

## Emerging trends in HRM of corporate sector

Chahat Gupta

Research Scholar, Punjabi University, Patiala, Punjab, India

### Abstract

Human Resource Management is a philosophy, while Human Resource Development includes the activities and processes undertaken to promote the intellectual, moral, psychological, cultural, social and economic development of the individuals in an organization, in order to help them to achieve higher human potential as a resource for the community. It is a continuous process by which the employees are assisted in a planned way to develop capabilities. Since 1990, viewpoint of management towards its employees began to change, role of contribution of human resources as a talent pool also become so vital that most of the organizations started to focus their vision and mission on the people who work for them. The roles & responsibilities of human resource management are transforming due to change in government policies, unions, labor legislations & technology. Now, organizations need to place greater emphasis on attracting human capital rather than the financial capital as Human Resource Management has the responsibility to maximize efficiency & profit but in the emerging scenario, the role of HR manager is changing rapidly. Companies having the ability to foresee the business needs with their workforce needs will gain the decisive competitive advantage. The trends have taken place in the organization, human resource planning, job design, motivation, recruitment, skill development and employee relations. The challenges can be faced by HRM effectively, if proper strategies are implemented. Hence, the role of HRM will be more significant in future due to the emerging scenario. The management of human resources has now assumed strategic importance in the achievement of organizational growth & excellence. This paper attempts to know the functions performed by HRM in Corporate Sector, role of HRM in Current Scenario, future challenges before managers & emerging HR trends in India.

**Keywords:** human resource management, human resource development, emerging trends, role of HRM

### Introduction

The term 'Human Resource' refers to the individuals which comprises the workforce of an organization. Human Resource Management (HRM) deals with recruiting, managing, developing and motivating people including specialized support and managing system for regulating compliance with employment and human rights standards. The origin of HRM function arose in those organizations which introduce welfare management practices. HRM has witnessed many changes in last 2 decades. Economic liberalization in 1991 created a hyper competitive environment as International firms entered the Indian market bringing with them innovative and fierce competition, which forced the Indian companies to adapt and implement Innovative changes in HR practices. The management of Human Resources has now assumed significant importance in the achievement of organizational growth and excellence.

More and more companies are operating across geographical and cultural boundaries. While most have adapted to the global reality in their operations, many are lagging behind in developing the human policies, structures and services that support globalization. The human resource function faces many challenges during the globalization process, including creating practices that will be consistently applied in different locations/offices while also maintaining the various local cultures and practices and communicating a consistent corporate culture across the entire organization. To meet these challenges, organizations need to consider the HR

function not as just administrative service but as strategic business partner.

Companies should involve the human resources department in developing and implementing both business and people strategies. The process of globalizing resources, both human and otherwise, is challenging for an company. Organizations should realize that global HR function can help them utilize their existing human talent from across multiple geographic and culture boundaries.

### Literature Review

Cascio, 1991: Financial returns associated with investment in progressive HR practices are generally substantial.

Becker & Gerhart, 1996: Organizations' worldwide are under pressure today to continually improve their performance. The major trends behind these competitive pressures are globalization, advances in information technology and increasing deregulation of global markets. As a result of these changes in the global economic environment business strategy, the field of human resource management is rapidly changing more than ever today.

Tomaka 2001: Without an efficient workforce, organization lose their ability to compete, both locally & internationally, eventually leading to poor organizational performance and thus ending up with little or no economic success.

Collins and Smith 2006: Recent researches on HRM show

strong and positive relationship between HRM practices and organizational performance.

Dany *et al* 2008: Unlike in the past when natural resources, technology and capital used to be the key factors to determine the competitive advantage of the firms of one nation over the other nations, human resource today in modern times have become the most important resource for the firms to obtain strategic advantage over the other firm.

Mesch 2010. This is because the managers in both the public and private organisations regard the human resources of their organization as its major source of competitive advantage by having the 'best of the best'. Human resource system place for recruiting, selecting, motivating and efficiently manage their people.

