

Paradigm Shift in Human Resource Management and The Emerging Trends

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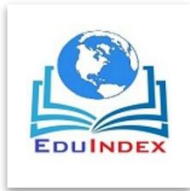
ABSTRACT

Success of an organisation depends on the quality and caliber of the people working in it. In modern days, professionals in the human resource area are the most important elements in the success of any organization. It is clearly acknowledged by professionals that human resources are the wealth of an organisation, which helps it in achieving its goals. The performance and productivity of an organisation are directly related to the quantity and quality of its human resources. So human resources become the focus attention of every organisation. Most of the banking industries, garments industry, trading industry and other some export-oriented industry have boosted up in recent time but they are not maintaining good human resource department except few of them. This study is related on the paradigm shift of learning human resources development in organization. The present human resource had to focus on employee growth, and had to be responsive to his needs and act as a bridge between the employers and the employee. The role of the human resource has become very challenging, in this present scenario. They have to play a role in talent engagement, talent enhancement and talent retention. In fact, human resource is no longer a function. It is a strategic partner in adding value; in several ways. The present paper tries to explore the emerging trends in human resource field in the present scenario. The paper highlights the various challenges in changing business environment and presents strategies to make human resource management effective in the present scenario to meet the global challenges.

Keywords: Human Resource, talent engagement, talent enhancement, talent retention.

INTRODUCTION

Human resource is a resource like any other natural resource. Human Resource Management (HRM) is that process of management which develops and manages the human elements of an enterprise. It is a set of policies, practices and programmes designed to maximise both personal organisational goals. It is not only the management of skills but also the attitudes and aspirations of people. It is a process by which the people and organizations are bound together in such a way that both of them are able to achieve their objectives. Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training



and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade unions, ensuring employees safety, welfare and healthy measures in compliance with workers laws of the land.

Human Resource Management involves management functions like planning, organizing, directing and controlling. It involves procurement, development, maintenance of human resource. It helps to achieve individual, organizational and social objectives. Human Resource Management is a multidisciplinary subject. It includes the study of management, psychology, communication, economics and sociology. It involves team spirit and team work. It is a continuous process. Human Resource Management is that process of management which develops and manages the human elements of an enterprise.

OBJECTIVES

- To study the concept of Human Resource Management.
- To examine the challenges faced by the Human Resource Management.
- To find out the emerging trends in the field of Human Resource Management.

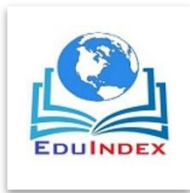
RESEARCH METHODOLOGY

The present paper is a descriptive study based on secondary sources of data. Secondary data have been collected from various journals, articles, magazines, books, publications, internet etc.

REVIEW OF LITERATURE

When organisations involve in innovation, they need creative and innovative people, who are flexible, risk taking, and tolerance of uncertainty and ambiguity (Chen and Huang, 2007). It is important for an organisation to adopt supportive HRM practices that can motivate and encourage employees to be creative and innovative (Ling and Nasurdin, 2010). HR has the potential to inspire innovation and creativity in the organisations (Gupta and Singhal, 1993). A study of the World Bank on organisational innovation in 47 emerging economies indicates that the education level of managers and workforce had a significant influence on innovative capabilities (Ayyagari, 2007). Knowledge, skills and behaviours of employees can be the sources of innovation performance of an organisation (Jimenez and Valle, 2008). They also pointed out that the innovation capacity of an organisation resides in its employees' competencies and motivation. Employee knowledge is the prime source of innovation or the motivation of innovation. Based on this, one can argue that organisations

According to Flipppo, "Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and



reproduction of human resources to the end that individual, organizational and social objectives are achieved”.

There is a general identification about the importance of HRM as a determinant of innovation. Human Resource and Human Resource Management practices of an organisation have power to determine the innovation inputs, innovation occurrence and sustainable innovation performance of the organisation. The reason behind this phenomenon is: the innovative capacity of an organization resides in the intelligence, imagination and creativity of its HR (Mumford, 2000) in terms of innovation inputs. Similarly, for the innovation occurrence and retaining innovation potential in a sustainable manner, organizations require innovation focused HRM practices.

