Adopting New Trends in Human Resource Management for the Successful Organisaton

Dr. Sudhir K. Narnaware
Associate Professor
Department of Commerce
Shree Pandharinath Arts & Commerce College,
Narkhed, Dist. Nagpur

ABSTRACT
Managing organisational change and an increasingly diverse workforce in the global environment will absorb the best efforts of present and future HR practitioners. The literature review reveals that culture, change and diversity considerably influence organisations' approaches to do business significantly. The research reports on the perceptions of HR personnel to identify and prioritize five of their present capabilities, competencies and business practices for 2010, and trends for 2020, in order to achieve competitive advantage. The findings indicate that HR practitioners place a high value on international experience, computer literacy and change management, but are less enthusiastic about leadership of the organisation, and attribute little store on the need to communicate in a foreign language. Serious implications are raised for HR management in the light of trends, such as increased international competition. Identified future competencies and capabilities for HR personnel are also discussed.
It is concluded that, to remain competitive in India, organisations need to link HR competencies to business strategy, be sensitive to internal and external change and the needs of the diverse workforce. This paper focuses on the perceptions of Human Resource (HR) personnel to identify future trends for businesses in India, and the need for the HR profession's own competencies and capabilities to change in order to support businesses' future competitive endeavors.
Keywords : Human Resource , workforce, HRIS

Introduction :

Human resources (HR) are an organisation's most important asset: this buzzword certainly applies to India as well. To gain and maintain a competitive advantage, management must therefore treasure its human resources. To achieve this, organisations rely not only on technology, patents or strategic position, but also on the successful management of their workforce. For the past decade, businesses and other organisations have been facing more crises of organisational challenges, including the need to change the way of doing business, than ever before. Adapting to change and diversity, however, takes many forms, is necessary in order to remain competitive, and requires effective management.

Globalisation is also a reality and suggests that the world is becoming borderless and unfettered by national boundaries. The increased movement across borders of people, products, services and capital is one of the driving forces behind the globalisation processes. Organisations operate world wide in a very dynamic environment. The influence of this fast changing world on the future role of human resource management (HRM) reaches India as well, and implies an uncertainty both in the role of HR and the best ways for an organisation

to develop its staff to enable it to succeed in business. On top of this, Indian organisations have to compete not only locally, but globally.

Even in this developed country, organisations have to adapt and use their available resources as quickly and as ably as possible. That includes a change and adaptation of the HRM function in the future as well.

In order to help Indian organisations to achieve and maintain a competitive advantage, HR practitioners need to possess distinct capabilities. Our investigation reveals a gap between what these capabilities of HR personnel should be and what they actually are perceived to be in practice. This has occurred because many businesses have neglected HRM as a sub-strategy for too long. In other countries there is also a perceived need to close the gap. Australian HR personnel, for example, are encouraged to improve their poor preparation of expatriates for foreign assignments Gomez-Mejia, Balkin and Cardy similarly exhort US HR professionals to advance their expertise in areas of business understanding and managerial partnerships. The benefits of closing the gap are competitive advantage on a national, if not global, scale, and increased credibility for the HR function.

Change and competitive advantage

Human resource (HR) managers who make no attempt to learn and adapt to changes in the global environment will often find themselves reacting rather than innovating. Such businesses will become uncompetitive and will fail. Competitive advantage has been described as the ability of one business to outperform other businesses because it produces desired goods or services more efficiently and effectively than its competitors. This business is superior in efficiency, effectiveness, innovation and responsiveness to its customers. Organisations are constantly seeking ways to use their resources more effectively and to improve efficiency to stay competitive.

Walker suggests that competitive advantage is the goal of strategic thinking and the primary focus of entrepreneurial action. Management's vision and the organisation's future should motivate the managers to keep their competitive advantage. Therefore the organisation must offer value to its customers at a cost that produces economic performance superior to their rivals. The organisation must then defend this position from the competition. Walker also points out two major elements of competitive advantage: positioning the product line more effectively than the competitors and defending the sources of this market position against rivals. In achieving competitive advantage the organisation produces better economic outcomes compared to rivals. In defending its advantage the organisation must prevent their rivals from copying its core assets and practices and prevent their customers from using comparable or substitute products.