### Objectives

1. To know the functions performed by HRM in corporate sector.
2. To know the role of HRM in current scenario.
3. To know the future challenges before the managers.
4. To know the emerging HR trend in India

### Research Methodology

The study is based on secondary data which is collected from various books, National and International Journals and from various websites which focused on various aspects of HRM in corporate sector.

### Functions/Activities Performed By HRM in Corporate Sector

An efficient HR department can provide the organization a structure and ability to meet business needs through managing the company's most viable resources i.e. employees. It plays an important role in equipping the organization to meet the challenges of an expanding and increasingly competitive sector. HRM plan, develop and administer the policies and programmes for expeditious use of organization's human resources. Its functions can be grouped as follows:

1. **Hr Planning:** In HR planning function, HR department collect and analyze the information in order to forecast human resources supplies and predict human resource needs.
2. **Job Analysis:** In Job analysis, HR department describes the nature of job and specify the human requirements such as skills and experiences needed to perform it. Here, the job description tells about the work duties and activities of employees.
3. **Recruitment:** This is the most basic HR function. There are several elements of this task like- job description, advertising the job postings, screening applicants, conducting interviews, making offers and negotiating salaries and benefits.
4. **Selection:** In the selection Function, the most qualified applicants are chosen from the list of those who attracted to the organization by recruiting function.
5. **Orientation:** Orientation helps the new employee to adjust himself to the new job and the organization. It covers the aspects like new job, including pay and benefit programme, working hours, company rules

and expectations.

6. **Training & Development:** Training is provided to the new employees to help them transit into new organizational culture. Many HR departments also provide leadership training and professional development training.
7. **Benefits and Compensation:** Compensation and benefits function can be handled by one HR specialist with dual expertise. It covers the aspects like competitive pay practices, health insurances, retirement saving fund, incentive and premium plans, bonus policy etc.
8. **Career Planning:** Career planning is related with desire of many employers to grow in their jobs. It assesses the individual employee's potential for growth and advancement in the organization.
9. **Labour Relations:** HR manager is intended to reduce strikes, promote industrial peace, provide fair deal to workers and establish industrial democracy with the help of sufficient communication system and co-partnership.
10. **Record Keeping:** In record keeping, the personnel manager collects and maintains information concerned with the staff of the organization. It includes application forms, health and medical records, seniority lists, earning and hours of work, absence turnover and other employee data.
11. **Safety:** One of the main functions of HR is to support workplace, safety training and maintain federally mandated logs for workplace injury and fatality reporting.
12. **Motivation:** HR department has to evaluate performance and devise an appropriate rewarding system to maximize the employee retention statistics and instill a sense of bonding among the organizations and employees.

### Role of HR Managers in Current Scenario

In Current Scenario, Human Resource Management has to face a great revolution. Many traditional practices have been thrown out e.g. Hierarchies are vanishing and trend has been change into flat organization, which requires a great deal of specialization and skill.

### The new role of HR managers is much more strategic than before. Some of the new directions of role of HRM can be summed up as follows:

- To develop thorough knowledge of corporate culture plan and policies.
- To maintain and develop HR policies.
- To act as internal change agent and consultant.
- To act as a mediator by balancing the aspirations and requirements of company and individuals.
- To focus on new employee retention.
- To actively involved in company's strategic formulation.
- To try to get things to happen better, faster & cheaper.
- To make effective communication between individuals and groups both.
- To assess the impact of HRD practices and programmes.

- To provide support to managers in case of disciplinary issues by counseling and guidance.
- To help employees to assess their competencies, values and goals so that they can identify, plan and implement development plans.
- To coordinate the implementation and administration of HR policies.
- To enable the individual to work in a new situation.
- To provide counsel and assistance to employees at all levels.
- To design and develop structured learning programs and material to help to accelerate learning for individuals and groups.
- To administer all employee benefit programs in conjunction with the Finance & Administration Department.
- To create commitment among the employees who help the organization to meet the customer needs.
- To ensure a motivational climate in the organization by providing opportunities for growth & development.
- To recommend the long term strategies to support organizational excellence and endurance.
- To diagnose the problems and find out the solution in the area of Human resources.
- To relate people and work to achieve the objectives successfully