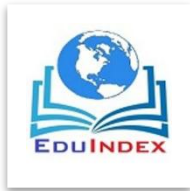
According to the system theory (Katz and Kahn, 1978), a system is with inputs, Processing and outputs. By using this theory, one can integrate HRM system and innovation system of an organisation. Innovation system of an organization should consists of inputs, innovation processing or occurrence, and innovation outputs. HRM system of an organisation can work in an integrated manner with the innovation system of an organisation.

CONCEPT OF HUMAN RESOURCE MANAGEMENT

Human resource management is a process of bringing people and organizations together so that the goals of each other are met. 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. Over the years, highly skilled and knowledge based jobs are escalating while low skilled jobs are declining. This calls for future skill mapping through appropriate HRM initiatives. 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. Task of HRM is becoming all the more vital. With the dynamic business scenario & the economic growth happening all around, a number of opportunities are emerging in India. The health of an organization depends more on its people / human resource & thus the role of HR has become ever so important.

There are three meanings attached to the concept of HRM:

- In the first place, persons working in an organization are regarded as a valuable source, implying that there is a need to invest time and effort in their development;
- Secondly, they are human resources which mean that they have their own special characteristics and, therefore, cannot be treated like material resources. The approach focuses on the need to humanize organizational life and introduce human values in the organization; and
- Thirdly, human resources do not merely focus on employees as individuals, but also on other social realities, units and processes in the organization. These include the role or the job a person



has in the organization, the dyadic unit, (consisting of the person and his superior), the various teams in which people work, inter-team processes, and the entity of the total organization.

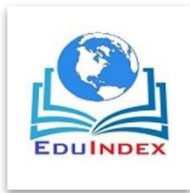
There are some basic assumptions about human resources management. The important assumptions of HRM are as follows:

- The members of an organization are reservoirs of untapped resources.
- There is a scope for unlimited development of these resources.
- It is more in the nature of self-development than development thrust from outside.
- The organization also undergoes development with the overall benefits along with the development of its members.
- The organization further develops a culture in which utmost emphasis is placed on harmonious superior-subordinate relations, teamwork, and collaboration among different groups of individuals, open communication, and above all, integration of the goals of the organization with the needs of the employees.
- Top management takes the initiative for HRM, formulates necessary plans and strategies, and creates an overall climate and support for its implementation.

OBJECTIVE OF HRM

HRM is useful not only to organization, but the employees working therein, and also the society at large also find it useful. The objectives can be as under:

1. **Organizational Objectives:**-HRM is a means to achieve efficiency and effectiveness. It serves other functional areas, so as to help them to attain efficiency in their operations and attainment of goals to attain efficiency. Acquiring right man for the right job at right time in right quantity, developing through right kind of training, utilizing the selected workforce, and maintaining the work force is the organizational objectives of HRM. Succession planning is an important issue to be taken up as a contemporary organizational objective.
2. **Functional Objectives:**-HRM performs so many functions for other departments. However, it must see that the facilitation should not cost more than the benefit rendered.
3. **Personal Objectives:**-In today's world there is shortage of requisite talent. Employees are encouraged by competitive firms to change the jobs. HRM has the responsibility to acquire, develop, utilize, and maintain employees. This would be possible only when the HRM helps employees to achieve their personal goals to get their commitment. Creating work-life balance for the employees is a personal objective.
4. **Social Objectives:**-HRM must see that the legal, ethical, and social environmental issues are properly attended to. Equal opportunity and equal pay for equal work are the legal issues not to be violated. To take care of farmers (whose land has been acquired for the factory) and tribal's

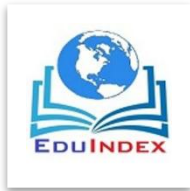


(who are displaced by industries and mining companies) are the ethical issues. The results are clear when these issues are not taken care of. To help the society through generating employment opportunity, creating schools and dispensaries, helping women empowerment are the social responsibility issues.

