



AN EVALUATION OF CHANGING DIMENSIONS OF HUMAN RESOURCE MANAGEMENT FUNCTIONS IN GLOBALISED ERA

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Abstract

The human resource management as a strategic function encompasses management of its critical human assets for gaining competitive advantage in a dynamic business environment. Traditionally human resource management deals with administrative functions, but the requirement in present scenario is to understand the actual needs of employees and employers, and innovate the new roles of HR policies in the light of corporate objective.

The Changing Role of the HR, Competition for talents, Outsourcing, Working Environment, Diversity of Work force, Technology, Leadership development, and Organization culture influences organizations that compete for customers with high expectations for performance, quality, and cost.

Today, human resources departments are responsible for the transforming activities as the modern business faces pressures of globalization. The global supply of talent is respectively short of its long-term demand, and the gap occurs is a challenge for employers working scenario. Therefore organization's need is to place greater emphasis on attracting human capital rather than financial capital.

Key words:*HRM Changing Dimensions, Transformational work, Transactional work, Outsourcing, Strategic function, Organizational strategies.*

INTRODUCTION

The role of Human Resource Management in organizations has been evolving dramatically in recent years. Performing clerical duties were the days of Personal Management Department, but over now, it is increasingly receiving the attention as a critical strategic partner, assuming stunningly different, far reaching transformational roles and responsibilities. As a result, working organization cannot build a good team working professionals unless the support of effective human resource. As a strategic function, Human Resource Management encompasses its critical human assets for gaining competitive advantage in a dynamic business environment. It is the function performed in organizations that facilitates the most effective use of people to achieve organizational and individual goals.

'Human Resource' is a valued asset that tides an organization over turbulent waters and aptly realized in the recent times of economic turmoil by businesses worldwide. This involves all management decisions and action that affect the nature of the relationship between the organization and its employees,' where line managers are expected to focus on the alignment of competitive organizational strategies and personnel policies rather than totally depending only on personnel managers for effective management of its people. Hence, the paper focuses on the relative gaps and studies the understanding of Human Resource Management in the context of Indian Organizations.

1. NEED OF THE STUDY

Human Resource Management explores issues not only in the perspective of the individual employee and their employer, but in circumstance of the wider workplace, the labor market and economic powers shaping the type of work, technological improvement, employment rules and societal trends. The world of work is fast changing so an understanding of how this all affects the way, where people are managed in the workplace is of tremendous importance theoretically and practically.

2. REVIEW OF LITERATURE

The high-commitment perspective on Human Resource Management has developed since 1980s. Substantially has the role of Human Resource managers and specialists to grow. The HR profession undergone a significant transformation reflecting the increased responsibility placed upon it to deliver improvements in workspace performance.

Dany et al.(2008) has made suggestion that "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 resources today in modern times have become the most important resource for the firms to obtain strategic advantage over the other firms. Armstrong (2006) emphasized that 'Human Resource Management' as, "a strategic and coherent approach to the management of an organization's most valued assets the people working there whom individually and collectively contribute to the achievement of its objectives."

(Becker & Gerhart, 1996) highlight that as a result of changes in the global economic environment business strategy; the field of human resource management is rapidly changing more than ever today.

Stanton and Coovert (2004) suggest, three interlocking HR functional areas like-

Administrative – this dimension of people management has grown from sociology, and track on collective labor force and understanding companies as social systems within a extensive political and economic perspective and not on each employee's relationship with company. This focuses on more anxiety for cooperative employment relationship between trade unions, company management and government.

Financial – this ensures the organization's use of economic rewards and privileges.

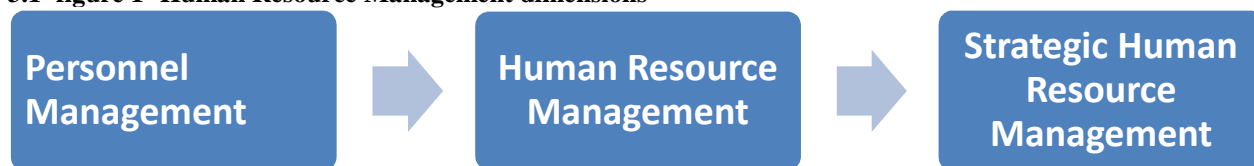
Performance – this highlight on greater HR attention on strategic issues emphasizes the significance of three areas of activity and stresses the contribution of HRM towards the accomplishment of organizational objectives through the innovative strategy and execution of value-adding procedures and practices.

