

HRM Issues in Emerging Economies

Mehjabeen Javed Shaikh

Burhani College of Arts and Commerce, Mumbai, India

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Abstract

Developing Human Resource is called Human Resource Development. 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. HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labour legislations and technology. The trends have taken place in the organization, human resource planning, job design, and motivation, recruitment, and 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. This paper is an attempt to explain the emerging trends in HRM.

Introduction

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. HRM is moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. HRM is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. The new role of human resource management involves strategic direction and human resources management metrics and measurements to demonstrate value.

The Impact Of Globalisation On HRM

Globalization is the system of interaction among the countries of the world in order to develop the global economy. Globalization refers to the amalgamation of economics and societies around the world which means that world trade and financial markets are becoming more integrated. Growing internationalization of business has its impact on HRM in terms of problems of unfamiliar laws, languages, practices, competitions, attitudes, management styles, work ethics etc. Globalization has an effect on employment patterns worldwide. It has contributed to a great deal of outsourcing which is one of the greatest organizational and industry structure shifts that change the way business operates. Globalization is also seen as

changing organizational structures where expenses can move up or down as the business climate dictates. As a result HR managers have to confront with more heterogeneous functions and more involvement in employee's personal life.

Challenges for Human Resources in Emerging Indian Economy

Doing More with Less: In the current economic environment, productivity, innovation and efficiency are key. Specialists with an in-depth understanding of a business/vertical yet possessing the versatility to do more and differently will be in demand. Organizations are developing focused capability interventions that are tightly tied to business outcomes.

Engaging All: For an organization to be able to perform in the current competitive landscape, every employee needs to have the mindset to lead, innovate and be engaged with driving its strategy. Traditional approaches of overinvesting in a few 'chosen ones who can lead many' are evolving.

Change in the Direction of Leadership Development: One big area will be leadership development, and moving down the pyramid with leadership skills, rather than up. The thought that leadership training should start from mismanagement and up is changing.

Predictive Analytics Tools for HR: Companies will invest in tools for hiring and turnover modeling, performance management and compensation. We will move away from crude ratings systems, industry benchmarks and so on to high-level analytics to figure out the positioning of an employee vis-a-vis his or her job, fairness of the pay structure, relationship between promotions and consistency of performance.

Preparing for Tomorrow: As companies look towards a turning of the cycle over the next few quarters, filling key positions with employees who are ready for not just today's jobs, but tomorrow's responsibilities will be central to the human assets' agenda. This is not easy – many companies have not invested enough in developing or training their bench, and will look at external hires.

More Power to Line Managers: There is a definite move away from long, corporate-wide annual surveys, which are too broad or infrequent to pick up team-specific issues. Engagement leaders will have line supervisors, not HR, leading the charge; they make sure that the supervisors have the right preparation to hold candid dialogues with teams; that the teams rally around the customer and that engagement tactics are tailored for different employee segments.

More Diversity: An increase in the number of women in the workforce is a reality. The shift is also in terms of men prioritizing family needs, whether due to spouse's career, location constraints or being with parents or children. As a result, organizations will have to provide opportunities to employees for engaging in interest areas beyond work. Also, with new-age employees redefining the workplace, companies will have to design the career development process to be more technology driven, and provide flexibility to work from anywhere.

Employers' Transparency: In turbulent times there is a need for greater transparency at the workplace, which will lead to higher accountability, responsibility and responsiveness on employers' part. Besides, new employees feel the need to make a difference to the organization and society.

Use of Performance Analytics: This involves generating and applying data-based insights for all talent acquisition and management processes – from identifying recruitment sources to measuring return on learning programmes, human capital analytics and talent productivity.

Aligning Skills: As the business strategy of companies becomes more complex and explores new avenues of growth, companies face a scarcity of the right talent at the right time to execute

their strategies. In this scenario, building technical, functional and leadership skills aligned to the business strategy becomes even more critical

HR-Tech Tie: The collaboration between HR and technology will keep growing - integrated social media will enable better and more effective communication within the organization. The use of Cloud and Big Data will make the HR process more efficient, as more data gets stored on the cloud and the analysis of the impact of HR on the business will become easier.

Operations in Focus: Human resource operations and systems will be in the spotlight, as the need to make them more efficient will become a necessity. The human resource function will have to be innovative to keep pace with our fast-changing and challenging world.

Strategies for Human Resources Management in Emerging Economies:

HR practice area: Attracting, developing and retaining high quality people.

HR planning: matches people to the strategic and operational needs of the organization. Provides for the acquisition, development and retention of talented employees who can deliver superior performance, productivity, flexibility, innovation and high levels of personal customer service who fit the culture and the strategic requirement of the organization.

Talent management: Wins war for talent by ensuring that the talented and well motivated people required by the organization to meet present and future needs are available.

Working environment: Core values, leadership, work life balance, managing diversity, secure employment. Develops the big idea i.e a clear vision and asset of integrated values. Makes the organization a great work place to work.

Job and work design: Provides individuals with stimulating and interesting work and give them the autonomy and flexibility to perform their jobs well. Enhances job satisfaction and flexibility, which encourage high performance and productivity.

Managing knowledge and intellectual capital: Focus on both organizational and individual learning and on providing learning opportunities and opportunities to share knowledge in a systematic way. Ensure that vital stocks of knowledge are retained and deals with improving the flow of knowledge, information and learning within the organization.

High performance management: Develops a performance culture that encourage high performance in such areas as productivity, quality, levels of customers services, growth, profits and ultimately the delivery of increased shareholders value. Empowers employees to exhibit the discretionary with higher business performance such as risk taking, innovations, knowledge sharing and establishing trust between managers and subordinates.

Reward management: Develops motivation, commitment, job engagement and discretionary behavior by valuing and rewarding people in accordance with their contribution.

Increasing motivation, commitment and role engagement: Encourages people to identify themselves with the act upon the core values of the organization and willingly to contribute to the achievement of the organizational goals. Develops a climate of cooperation and trust, clarifying the psychological contract.

Learning and development: Enlarges the skill base and develops the levels of competence required in the workforce. Encourages discretionary learning, which happens when individuals actively seek to acquire the knowledge and skills that promote the organization's objectives. Develops a climate of learning a growth medium in which self managed learning as well as coaching, mentoring and training flourish.

Conclusion

The traditional functions of HRM now need to be strategically directed towards developing and sustaining organizational capabilities, through activities that overlap with traditional business functions such as finance, marketing, and non-traditional activities, such as

knowledge management. Human Resource Information System has great significance in every sector. It can play a virtual role and help the communications process in the organization. Most importantly, organizations can hire and retain the top performers, improve productivity and enhance job satisfaction of the employees. HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labour legislations and technology. 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.

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