NEED FOR HRM

Human resource management tries to create a better understanding between management and employees. It assists employees in attaining individual and organisational goals. This approach has been gaining the attention of management professionals in the last decade or so. The needs for HRM are:

1. **Better Industrial Relations:-**There is large spread unrest, labour-management disputes, lack of trust in each other, increasing expectations of workers, growing of militancy in trade unions etc. These factors have generated a gap among workers and managements. Both sides are blaming of exploitation by the other side. In the absence of cordiality in an organisation, the performance of workers is adversely affected. HRM approach is needed to bring proper understanding among workers and management. The workers are trained and developed to meet their individual and organisational objectives. The workers are made to understand that various managerial actions will assist them in achieving their aspirations and organisation's goal.
2. **Create Organisational Commitment:-**There is a humanisation of work environment in industrially advanced countries like Japan, U.S.A., and Germany etc. Globalisation of economy has exposed Indian industries to international competition. An improvement in efficiency and quality of work can come only when workers develop organisational commitment. HRM approach helps in creating a sense of pride for the organisation among the employees.
3. **Meeting with Changing Environment:-**The business environment is changing rapidly. Technological improvements have revolutionised production processes. Automation has been introduced in office operations. Good communication methods have revolutionised important areas of business. Therefore, there is a need to cope with new and changing situation. The operational efficiency of workers must cope up with a revolutionary change in the technology which necessitates a new approach to manpower.
4. **Change in Political Philosophy:-**Political philosophy has also undergone a substantial change all over the world. The new approach is to develop human resources properly for making their better use. In India, Central Government has created a separate ministry as Human Resource Development and put it under a Senior Cabinet Minister. This shows the importance given to human resources in India, which opened up a door for a fresh approach to human resource development in the industrial sector too.
5. **Enhanced Pressure on Employees:-**The technological innovations have made possible the use of sophisticated machines. The installation, monitoring of machines, maintenance and



controlling of operations etc., require large number of trained and skillful personnel. Technicians, repairers and service people are also necessary. The more the technical development and automation, the more would be the dependence on human beings. There should, therefore, be greater need for humane approach to manpower. Similarly, use of more capital intensive methods would result in greater productivity of men necessitating greater motivating and greater human resources approach to management.

6. Meeting Research and Development Requirements:-Fresh initiatives and emphasis on research and development in the industries also led to a new policy of human resource development to cope with the increasing demand for technically capable people. As a result of this, a need arose for a new approach to human resources.

CHALLENGES FACED BY HUMAN RESOURCES MANAGEMENT

1) Change in Attitude: The most challenging HR task is to bring about a change in attitude; to transform it from negative to positive, from suspicious to trusting, from domineering to motivating, from hierarchical to networking.

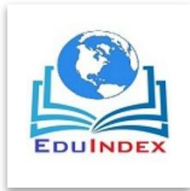
2) Attrition: Attrition is another major problem faced by the organizations today. To stop the cream from leaving the company, the HR has to take steps to satisfy the needs of the employees and improve their prospects within the organization.

3) Need Levels of Employees: At each stage the employees has certain needs. At the entry level they want rapid growth and earnings. At the middle level, they want challenge. At the senior level, they want to go higher up the ladder. The role of the HR has become very challenging, in this present scenario. They have to make the employees take an initiative to become leaders. They have to play a role in talent engagement, talent enhancement and talent retention.

4) Hire Right Person: Another great challenge for the HR in any organization is that the right person has to be hired. The employees, who performed well, have to be appreciated & acknowledged. Those who could improve on their performance have to be told to do so in a very nice manner.

5) Work Ethics: HR of today face challenges regarding ethics at workplace. In today's world, the economy is vibrant and people have 3-4 job offers in hand, yet somewhere down the line, fundamental values are forgotten. The employees have to understand the organization, their roles & responsibilities and also adhere to the values of the company.

6) Identifying and Retaining the Talent: The biggest challenges faced by HR are the identifying and retaining the talent. In short, it is a war for talent, a war, which is being fought by the HR professional to, retained the best talented candidate in their organization.

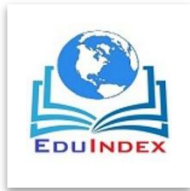


7) Compensation: Unless the problems of compensation package and other HRM issues are handled with great care, soon there is considerable risk of a significant brain drain both domestic and international. Civil service servants, state-owned enterprise employees and others that choose not to work in these institutions will either migrate to other private and non-government organisations inside the country or flow to other countries.