3. WHY IS HRM IMPORTANT TO AN ORGANIZATION?

The role of human resource managers has changed and jobs today require a new level of sophistication.

- Human Resource Manager must be the strategic nature
- Human Resource Manager is the part of the organization concerned with the “people” dimension
- Human Resource Manager is both a staff, and support function that assists line employees, and a function of every manager's job.

3.1 figure 1- Human Resource Management dimensions



A. Personnel Management – clarifies the administrative record-keeping function, at operational level and keeps the fair terms and conditions of employment, although at the same time, efficiently managing personnel activities for individual departments. This dimension providing justice and achieving efficacy in management of personnel activities in attaining organizational success. All management decisions and actions directly affect people as members of the organization rather than as job-holders. The origin of Personnel Management is identified as 'welfare tradition' of concern for the basic needs of employees. Stage wise scenario of Personnel Management function:

- **Prior to World War II**, (1920-1945) the personnel function was mainly involved in clerical record keeping of employee data. It was supposed that there was one finest way to do any work, and this way was determined through time and motion studies that examined the most efficient usage of human capabilities in production process. These outcomes formed the basis of piece-rate pay methods, which were the most effectual way to motivate employees at that time.
- **During post World War II**, (1945-1960) the deployment and utilization of labor had a large effect on development of personnel function. The employee productivity and motivation had a major impact on the profitability of firm. The human relations drive after the war where employees were inspired not just by salary but also by psychological and social factors like- getting recognition for work accomplished.
- **In Social Issues Era (1963-1980)** the personnel department was loaded with additional accountability of judicial compliance that requisite collection, analysis, and reporting of huge data to statutory authorities. In this era Personnel departments were beginning to be renowned HR departments and the field of HRM was evolved. Effective practices in HRM were starting to affect the “bottom line” of organizations, the result a significant growth of HR departments, and technology had progressive to point where it was beginning to be used.
- **Cost-Effectiveness Era (1980 to early 1990)** increased administrative burden, increased the need to fulfill a rising number of legislative needs, though the overall functional emphasis moved from employee administration to employee development and involvement in organization. To improve effectiveness in service delivery by value added services and cost reduction, the HR departments came in pressure to harness technology. The usual management thinking regarding the use of computers in HR was not that their use would result not only in a

reduction in the number of employees count needed in HR departments but that employee actions and time could be shifted from transactional record keeping to further transformational activities that would add value to company.

- **Technological Advancement Era and the Emergence of Strategic HRM (1990 to present)** the economic landscape experienced drastic changes through the 1990s with increasing globalization, technical innovations, and hyperactive competition. Organizations creative and innovative employees who hold key to organizational familiarity offer a sustainable modest benefit because, contrasting other resources, the intellectual capital is tough for competitors to imitate. The increased usage of technology and transformed focus of HRM function, which moved to adding value to organization's service or product, directed to emergence of HR department as a strategic partner.