The organisation must also protect its products from imitation by competitors. One of the primary goals of HR is to help the organisation to achieve and maintain a competitive advantage. To succeed in doing this across international boundaries, there must be mutual respect and tolerance for other cultures.

HR and foreign language capability

Culture, habits, tradition and frames of reference are factors to bear in mind before any business can implement any change. The future organisation must be global in both culture and focus, and to influence the culture of a business, HR management must have the support

of their employees, whose participation in the changes must be effected step-by-step and congruent with the existing culture, to maintain stability. Managing a diverse workforce is one of the many challenges for the contemporary manager. Cultural diversity in India is a reality and Indian businesses have many foreigners in their employ. This raises issues immediately: how many managers can speak a foreign language? Is it necessary for them to be able to speak or at least understand any foreign languages to enhance the communication in their businesses?

Regional advantage is based on the unequal geographical distribution of resources. Some regions are well endowed and others less fortunate. This does not apply to industries whose major inputs are intangible, or where there is little need to locate near raw material sources. In terms of issues relating to foreign language capability there is not much difference between what the respondents regard as important in 2010 and what the requirement should be in 2020. Only 2% more (2% to 4%) of the people were of the opinion that HR staff should be able to understand or speak a foreign language. It can be deduced that the people did not foresee that by establishing a nascent business it could grow into a major location of industry activity. One obvious reason businesses locate in a region is to benefit from the local pool of workers whose skills are most probably specific to the needs of the business. The employees will therefore be locals who can speak the local language and it is not necessary to have the capability of a foreign language although it can always be an advantage.

Researchers have different views on foreign language capabilities. The organisations in the past may sometimes have given English as a second language training to non-English speaking workers who came into the country, but it is unusual for English speakers to learn a foreign language to communicate with immigrants. However, in this global economy, there are many benefits of this approach, including improved organisational safety and morale, and it is immensely useful for working overseas as well as for marketing and communicating with non-English speakers. Nevertheless, it is important to be realistic: with a large influx of immigrants from the Pacific Rim, it would seem that Chinese would be the new language of choice, but Asian languages are reported to be the most difficult of all to learn. It is apparent from this survey that few HR staff in Indian will make an effort to learn to speak or understand a foreign language in the next decade. This reluctance may inhibit the first aim of developing international experience.

The bridging of languages can be addressed initially through training, exposure and goodwill. Multilingual communication and additional time for validation to ensure that the meaning is communicated as well as the words should supplement it.

Computer Literacy

The human resource information systems (HRIS) will automate several processes of HRM. Following from this is e-HRM that is changing the way that HR departments develop and plan. Information technology is used to allow faster access to information and decision making.

Computerisation of HR activities may streamline operational aspects of HRM and reduce much of the administrative burden of this functional area. A total of 58% of respondents indicated that they believed HR staff possessed the capability of computer literacy. This

figure increased to 83%, who indicated that HR staff would be required to be computer literate by 2020. It can be deduced that the HR practitioners amongst the respondents all supported the importance of computer literacy in organisations because they are well aware of the advantages thereof as described by De Cieri et al, above. A further reason can be that managers foresee that organisations will become more computerised in 2020 than they are already in 2010.