8) Privatisation: Privatizations leads to a private sector business practice with a focus on quality. Privatisation is important to HRM, because it introduces modern management practices, work organization and new production technologies. There is also high possibility technology, total quality management and just-in-time production. Hence, technology will shape HRM, because firms will need highly selective hiring, comprehensive training and developmental evaluation, which are absent at present. Generally, investment in different management capabilities will be required. Privatisation leads to loss of jobs in the pursuit of efficiency. It is too early to judge the overall consequences of privatisation.

9) Globalization: With the advancement and fast growth of Information and Communications Technology (ICT), the world is becoming smaller and smaller with a speedy interaction. Globalization can have far reaching implications for HRM and management practices in general. Many countries across the globe are feeling the forces of change and they are opening up their economies (domestic markets) to external forces (influence) and at the same time penetrating other countries economies. Accordingly, it is expected that firms will face increased competition in the domestic and international markets. Hence, firms need to transform their HRM systems in order to compete effectively in the global market. Whereas the present HRM system stress on group reward and neglect individual performance, the future of HRM policy would emphasize a performance-based system. Performance may emerge as one of the main important variables to determine employee compensation as firms try to increase productivity. There would be a link between evaluation and reward. Therefore, performance evaluation will serve as an evaluation tool for pay increase and will be developmental in orientation. Thus, firms would shift from the current two-way and three-way performance evaluation procedures to a more objective measurement of employee performance such as the 360-degree evaluation, which include supervisors (boss), self peers (subordinates) and customers.

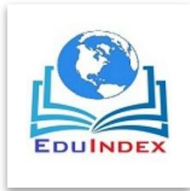
10) Recruiting Competent People: With the increase of global job mobility, recruiting competent people is also increasingly becoming difficult, especially in India. Therefore organizations are also required to work out a retention strategy for the existing skilled manpower.



SUGGESTIONS TO OVERCOME THE CHALLENGES

After the above study the following suggestions are noteworthy:

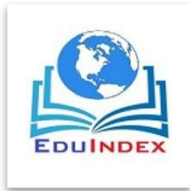
- 1) Increase in Education Levels: Due to technological progress and the spread of educational institutions workers will increasingly become aware of their higher level needs; managers will have to evolve appropriate policies and techniques to motivate the knowledge of workers. Better educated and organized workforce will demand greater discretion and autonomy at the work place.
- 2) New Personnel Policies: New and better policies will be required for the work force of the future. Traditional family management will give way to professional management with greater forces on human dignity
- 3) Focus on Employee Growth and Needs: The traditional HR only developed the policies of the organization. The present HR had to focus on employee growth, and had to be responsive to his needs and act as a bridge between the employers and the employee. Today's HR managers needed to help the employees in their wholesome growth within the organization.
- 4) Opportunity for Talent to Mature: Organizations need to stretch their horizons, and create time and a place for the talent to mature and grow up.
- 5) Harnessing Energy of Youth: The younger generation has the vision of a bigger world. They have a larger canvas. Their expectations are intense, their dreams are grand and their aspirations are unlimited. These are the realities of the youth in an uncertain and turbulent world. The youth requires harnessing of this energy and a space to encounter this reality. Organizations must channelize this energy with innovative ideas, directions and alternatives, towards a vision for tomorrow, towards a destination.
- 6) Mobilize the Individual: The HR's role is to mobilize the individual collectivity and the organization with a binding force of values, appropriate systems, mindsets of people, organization vision and direction, strategies and policies and above all coherence in excellence and in human processes.
- 7) Invest Time and Amount: It is necessary for the management to invest considerable time and amount, to learn the changing scenario of the HR department in the 21st century.
- 8) HR Department should be updated: In order to survive the competition and be in the race, HR department should consciously update itself with the transformation in HR and be aware of the HR issues cropping up.