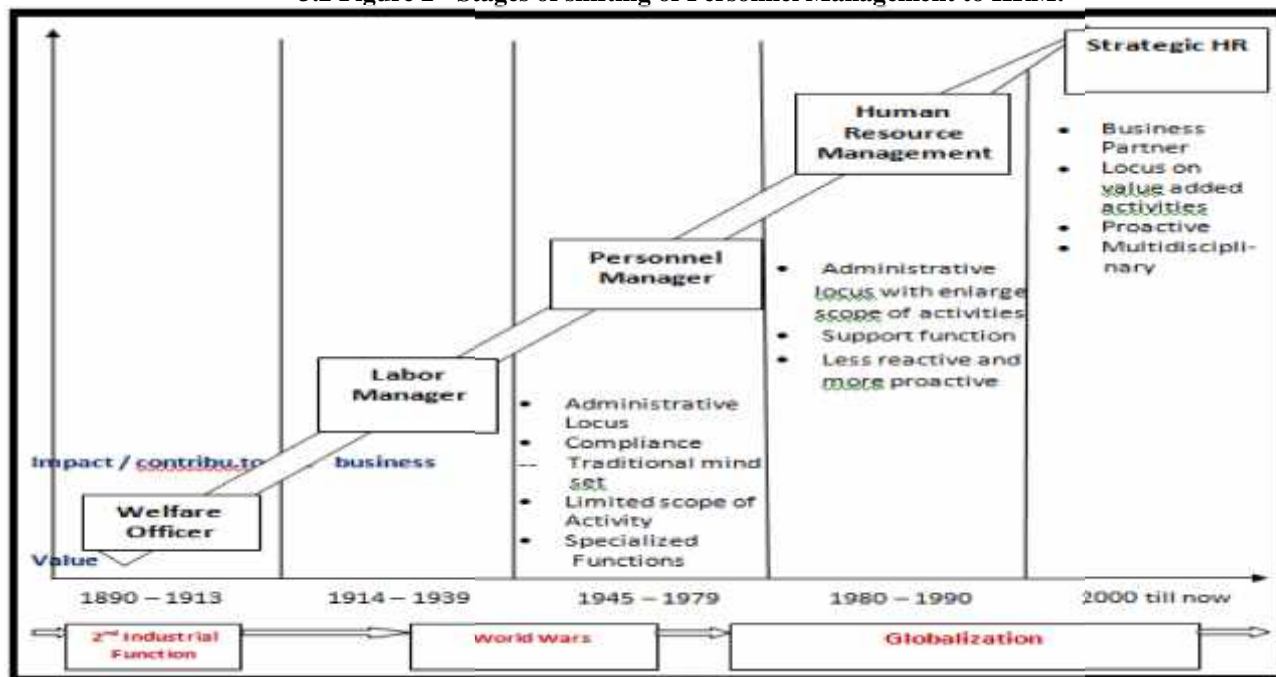
B. Human Resource Management

This focus on managing people in organizations in a structured and thorough manner and encompasses the management of people in organizations from a macro perspective (managing people in the form of a collective relationship between management and employees) and focuses on the objectives and outcomes of the HRM function. In contemporary organizations the HR function is concerned with the notions of people enabling, people development and a focus on making the "employment relationship" fulfilling for both the management and employees. Effectively the **personnel management is "workforce" centred whereas human resource management is "resource" centred**. The HRM in recent times is about fulfilling management objectives of providing and deploying people and a greater emphasis on planning, monitoring and control.

C. Strategic Human Resource Management

This highlight on a general methodology to the strategic management of HR in accord with objectives of organization on forthcoming way it desires to take. Describes how organization's targets will be attained through people with the help of HR strategies, policies and practices. It provides basis for strategic analyses in which examines of the organizational context and current HR practices lead to picks on strategic policies for improvement of HR strategies.

3.2 Figure 2 - Stages of shifting of Personnel Management to HRM:



First,

Effective HRM Seeks to link HRM issues to the overall strategy of the organization with the most effective HRM policies and practices integrated into the corporate policies and strategies to reinforce or change an organization's culture.

Integration needed in two senses –

- Integrating HRM issues in an organization's strategic plans and securing the acceptance inclusion of a HRM view in the decisions of line managers.

- HRM policies for functions (recruitment, training, etc.) Should be consistent internally and also with the business strategies and should reflect the organization's core values.