This is supported by a study by Lengnick-Hall and Moritz, who predicted that HR's responsibility would shift from hands-on, face-to-face, service delivery to system design and maintenance functions. Consequently, HR professionals will need more information technology knowledge and skills than they have had in the past. Providing e-HR will enable HR to play a more consultative role with line managers and take a more active role in the organisation's strategy formulation and implementation. Thus, HR professionals with knowledge and skills in both HR and information technology will be uniquely positioned to make the HR function a value adding contributor to their organisations

Leadership of the HR function and the organisation
Only 9% of the respondents in 2010 felt that HR exhibited leadership for the HR function and the
organisation. On the other hand, 40% predict that HR would require this capability for 2020. This indicates that most HR practitioners see themselves as offering a supportive role at present, and that less than half aspire to leadership positions in the future. This is unfortunate, as human resource professionals may often be in leadership positions that allow them to have a broad impact on organisations, and may be tapped for their advice and expertise on the strategic organisational changes that are necessary for competitive advantage. As a result, it is important that they are knowledgeable about how various factors may directly or indirectly impact an organisation's reputation, customer loyalty, skill sets, growth potential and even its bottom line. However, in many organisations, HR devolves from business strategy: it does not determine which way the company goes or how the company is going to expand into different areas. In spite of this, there are many HR departments that are consciously repositioning themselves from 'personnel' type departments to strategic business partners. Rudman suggests that HR managers could add considerable value to an organisation's effectiveness by exerting leadership beyond their 'staff' role in the organization. Effective leaders exert the influence over employees to achieve the organisation's goals. On the other hand, ineffective leaders' influence does not contribute to achieving goals but detracts the employees from goal attainment. There are different leadership styles to effective leadership.

Leadership defines what the future should look like and motivates and inspires people with that vision to make things happen. To be effective, HR needs to be linked to all levels of general business. It is the operational level that determines line and functional manager action in the everyday organising, controlling and management of work and employee performance. Contemporary HR management therefore needs to take place at both a strategic and an operational level for maximum organisational effectiveness.

Strategic HR planning is one of HR's activities to add value to the functioning of organisations, but has little value if line managers are not involved in it. Unfortunately, say Gomez-Mejia, Balkin and Cardy, top management sometimes regard strategic planning as

their domain, with other managers (including HR) merely responsible for its implementation. It is therefore necessary to have leaders with a specific leadership style in charge in organisations that have a broader perspective and a greater influence in the strategic planning phase on the link between HR's and business's goals to perform at the expected level. Kotter says that the twenty-first-century managers will need to know more about both leadership and management than did their counter parts in the past. It is one of the roles of the HR department to narrow these gaps between expectations and performance HR functions have often taken the initiative in developing and introducing development planning and career development processes for managers and for employees in other company functions. However, in order to be seen as credible, HR managers need to vigorously develop their own capabilities. On a survey of 100 US companies, it was seen that development of HR leaders was accomplished by a variety of techniques, the most common being by handling diverse and increasingly challenging assignments, often in different areas of the business. There could be links with international experience and foreign language capability here.

Anticipating the effect of internal and external changes in the organisation
It may happen that people sometimes become suspicious of the motives of those pushing for transformation. It is because in most such cases they have been through a painful, difficult and unsuccessful change. Kotter suggests that managing change is a set of processes that keep a complicated system of people and technology running smoothly. It includes planning, budgeting, organising, controlling, staffing and problem solving. He maintains that the attention of managers sometimes turns inwards and then they have difficulty seeing the forces that present opportunities and threats.
Kotter offers an eight-stage process to manage change:
• Establishing a sense of urgency
• Creating the guiding coalition
• Developing a vision and strategy
• Communicating the change vision
• Empowering broad-based action
• Generating short term wins
• Consolidating gains and producing more change
• Anchoring new approaches in the culture.
The first four steps help defrost a hardened status quo. If change were easy one would not need all the effort. Steps five to seven introduce a number of new practises and the last stage 'cement' the changes in the corporate culture. Implementing this model could improve the capability of HR managers to manage change.
In our research, only 12% of the respondents indicated that HR is capable of anticipating the effect of internal and external changes on the organisation. This figure grew to 71% who felt that HR should require this capability for 2020. HR strategy should be based on a sound business case, but HR managers do not have the luxury of operating and performing in a stable, predictable environment, as political, social and economic changes are affecting all organisations and their human resource management activities.
Changes in an organisational environment result in new kinds of opportunities and threats. Any organization has a set of skills, capabilities, competencies and resources. Managers

need to use their competencies and managerial skills to make certain decisions. Managers must recognise the need for decisions and must act proactively but more important is that they must respond timely and in an appropriate way.