DAVE ULRICH OUTLINES OLD MYTHS AND NEW REALITIES OF HR

Dave Ulrich outlines old myths and new realities of HR as following:

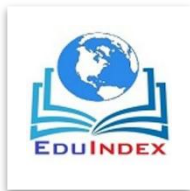
Sl. No	Old Myths	New Realities of HR
1.	People go into HR because they like people.	HR departments are not designed to provide corporate therapy or as social or health-and-happiness retreats. HR professionals must create the practices that make employees more competitive, not more comfortable.
2.	Any can do HR.	HR activities are based on theory and research. HR professionals must master both theory and practice.
3.	HR deals with the soft side of a business and is therefore not accountable.	The impact of HR practices on business results can and must be measured. HR professionals must learn how to translate their work into financial performance.
4.	HR focuses on costs, which must be controlled.	HR practices must create value by increasing the intellectual capital within the firm. HR professionals must add value, not reduce costs.
5.	HR's job is to be policy police and the health-and-happiness patrol.	The HR function does not own compliance-managers do. HR practices do not exist to make employees happy but to help them become committed. HR professionals must help managers commit employees and administer policies.
6.	HR is full of fads.	HR practices have evolved over time. HR professionals must see their current work as part of an evolutionary chain and explain their work with less jargon and more authority.
7.	HR is staffed by nice people.	At times, HR practices should force vigorous debates. HR professionals should be comfortative and challenging as well as supportive.
8.	HR is HR's job.	HR work is as important to line managers as are finance, strategy, and other business domains. HR professionals should join with managers in championing HR issues.



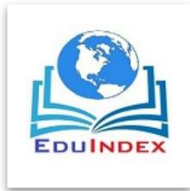
Paradigm Shift in Human Resource Management - Emerging Trends

The emerging trends in the field of HRM are described herein below:

1. **Open Work Environment:** Profound systemic changes have been seen in the way companies are structured. The concepts of leadership and managing people have undergone a radical rethink. Cubicles, hierarchies and rigid organization structures of the past, have now given way to open work environment, flat structure with informality being a general rule and empowerment of individuals. Today work itself is centered around projects, which have virtual teams working on them. This work structure has led to a culture of flexi time and round the clock accessibility to the workplace.
2. **HRM as a Strategic Business Partner:** HRM business practice has evolved considerably over the years. The HRM is no longer viewed as an independent department that caters only to the needs of the employees but as business strategic partner. With this, more and more HRM functions are now being shared, if not delegated entirely, with line managers and supervisors. This is a welcome and advantageous development, not only for HR practitioners but for the organization as a whole. With these shared responsibilities, the HRM have now become an integral and indispensable part of organizational change, business planning, and development of company's competitiveness.
3. **Team Work:** The new economy has given rise to a culture of working in teams. Today no job in the knowledge industry can be performed in isolation. Since working in teams is not a passing fad, companies are now designing compensation structures, which reward team performance in addition to individual performance.
4. **Greater Emphasis on Talent Retention:** Companies have now started to develop psychological contracts / relations with their employees. "Service Bonds" are being gradually replaced by systems like "stock options". This conveys the all important message of companies building up a permanent relationship with their employees. With this in mind companies are developing the vision / mission statements which indicate clearly the plans for the future. Company products are given to employees at greater discounts, scholarship given to their children, all in a bid to build up a lasting relationship and ensure that every employee feels proud to be part of the organisation.
5. **Job Opportunities:** Comparing job opportunities that prevailed in the 1970's and 1980's and the opportunities available today we find that earlier, one had to wait for a job opening - just apply and wait. Now the scenario has changed - once a student has graduated, the job opportunities available to him/her are plenty. Some had even three or more job offers and found it difficult to make a choice.
6. **Policies Become People Centric:** Traditionally the policies mainly focused on achievement of organizational goals showing negligence towards the human resource but now the policies of many companies have become people centric.