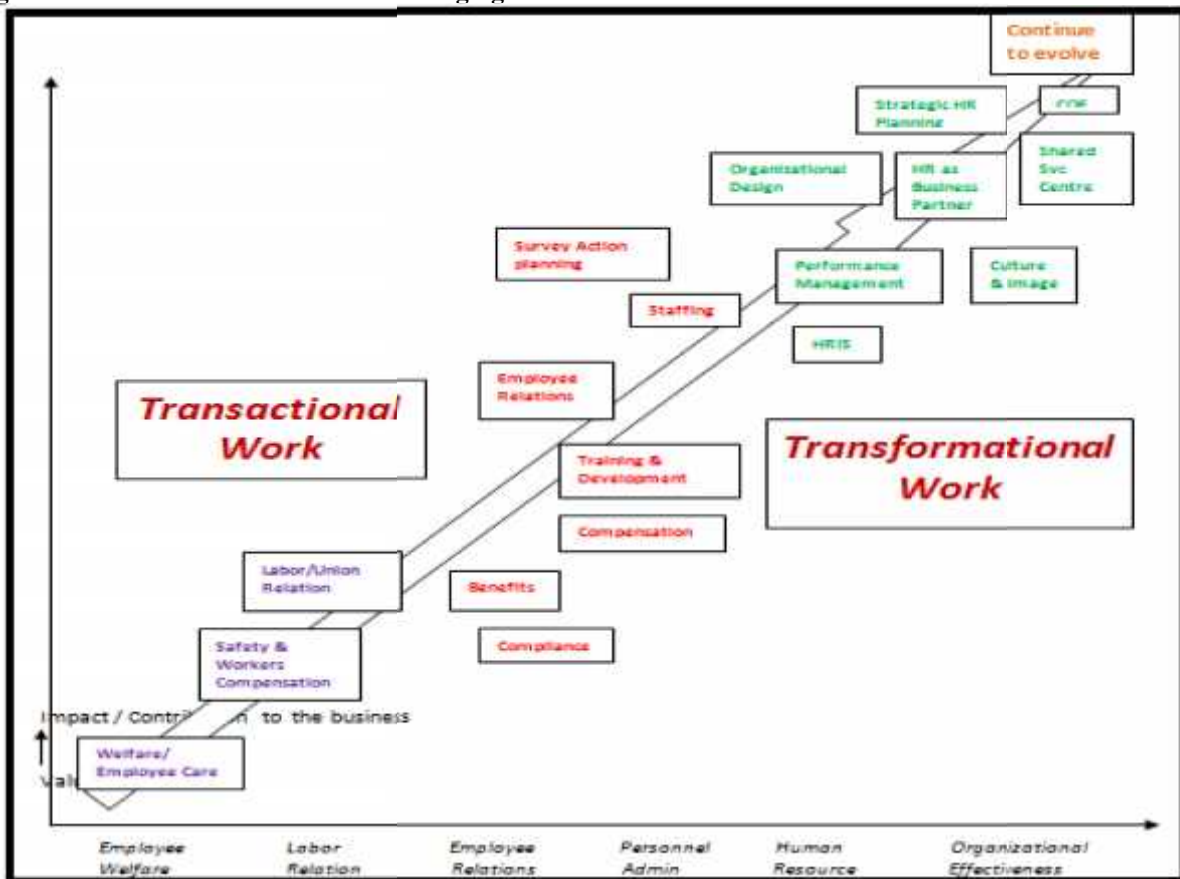
Second: A good culture is a way of promoting organizational goals, in that "a 'strong culture' is aimed at uniting employees through a shared set of managerially sanctioned values that assume an identification of employee and employer interests.

Third: The attitude that people are a variable cost, in effective HRM, replaced by the view that people are a resource and that as social capital can be developed and can contribute to competitive advantage. Increasingly, the competitive advantage is gained through well educated and trained, motivated and committed employees at all levels.

Fourth : The interests of employees and management or shareholders are divergent and conflict. Effective HRM seeks to identify and promote a commonality of interests. Training enhances employment security and higher earning capacity for employees while at the same time increasing the employee's value to the enterprise's goals of better productivity and performance, pay systems increase earnings without significant labor cost increases, and which at the same time promote higher performance levels; goal-setting through two-way communication which establishes unified goals and objectives and which provides intrinsic rewards to the employee through a participatory process.

