

# CHANGING ROLE OF HR IN 21<sup>ST</sup> CENTURY

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## ABSTRACT

*The present research paper is an attempt to analyze the changing dimensions of human resource management in the present era right from its evolution. There have been drastically many changes in the dimensions of Human Resource Management from the personnel management to e-human resource management and strategic human resource management. The research has tried to find out different dimensions in the human resource management function. This is a review paper where secondary data has been used. The researchers have found that after the evolution of Personnel management the functions of HRM have now changed to large extent.*

**Key words:**HR.

## Introduction:

The earlier and modern management fundamental tasks remains the same: to make people capable of joint performance through common goals, common values, the right structure and the trainings and development they need to perform and to respond to ever changing trends. The historical background of management origin is very interesting. When Karl Marx was penning down for his great work on –*Das Capital* during 1850's, the phenomenon of management in truest sense obtaining today was unknown. This was also reflected on the enterprises run by few managers.

Then during the early period and especially on the threshold of World War I & II, the management thinkers became more aware of management's existence. Some of the most celebrated among early great management thinkers/contributors are: Chanakya or Kautilya (Arthashastra), Socrates, Plato, Henry Fayol (earliest Administrative Theorists), Woodrow Wilson (Wilsonian Dichotomy), F.W. Taylor (Pioneer of Scientific Theory), Elton Mayo (Industrial Sociologist-human behaviour and Motivational Theory), Abraham Maslow (Needs and Wants Theory), Douglas McGregor (Theory X and Y), Fredrick Herzberg (Motivational aspects), Chris Argyris (Organizational Development), Rensis Likert (Group Objectives), Harold Koontz (Management Concept), Peter F. Drucker (US Management Guru) and many modern management experts like, Peter Senge, Stephen Covey, Alvin Toffler, Michael Porter, C.K. Prahalad, Gary Hamel, Michael Hammer, Eli Goldratt, Philip Kotter, John Naisbitt, Warren Bennis, John P. Kotter etc. are substantially shaping the present and future business scenario.

## Literature Review:

**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.

**Dany and others, 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.

**Katous and Budhwar, 2006:** HRM policies of recruitment, training, promotion, incentives, benefits, involvement, and health & safety are positively related to organizational performance.

**Mesch 2010:** Furthermore, among all the organizational factors which contribute to organizational performance, the human resources are now regarded as the most fundamental factor.

**Collins and Smith, 2006:** Recent researches on HRM show strong and positive relationship between HRM practices and organizational performance.

## Objectives:

1. To know the functions to be 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 publication from various websites which focused on various aspects of HRM in corporate sector.

**Changing role of HR in Today's Scenario**

In 50's and 90's the role of Human Resource Management was more of "Personnel Management", but in the last decade, the Human Resource role has changed from Personnel Management to HR Business Partner. HR Business partner is a major link between HR and different business units. Also to succeed in the competitive environment of today and the future, it will take more than market information and trends; which are available. What is most required is work force.

**Supporting the business**

The Human Resource function must also adapt to the modern business needs – a highly dynamic employee management and planning team that can respond and adapt to the rapidly varying requirements of an organization or market needs. Human Resource should be considered as a strategic, incorporated position that directly influences the business' success because Human Resource works so closely with its Human resources – the organization's true competitive advantage. By managing present, incoming and leaving employees, Human resource ensures the company always has the right people for the right jobs.

**Employee engagement**

Human Resource must no longer to be seen as an employee's final option in the case of negative encounters – in truth, modern Human Resource must be defined by active engagement with employee issues, back the staff members in the workplace, listening to their concerns, and building a professional and stable relation between Human Resource, employees and managers.

Managing expectations, being flexible, communicating and adequate training is one of the most significant factors in keeping employees contented. Human Resource managers can go further, too – conducting performance appraisals, career development and up Skilling, developing effective reward systems and designing jobs to fit both the needs of the business and employees. Taking an active and engaged role in employee happiness promotes better overall performance because it helps to retain and motivate staff.

**Change Management**

During changes in the organization Human Resource Managers makes sure that employees are having the necessary skills and information when an aspect of their work environment changes – example can be, everyone one is trained to operate new software package that is being used throughout the company or any acquisition or merger has taken place between two companies. A good change management process makes sure that all the changes go smoothly, with minimal interruption and maximum involvement from the staff. Human Resource plays a major role in ensuring that change is carried out according to plan because of its unique position as the core of all the employee relations. This added dimension hands over the Human Resource Manager a direct role and power while developing the business, according to the available capabilities, meaning the drastic changes are better through and presented in a manageable way to the employees who need to work through it.