#### **Role of Human Resource Managers In Future**

1. The HR managers of tomorrow will not only look after personnel functions but also be involved in leadership and motivation of the entire organization.
2. In future, HR management will not merely be an exclusive job of the HR Manager's rather every executive in the organization would be made responsible for the effective management of people in his unit.
3. The HR managers will be required to act as change agents through greater involvement in environmental scanning and development planning.
4. In future, the HR managers will have to expert in behavioral sciences. HR management will emerge as a well-established well respected and well rewarded profession comparable to other established professions.
5. HR managers will have to mobilize a new work ethic. Greater efforts would be needed to achieve group cohesiveness.
6. HR managers will have to recognize human resources as vital assets for realizing organizational goals.
7. HR managers will require retraining, mid training and up gradation of skills in view of rapid technological changes.
8. In future, there will be increasing use of information technology for measurement of HRM duties and contributions.

According to Bergly and Slover, "the future manager will be better grounded in social sciences, world affairs and the humanities in general. He will effectively integrate the techniques of information technology with the human resources available to him".

#### **Major Challenges of HRM**

HR professionals play a key role to help the company in achieving CSR objectives. They are facing many challenges in present business scenario like Globalization, workforce diversity, technological advances and changes in political and legal environment, changes in information technology. All these challenges imposing pressure on HR professionals to attract retain and nurture talented employees. They can't ignore these challenges rather they have to execute innovative mechanism of developing skill and competencies of HR to prepare them to accept the emerging challenges.

1. Globalization
2. Downsizing Plan
3. Exit Policy
4. Voluntary Retirement Schemes
5. Work Force Diversity
6. Technological Changes
7. Employee Empowerment
8. Work Life Balance
9. New Work Ethics
10. New Personnel Policies
11. Computerised Information System
12. Industrial Relations
13. Changes In Political Environment
14. Mobility Of Professional And Technical Workforce
15. Development Planning

#### **New Trends in HR**

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. Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This calls for future skill mapping through proper HRM initiatives.

Indian organizations are also witnessing a change in system, management cultures and philosophy due to the global alignment of Indian organizations. There is need for multi skill development. Role of HRM is becoming all important.

#### **Some of the recent trends that are being observed are as follows:**

1. **Outsourcing:** It simply means bring someone from outside the company to perform tasks that could be done internally. 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. Over the past decade, these factors have significantly altered the strategy and structure of many firms.
  - 1) Downsizing
  - 2) Rapid growth or decline
  - 3) Globalization
  - 4) Increased competition
  - 5) Restructuring
2. **Six Sigma:** Six-sigma uses rigorous analytical tools with leadership from the top and develops a method for sustainable improvement. These practices improve

organizational values and helps in creating defect free product or services at minimum cost. Six-sigma is a disciplined, data- driven approach and methodology for eliminating defects from manufacturing to transactional and product to service.

3. **Quality, Ethical and Professional Standards:** 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 centric issues with commitment from the top management, with renewed thrust on HR issues, more particularly on training. With the increase of global job mobility, recruiting commitment people is also increasingly becoming difficult, especially in India. Therefore, by creating an enabling culture, organizations also required to work out a retention strategy for the existing skilled manpower.
4. **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 a basically a visual representation of an organization's strategy

#### **The BSC is a way of**

- Measuring organizational, business unit or department success.
- Balancing short-term and long-term actions.
- Balancing different measures of success- Financial Customer, Internal Business Processes.

#### **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.

#### **New Trends in International HRM**

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.
- Compensation system should support the overall strategic intent of the organization but should be customized for local conditions.

#### **HR managers should do the following things to ensure success**

- Use workforce skills and abilities in order to exploit environmental opportunities and neutralize threats.
- Employ innovative reward plans that negotiate employee contributions and grant enhancements.
- Indulge in continuous quality improvement through TQM and HR contributions like training, development and counseling etc.
- Decentralize operations and rely on self-managed teams to deliver goods in difficult times e.g. Motorola is famous for short period development cycles. It has quickly commercialized ideas from its research labs.
- Lay off workers in a smooth way explaining facts to unions, workers and other affected groups e.g. IBM, Kodak etc.