Fifth: Top-down communication coupled with controlled information flow to keep power within the control of management giving way to a sharing of information and knowledge. Change facilitates the creation of trust and commitment and makes knowledge more productive. Control from the top is ineffective HRM being replaced by increasing employee participation and policies, which foster commitment and flexibility that help organizations to change when necessary. The goal of successfully managing change at short intervals often requires employee cooperation through emphasis on communication and involvement. This type of unit grows, "If there is strategic thinking in human resource management" these units are likely to wish to develop employee-relations policies based on high individualism paying above market rates to recruit and retain the best labor, careful selection and recruitment systems to ensure high quality and skill potential, emphasis on internal training schemes to develop potential for further growth, payment system designed to reward individual performance and cooperation, performance and appraisal reviews, and strong emphasis on team work and communication.

3.3 Figure 3- How Is the HRM Function Changing?



The administrative work of the HRM function is decreasing, it moves to as a change agent, strategic business partner and employee supporter is increasing. HR managers have challenge to move their attention from regular operations to strategies for future and making non HR managers to improve and implementation of HR practices. The administrative work of HR is also decreased because of advancement in technology such as maintain employee database, enrollment in required trainings, and employee benefits.

3.4 E-HRM

The Human Resource (HR) function was an early adopter of computing technology , it spent the last decade playing catch-up to other business functions in terms of integrating Information Technology (IT) into their processes (Hendrickson; 2003). This is on its turn affected by what the organisation is trying to achieve with the technology, what the e-HRM goals of the organisation are. The e-HRM goals and the actual use of the e-HRM technology have an impact on the HR system.

The e-HRM technology supports the HR function to comply with the HR needs of the organisation through web-technology-based channels (Ruël et al.; 2004). The e-HRM technology provides a portal which enables managers, employees and HR professionals to view, extract, or alter information which is necessary for managing the HR of the organisation. It is a way of implementing HR strategies, policies, and practices in organisations through a conscious and directed support of and/or with the full use web-technology-based channels” (Ruël et al.; 2004, p. 365-366). Web-technology-based channels provide the managers and the employees of the organisation with information as well with the ability to complete HR-related transactions (Kovach et al.; 2002).

During the nineties, organisations became experienced in using IT for Human Resource Management (HRM). The IT for supporting HRM used to be grouped under the name HR Information Systems (HRIS). These technologies were directed towards the HR department itself (Ruël et al.; 2004). They have the purpose to support the HR department staff to execute the processes of the HR function. Where HRIS were directed to support the HR professionals in performing their HR tasks, electronic HRM (e-HRM) applications are, besides directed to support HR professionals in performing their HR tasks, also directed to support managers and employees performing their HR tasks (Lengnick-Hall & Moritz; 2003).

3.5 Table 1- The Re-activity of HR in Its Evolution

<i>Decade</i>	<i>Business Realities</i>	<i>HR Name Changes</i>	<i>Issues</i>
Pre-1900	Small Business & Guilds	Did not yet even exist	Owners owned the HR issues
1900	Industrial Revolution	Labor Relations	People as interchangeable parts
1920	Civil Service & WWI	Industrial Relations	Workers’ rights and more formalized processes
1940	Scientific Management & WWII	Personnel Administration	Efficiency experts and more highly evolved HR process
1960	Civil Rights & Compliance	Personnel	Legal compliance and reporting ; “policy “
1980	Human Relations, the knowledge/Service economy, and Mergers & Acquisition	Human Resource People	Relevance in a fast- changing world; motivation and “human relations” theories abound
2000	Modern Organizations	Organization Effectiveness? Human Capital? Organizational Capability?	No new official names, but lots of “morphing” as the transactional part get outsourced and the transformational parts get defined
2010	Global Economy and E-Enabled Technologies	T&D	Still Evolving, Focus on Talent ; Capability ; Culture, Consulting – Challenged to be an Effective Internal Consulting Organization

Source: faculty.mu.edu.sa/public/.../1360224856
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4. CONCLUSION

The interaction of globalization and business performance especially with a flavor of the challenges is from the perspectives of human resources. This paper highlights a framework for Strategic Human Resource Management as a response to prepare organizations for the challenges of globalization. Individual enterprises, whether domestically or internationally-based and organized, are in "the frontline" of these changes. Employers and their organizations therefore have the most important role in generating the responses needed to take advantage of these new and emerging circumstances.

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