Managers as change agents planning to implement change must predict resistance to these changes as well. Resistance to change is a common human behaviour. Usually they misunderstand the changes and its implications; they do not want to lose something valuable and the fear for the unknown. According to Nel one key to managing resistance is to plan for it and to be ready for it with a variety of strategies to help employees to negotiate the transition. HR managers should therefore treat resistance as an opportunity to reevaluate a proposed change and to identify and deal with the real barriers to change. Knowledge and anticipation of change is therefore critical for HR managers in ensuring the success of business ventures, and is therefore an important strategic HR tool, which can support innovative behaviour to enhance competitive performance. Searle and Ball (2003:48) found that, unfortunately, their surveyed organisations in the UK failed to translate the importance of innovation and change into coherent HR policies. It can therefore be deduced that the HR manager of the future will develop a greater capability of the awareness of internal and external changes, and strive to proactively influence the organisation to respond positively to those changes.

Table 3: Summary of HR capabilities for competitive advantage

MANAGEMENT IMPLICATIONS
These five factors may appear on first sight to be random, but closer inspection of the findings reveals a link between them, with useful implications for HR professionals. HR managers aspire to play a more strategic role in organisations, and this should lead them to take cognizance of two major trends. The first is that, like many countries, India's market place is beyond its shores: at least the Asia-Pacific regions if not global. The second is that that increasing change is bringing increasing diversity to the Indian workforce. Harnessing the power of this diversity will be a strategic challenge for HR, and a successful response to this will enable organisations to become more competitive than ever in the global market place. In order to achieve this, HR professionals will have to take the lead in managing change, and the starting point should be HR itself.

An important tool to help them accomplish this along the way will be the use of computer applications, especially in the day to day operational HR work. It is therefore a priority for HR professionals to develop their computer knowledge and skills, which will enable the operational work of HR to be affected smoothly and efficiently. With this part of the business ticking over, this should free HR to devote their energies towards the human side of the enterprise. The world has been changing more rapidly than ever before and it is expected from managers and employees to perform at much higher levels. Part of the human condition is differences. These differences have an impact on how individuals perceive their environment, interpret information and resolve their problems. These differences can be seen as an asset or a liability for an organisation. Liabilities will result in a disruption of the development of the organisation. Assets can stimulate and enhance development in the organisation and they can be part of solving problems. Nineteen years ago Beckhard and Harris (1987) said that the world in which organisations exist, and will be operating in

future, is continuously in change. It changes in relationships among nations, institutions, business partners and organisations; changes in the makeup of the 'haves' and the 'have nots;' changes in dominant values and norms governing societies. It also changes in the character and culture of business or wealthproducing organisations; changes in how work is done and changes in priorities. The core dilemma for leaders and managers is how to maintain stability and at the same time provide creative adaptation to outside forces, change assumptions, technology, working methods, roles, relationships and the culture of the organisation.

Today, these changes are still taking place and there are still more changes to come in the future, as Beckhard and Harris envisaged.

Diversity has become an increasingly important factor in Indian organisations as the workforce and general population has become more heterogeneous in ethnicity, age, gender and so forth.

Diversity presents particular challenges for the future managers. Employees from a broad range of cultures and different backgrounds are present in the Indian workforce owing to the waves of migration and they have a significant influence on the cultural, economical and societal changes in communities and organizations. Not only should HR departments be staffed with qualified people representing the ethnic diversity of the country, but the predominantly European-oriented HR professionals should intensify their efforts to develop their skills in managing across cultures. This would involve first of all learning about other cultural groups, their attitudes towards work and their styles of working. For example, Pacific Island and other Third World cultures are predominantly collectivist, and this should be utilised by HR in developing team work in their organisations. Learning the language of these ethnic groups would be a second step, at least greetings and simple phrases. As leaders of their organisations, HR could encourage members of their organisations to also communicate simply in the diverse languages. Different cultures have different styles of decision-making as well and HR could encourage ethnic groups to understand each others' preferred practices. This will require exceptional change management skills to gain the commitment of managers and employees.