Due to the new trend in HR, in a nutshell, the HR manager should treat people as resources, reward them equitably, and integrate their aspirations with corporate goals through suitable HR policies.

#### **Top Ten HR Practices**

- Safe, Healthy and Happy workplace
- Open Book Management Style (Culture of participative Management)
- Performance Linked Bonuses
- 360- Degree Performance Management Feedback System
- Fair Evaluation System For Employees
- Knowledge Sharing
- Highlight Performers
- Open House Discussions and Feedback Mechanisms
- Reward Ceremonies
- Delight Employees with the Unexpected

#### **Emerging HR Trends in India**

According to Kamal Karnath, "With increase in investments in manufacturing sector in India, the demand for talent is mounting. Most organizations look for trained manpower at all levels of operations and in today's context, the demand-supply gap is on rise. Though technical manpower by volume is higher in India, It's employability that is question for many organizations.

The manufacturing sector in India is sweeping back in the national economic space. India has figured among the top ten manufacturers among the world in 2010 in International year book of Industrial Statistics 2011 published by United Nations Industrial Development Organization. India has witnessed increase in jobs in mining & construction sector by 46% and 44% respectively in the first quarter of 2011. There will be high demand for experienced professionals to manage operations in manufacturing sector. According to research, close to 30 lakhs jobs will be created by 2015. Shortage of talent in construction sector has been a long term problem and likely to continue to push up project costs and risks. Flow of the talent into the construction sector and power sector has been gradually drying up

candidates have sought an alternative and often more lucrative career options. Education system is often not delivering the required number of specialists across project management, engineering, surveying and contract management. Salary will be of an average hike between

9%-12%. The average salary increase in manufacturing industries like automobiles, construction and engineering has witnessed 13% year on year and this trend is expected to continue.

**Table 1: Recent Trends**

Sr. No	Political	Economic	Social	Technology
1.	Increased demand for transparency in govt. & other organizations	Increase govt. involvement in Economic Growth	International internal migrations	Pace of technological innovation is increasing
2.	Increasing dispersal of national power	Increasing gap between rich & poor individuals	Increased interconnectivity of people organizations	Digitalization of life style and work life
3.	Narrowing the gaps in national power between developed and developing countries	Rapidly increasing national debt to GDP ratio	Increasing power of women	Break through or transformation technologies
4.	Increase in the power of non-state business organizations such as World Bank	Growth & increasing instability of sovereign wealth funds	Accelerated pace of life urbanization	Social, Economic & Culture connectivity

**Changes in 21st Century Impacting HRM**

Some of the latest trends that would impact the HRM in a major way are discussed as follows:

1. **Scope for Promotions:** in 21st century, Senior HR Managers would be given positions in the top management of the organization because of their human skills.
2. **More Scope for Talented Employees:** In the 21st century, Corporations would be looking for employees with cross functional expertise, strong academic background and team management skills. As the importance of human element is realized by corporations as a means for gaining competitive advantage, there would be growing demand for talented employees. Corporations, thus have to pay more attention to talent acquisition, development and retention by investing in innovative incentive plans.
3. **Employer-Employee Relations:** The 21st century would see the end of road for the trade unions. This would be the result of deregulation, privatization, globalization etc. Employment related issues would be dictated by the market forces. Government interference and political support would become a thing of the past
4. **Healthier Working Environment:** Healthier working environment would be an absolute necessity to attract talented workforce. Safe, healthy and secure work environment has always been a requirement to attract, acquire and retain the employees. But in addition to these, the organizations will have to:
  - Design wellness programmes to help employees identify potential health risks and deal with them before they become problems.
  - Pay more attention to improve the comfort level of employees by paying attention to various issues

- The main challenge before the HR manager will be able to create and manage the human resource system in tune with the more participative, result oriented, adaptive and humanistic organizations.
- To face the recent challenges, HRM has to implement effective strategies. Hence, the role of HRM will be more significant in future due to emerging scenario

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**Conclusion**

- We can say that in future, HR managers will have to possess technical, social, human and conceptual skills to successfully face the new challenges.
- New disciplines like industrial engineering and management services are challenging in HR function. The future progress of this function will depend upon how the managers are able to cope up with the new challenges.