**Introduction**

The management has to recognize the important role of Human Resource Department in order to successfully steer organizations towards profitability. 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. 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. With high attrition rates, poaching strategies of competitors, there is a huge shortage of skilled employees and hence, a company's HR activities play a vital role in combating this crisis. Suitable HR policies that would lead to the achievement of the Organization as well as the individual's goals should be formulated. HR managers have to manage all the challenges that they would face from recruiting employees, to training them, and then developing strategies for retaining them and building up an effective career management system for them. Just taking care of employees would not be enough; new HR initiatives should also focus on the quality needs, customer-orientation, productivity and stress, team work and leadership building. This book is divided into two sections that throw light on the emerging HR trends and discusses HR issues in various industries like financial services, IT, Power, Healthcare, to name a few. This book should be valuable for practicing HR managers of every organization and also for those who have a significant interest in the area of Human

Resource Management, to realize the growing importance of human resources and understand the need to build up effective HR strategies to combat HR issues arising in the 21st century.

### **Trends Affecting HR and the Workplace:**

1. Rise in healthcare costs
2. Focus on domestic security
3. Use of technology to communicate
4. Complexity of legal compliance
5. Use of technology to perform HR functions
6. Focus on global security
7. Preparing for next wave of retirement (i.e., labor shortage)
8. Use and development of e-learning
9. Exploring of jobs to developing countries
10. Changing definition of family

**Source:** SHRM 2004-2005 Workplace Forecast Survey

### **The affect of 21st century trends:**

- Competition
- Growth or Decline
- Profitability
- Labour Availability
- Diversity
- Liability

### **The Role of HR in Organizations Boosting Productivity:**

- \* Preparing the Organization for Change
- \* Building Employee Commitment and Morale
- \* Involvement in Determining and Implementing the Strategic Direction of the Organization

### **Trends for HR in the 21st Century:**

- \* Becoming the employer of choice
- \* Winning the war for talent
- \* Contributing to the organization as a strategic business partner
- \* Cultivating leadership through e-learning and development
- \* Recognizing the workforce as a profit center
- \* Thinking globally while complying locally
- \* Incorporating flexibility and adaptability into the organization
- \* Embracing technology as the underlying facilitator

### **Competencies for 21st Century HR Professionals:**

- \* Developing Effective Reward and Recognition Systems
- \* Creating and Becoming Transformational Leaders
- \* Engaging the Workforce in Continuous Change and Innovation
- \* Collaborating in Resolving of Strategic Problems
- \* Partnering with Community Groups and Business Organizations
- \* Encouraging Real Employee Involvement
- \* Coaching and Counselling Individuals and High Performance Teams
- \* Empowering and Facilitating Learning, Change, and Decision-making
- \* Creating the "Learning" Organization
- \* Designing Organizations, Processes, and Performance Systems
- \* Keeping Up-to-Date on Technological Advances in HR Applications
- \* Maintaining a Global Business Perspective

Thus, the job of personnel managers will become more difficult and challenging in future. They will have to be experts in behavioural sciences. They will play a creative and development role. They will thus have play a creative and development role. They will have to acquire new skills, values, attitudes to discharge their new responsibilities successfully.

### **Recent Scenario of Human Resource Development in India**

It's no secret that employees' attitudes about their jobs, their benefits and their employers can range from exuberant to sour. What's less well known and harder to find out is exactly what matter to specific types of

employees and how effective various types of HRD policies, practices and workplace characteristic are, in spurring employee productivity and retention. Since human resource development and management is culture sensitive, therefore we shall examine the recent scenario of HRD in India context by having a brief preview of HRD scenario in the global context as discussed below:

More and more employers are assessing the value returned from each dollar spent on employees. They are targeting specific programs and practice to the employees that value them the most and becoming more important than ever. Determining what matter most to employees and aligning expenditures with priorities is a strategic challenges for HRD function. Employee change continuously due, in part, to change changes in personal preference but also in part to the chum that occurs as employees leave and new ones enter the Organization. However, it is neither cost effective nor practical to satisfy every employee. Therefore, understanding employees and issues they face holds the key to the function to respond quickly.

Of the 21 factor in the job satisfaction survey, HRD professionals and employees differed on the relatively importance of all but one. Now professionals and employees differed on the relative importance of all but one. Now the question arises whether HRD professionals are out of touch with the attitudes among their own particular employees. Perhaps, in some Organization, HRD function is very much in tune with what their employees are thinking, while in some others the gap may be larger. Finding out what really matters to employees so that the Organization can maximize its investment in human resource is not an incident undertaking. There are costs involved in doing surveys and in analyzing their results and there are there are additional costs if an Organization does not show that it values the efforts.