The greatest challenge would be to become proficient in communicating in a language of a major overseas customer. As has been noted, an Asian language like Chinese would seem to be an obvious although daunting choice for many English-speaking managers. From a strategic perspective however, HR managers should consider the careful selection of people for foreign assignments, and promote the development of suitably trained personnel to become proficient in a foreign language. It is the aim of many Chinese students to deliberately study abroad to improve their English language skills, and China will reap immeasurable benefits from this. The effective HR professionals of the future should be both highly computer literate, and proficient in understanding the cultures and speaking the languages representing the diversity of their country and overseas markets.

CONCLUSIONS

These factors that have been examined are connected altogether and have useful implications for HR professionals. Increasing change is bringing increasing diversity in the Indian workforce. In order to utilise this diversity, HR managers could accumulate valuable international experience and the capability to communicate in a relevant foreign language.

Computer literacy can enable HR to free itself to focus on the strategic aspects of managing organisational change and handling the diversity it brings. These factors could enhance the effectiveness in HR in exercising leadership of the organisation.

It is important that HR managers should not only keep up with the pace of business, but also be part of the leadership of the organisation. While computer literacy is embraced, and international experience is highly prized, foreign language capability is played down by the respondents. This is possibly because traditionally English speakers have expected others to learn their language, and also because advancements in information technology have been in the medium of English. However, many foreign countries, like China, are growing rapidly as leading world markets. The challenge to HR is to come out of its 'comfort zone' and proactively respond to these changes: the future may depend upon it.

There are many new and innovative trends which had transformed the organisations. These changes should be adopted to keep moving.

REFERENCES

1. Beckhard, R. and Harris, R. 1987. *Organisational Transitions*. 2nd ed. Reading: Addison Wesley.
2. De Cieri, H., Kramar, R., Noe, R. A., Hollenbeck, J. R., Gerhart, B., Wright, P. M. 2003. *Human resource management. Strategy people performance*. Australia. McGraw-Hill.
3. Gomez-Mejia, L. R., Balkin, B. D., Cardy, R. L. 2004. *Managing human resources*. (4th Ed). New Jersey. Pearson. Prentice Hall.
4. Hailey, V. 2001. Breaking the mould? Innovation as a strategy for corporate renewal *International Journal of Human Resource Management*, Nov, Vol. 12 (7):179.
5. *HR Magazine*, 2010. Research Quarterly, Vol. 49, (2):10.
6. Hutcheson, J. 2010. From black sheep to aspiring business partner: HR's turnaround at Delaware investments.
7. Institute of Personnel Management India. 2008. *Human resources priorities for competitive advantage. 1994-2000. The IPM survey report.*
8. Jackson, T. 2002. *International HRM: A cross-cultural approach*. London: Sage Publications.
9. Jones, G. and George, J. 2003. *Contemporary Management*. 3rd ed. Boston: McGraw-Hill.
10. Keleman, M. 2003. *Managing Quality*. London: SAGE Publications.
11. Kotter, J. 1996. *Leading Change*. Boston: Harvard Business School Press.
12. *Journal of Labor Research*, Summer 2003, Vol 24, (3): 1-3.
13. Millar, M. 2004. Whitbread gets HR on board to drive agenda. *Personnel Today*, 5/4/2004, :1.
14. Mortensen, R. 1997. Beyond the fence line. *HR Magazine*, March, Vol 42, (11):4.
15. Nel, P.S., Gerber, P.D., van Dyk, P.S., Haasbroek, G.D., Schultz, H.B., Sono, T. & Werner, A. 2004. *Human resources management*. (6th Ed.) Cape Town: Oxford University Press.

***