and in the workplace, and it will continue to
evolve. While most of its impact has been overwhelmingly progressive and positive, there are
some downsides to its effect on our personal and work lives. Cell phones, email, messaging and
Blackberry-type devices have blurred the lines between work life and home life. Now we seem
to be always on call, always reachable – in our cars, in the air, at home – virtually everywhere.
To today’s young professional’s computers, PDAs, cell phones, etc. have become appendages,
keeping them constantly connected. Weblogs or blogs are favored by this group so companies
cannot afford to ignore their use or existence. A web-tracking site called Technocrat reports
tracking over 7.8 million weblogs and 937 million links in March 2005. That’s double the
number of weblogs tracked in October last year. In fact, the blogosphere is doubling in size
about once every five months. Employers need to develop a strategy around blogging. Negative
blogs will be able to destroy a company’s reputation.

We’ve entered the century of the employee and technology has to respond. CRM or customer
relationship management is giving way to ERM – employee relationship management.
Employee self-service has become as important as customer self-service. Customized and
personalized content will be king. Employees can self-manage activities previously handled by
human resource professionals. This is a cost-saving and time-saving benefit to organizations
and it frees the HR practitioners to focus on more strategic issues. But more importantly, it is a
fundamental expectation of Gen Y’s and Gen X’s. Technology that protects the privacy and
security of HR data is more important than ever...but more on that later. It’s important that we
continue to embrace technology and keep our eyes on new advances that may bring even
better communication and collaboration tools. Technology helps people connect within the
work environment regardless of time and place. It fuels the potential for increased productivity
and creativity. Today’s virtual workers and flexible work arrangements are made possible
through communication technology. Organizations can be physically local, yet virtually global,
thanks to technology. Organizations are looking for cross-border and multinational HR solutions
that provide a single HR database that gives them access to real-time information on their
workforce – information that will aid in their strategic decision-making. They are looking for
solutions that provide global compliance capabilities that can be used at the local level. They
are looking for an HR solutions framework that will enable the management of employees from
hire-to-retire.
5. Talent Management: Leadership Development:
Leadership skills are not built through courses. Management is a function of what you do; leadership is a function of what you are. When planning leadership development initiatives, the tendency is to first look for courses. One of the scarcest capabilities, now and for the foreseeable future, is leadership. As organizations, their customers, their employees and their environment become more global, more complex, more competitive and more subject to rapid and radical change, the competency requirements for successful leadership are increasing exponentially. Most organizations would acknowledge that they currently have a shortage of leadership talent or bench strength; how will they fare when the bar keeps on being raised? Leadership is less definable and therefore leadership capabilities are more difficult to build or transmit. Indeed, one could debate whether leadership skills can be taught at all, or whether they are innate.

So how do we develop leaders? Take a few seconds and reflect on what were the three most important contributors to your own development – as a professional and as a leader. If you are like most people, none of those three contributors was a course. One of our HR consultants at Ceridian has conducted this exercise with numerous groups of managers and executives across Canada, the U.S. and Asia. About one in ten people mention a course – usually a very extensive and expensive 1-3 month executive development program. But over 90% of the items mentioned pertain to learning that occurred in the course of their work. Among the most common are being given responsibility for a major project – sometimes being thrown off the deep end, gaining experience in groups outside one’s functional expertise, working on multi-disciplinary teams, working with customers, suppliers or strategic partners, working for a really good boss or a really bad one. An emerging trend in North American executive development is ‘Action Learning’ – which has been well established in Europe for many years.
It involves assigning groups of executives, with diverse backgrounds, to work on issues of strategic interest to their organization – with a facilitator to keep them on track and provide feedback. The advantage of Action Learning is that it engages leaders and potential leaders in real work and a real work environment rather than a simulation. Part of fostering leadership is encouraging and rewarding risk-taking. It is also giving these leaders, wherever they are in the organization, the opportunity to contribute to the development of the corporate strategies and plans. Leadership comes with empowerment – employees can’t be leaders unless they have the power to take risks, make decisions, innovate and lead.

Conclusion
HR professionals need to step up to these challenges. If you don’t, your same level executives will make other functional areas responsible. As, my advice to you is: Think like marketers. Establish an employer brand. Communicate the employer brand. Sell the employer brand. Don’t just preach the benefits of continuous learning to your employees. Be continuous learners. Be at the forefront of the latest trends and requirements and react to them quickly. Acquire a
broader range of business skills, in particular, think like a CFO. What are the metrics that you can develop that prove to the business the impact you are making. Get rid of the stigma around mental health issues. There is no workplace issue more important to your organization, to society, and to Canada’s productivity. Anxiety and depression in the workplace must be dealt with or it’s going to cost your organization in lost productivity and a lot of money. Do real talent management – know who your Stars are, nurture them, develop them, figure out what support they need to thrive in your organization – because if you don’t another company will. Start working on an HR outsourcing strategy today. Otherwise, you won’t have time to do the rest. So...if there is a rallying cry for HR professionals, what is it? We need to be at the table? We need to be more strategic? No the rallying cry is – we need to change the world of work. To do so we need to change HR departments into Talent departments, and HR professionals must become the C-levels of tomorrow.

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