7. **Impatient Youngsters:** At the entry level, there were many fresh candidates, but not enough quality. There is a need to match the skill and attitude of the employee, with the job on hand. There is need to match the demand and the supply. At the middle level, it is very difficult to meet the demand. In earlier days a person joined a company & stayed on - that would be his first & last job. Now youngsters are quite impatient & are constantly on the lookout for a change every two years, sometimes even earlier. There are many choices available for them. For the employee, the job is also choice driven.
8. **Equitable Treatment of Employees:** In the Indian context, the good old adage was "All employees are equal but some are more equal than the others". This meant that executives and senior managers were entitled to better facilities at the work place comfortable luxury transport to and from work, tea and coffee, a peon at their disposal. With the increasing advent of open office systems, we notice that many organisations are heading for common canteens, pool cars and such. Further, with increased automation, executives are encouraged to have their own personal computers. Further we have tea-coffee vending machines with executives helping themselves to it as and when they need, self-operated photo coping machines. Thus, the hierarchical formal relationships at work are giving way for more informal and self-department ways of getting things done.
9. **Loyalty is Losing its Shine:** Attracting and retaining of human resource has become difficult as loyalty factor is losing its shine, today HR personnel have to motivate and design healthy career road map to make them stay in the company.
10. **Human Resource Outsourcing:** Human Resource Outsourcing is the new name in the industry to replace the redundant traditional HR department. Many HR outsourcing companies in India are already established and some are coming up to support increasing demand of corporate India.
11. **Quality Management:** 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.
12. **Empowered Employee:** Today the employee is an empowered employee, who had many choices. He knew what is happening in the industry and he wanted the best. He wants better contracts and flexible timings and sometimes wants to work from home. Flexi-hours policy suits support functions that demand minimum.
13. **Flexi Work:** HR managers who favour working out of home say it reduces attrition and attracts quality workers. Flexi-work policy helps to convert commute time into productivity output, and to connect with people in areas where companies have no geographical presence. Companies feel virtual offices help in reducing certain fixed costs and office space per employee.
14. **Sensitivity Training:** 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.



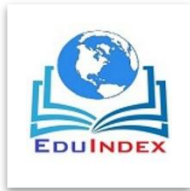
15. **Quality of Work Life:** Organizations today are not only making the structure and policies employee friendly rather are trying to improve the quality of work life where employees can enjoy their working and will be able to manage the balance between work life and personal life. They provide them the in-house facility of health club, yoga, meditation, alternative work schedule, picnics, and family get together where they can reduce their stress and strains. They also provide educational facility, medical facility etc. Some companies also provide the employees holiday package along with their family members. The idea behind is not only to have a happy workforce but to get extended to the families of the employees as well to develop a sense of belongingness in the employees.
16. **Interest in Spirituality:** The biggest change in the workplace is the interest in spirituality. It's about doing the right thing. It's not about religion. It's about job satisfaction. Jobs in the future will have to be more meaningful. Pay won't be as important as a good job.
17. **Concept of Learning Organisation:** Training programmes are being viewed more seriously by organisations. Initially a training programme was perceived as a holiday period, break from routine work and a means to keep people occupied during preventive maintenance periods on the shop floor. Further training efforts of most organisations have been focused at the lower level of employees of the organisation. An encouraging trend today is that organisations are now emphasizing upon training of employees at all levels. Training and development activities are aimed at increasing "Learning" experiences for employees such that it helps in both employee and organisation development.

CONCLUSION

The aim of HR in the new economy is to enable the organisation to create value through people, practices and processes, bearing in mind that people are the competitive edge of any organisation. Within this context the defined role of HR must be seen as providing Human Resources products, services and solutions that will enable the organisation to achieve its set strategic objectives. Human Resources practitioners must operate as people Champions and prove their value to the organisation.

HRM departments and professionals in businesses have to take on the mandate of building a competitive HR in their respective organizations. Business survival is not only dependent on how good your product and services are, how excellent is your customer service, and how efficient your business processes are but on how competitive your employees who carry out these performances. New technology, business strategies, complicated processes, and management systems are inutile without a competent human resource behind them.

In the knowledge economies of today, success or failure of an organization depends largely on how aggressively the HR function can nourish human resource under several situations and training programs. Processes of recruitment, motivation and retention have got a new edge. Industrial relation has got a new shape in the post-global world. Innovative ideas and techniques of operations are the highly demanding attributes looked for by the corporate for its sustainability. HR is promoting the cognitive abilities in the organization to enhance the numbers



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of critical and analytical thinkers at all levels and, thereby, has also encouraged the accountability of the human resources for smooth functioning of the organization. In this new era, HR is playing a partnership role in the organization's strategising business process.

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