Thus, it is that core HRD tools, tactics and programmes remains the same however employee needs and priorities have changed and indeed changing. Employee's values greatly professional developments, job specific training and learning, career development and empowerment more than anything else, except compensation. Employees are increasingly emphasizing opportunities for their development in order to enhance their productive contribution to the Organization and derive satisfaction. Hence, organizations understand, have adopted and implemented HRD programmes and practices as parts of overall business planning. The difference however lies the prioritization of various HRD issues and concerns. Now let us examine the HRD scenario in Indian context. With progressive development in management science and practice, numerous programme, policies and systems has been designed to influence or adapt employee attitude and behavior to create capability and competition and changing environment. Post 1991, India started its phased economics restructuring to provide domestic Organizations the time and competencies to face greater competition. The liberalization paved the way for integration of India economy with the global economy. It opened many opportunities for growth through the removal of artificial barriers on pricing and output decisions, investments, mergers and acquisition, joint ventures, technology imports, import of foreign captain etc, this enabled Indian Organizations an opportunity to expand, diversify, integrate and globalize more freely.

Liberalization has resulted in sudden and increased levels of competition for Indian Organizations from multinational firms, globalization and internalization of domestic businesses, concerns for total quality management, incentives to export, demographic changes in the employee profile, retaining and redeployment of workforce, focus on performance appraisal and career management. Thus, with liberalization there is an increasing pressure on Organizations in India to change from indigenous, costly, suboptimal levels of technology to performance based, competitive and higher technology provision.

Indian Organizations have to develop the workforce capable of taking up challenges thrown by the new economic environment. To tackle this challenging situation, Indian academics a nod practitioner have both advocated the adoption of the concept of human resource development. The adoption of professionalized HRD practices in India is recent phenomenon, but has gained momentum in the past ten years. Organizations are now asking their HRD departments for innovative approaches and solutions to improve productivity and quality of work life, while aptly coping with an environment of high uncertainty and intense global competition. This requires Indian Organizations to develop a diverse workforce with competitive skill sets. This is difficult given the diverse socio- economic background of Indian workforce coupled with antagonistic nature of trade union and colonial time cumbersome labor laws.

The challenges for Human Resource Development:

- Changing workforce demographic
- Competing in global economy

- Eliminating the skill gap
- Need for lifelong learning
- Need for Organizational learning

The scenario of Human Resource Development in India is characterised by:

1. Lack of adoption of innovative HRD practice in unionized Organization due to lack of co-operative attitude among trade unionists.
  2. Larger Organizations have been able to adopt HRD practice fully due to various costs, resources and expertise involved. Sparrow and Budhwar (1997) in their study of 137 fully owned Indian Organizations with more than 200 employees, located in North, central and Western Indian states within six manufacturing sectors of food processing, plastics, steel, textiles, pharmaceuticals and footwear suggest that they are still not geared to adopt HRD programmes
  3. Organizations with foreign participation have more extensive and early implementation of HRD programmes and practices than public and family owned Organizations. This is because international consultants propound those HRD strategies such as training, performance appraisal, career management; reward mechanisms, etc, are key to improvement.
  4. Organizations with stronger leadership have been able to implement HRD programmes and practices. This is because most of the Indian Organizations seem to rhetoric believe such as 'change is constant', 'only quality ensures survival', 'products, not people are paramount' and 'information is everything', etc. the main challenges before the chief executives are seen to be to create flexible systems, to develop a culture of excellence, to facilitate teamwork and empower employees, and to speed up and decentralize data flows. A common feature of strong culture Organization in India has been the influential role of top management has played in development of human resource issues and institutionalizing practices.
  5. Indian Organization which are trying to be competitive by involving the services of international management consultants, have been found to favour HRD programmes and practices. This is because international consultants propound those HRD strategies such as training, performance appraisal, career management; reward mechanism, etc are key to improvement.
  6. Lack of professionally managed HRD departments. This has resulted in lack of a strategic role in terms of ability to identify, develop and manage support resources for adoption of HRD programmes and practices. This is primarily due to non possession of current knowledge base and ability to research new developments via methods of benchmarking and networking.
- Hence, it is the institution pressures that have influenced the adoption of HRD programmes and practices in the post liberalization scenario in India However; the HRD scenario in India is not so grim.

#### **Conclusion:**

"I never predict. I just look out the window and see what is visible – but not yet seen" (Peter Drucker)  
Trends in Human resource management have changed the way we work, as organizations are more depended on HRM to increase the success ratio in today's competitive global environment.

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