

## **Modern Developments in Human Resource Management: Trends and Issues faced by Management Professionals**

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### ***Abstract:***

The goal of the present article is to define the importance of human resource management (HRM) and how it evolved. The main motive of the article is discussing the recent trends or developments in the area of HRM and how an HR manager or management professional face some issues during the management of the human resource. The environment is rapidly changing and brings many difficulties for the organization to attract skilful employees and become successful in a dynamic environment. The role of the human resource in every type of organization is increasing in from two decades. So, every organization needs to develop, care, plan, and efficiently lead their human capital to become a successful organization.

**Keywords:** HR analytics, Millennial Work-force, Artificial intelligence, Cloud Computing, Contingent workforce.

### **Introduction**

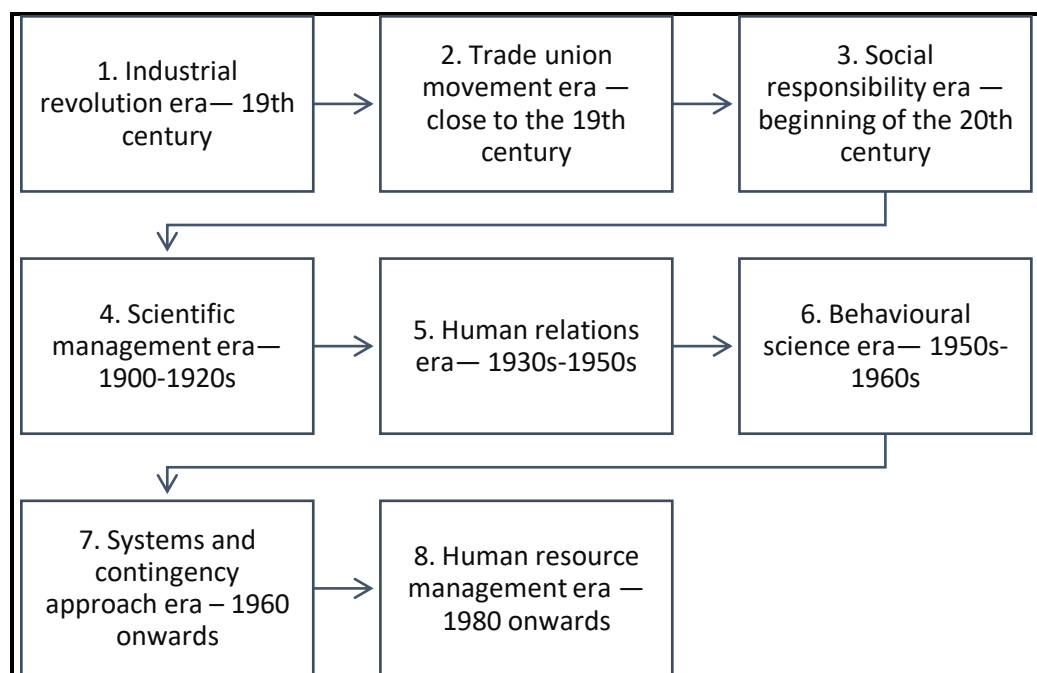
“Human resource management is the function performed in organizations’ that facilitate the most effective use of people (employees) to achieve organizational and individual goals” (*Ivancevich and Glueck*). Human resource management brings people and organizations together in such a way that the goals of both met by each other. The role of the HR manager now becomes a planner and change agent. The main motive of Human Resource Management is to increase the contribution of human capital to the organization in a more humane, ethical, and administratively responsible way, which referred to as industrial relations or personnel management. Now it is universally accepted that Human resource is one of the prominent factors of increasing productivity and efficiency of the firm. The way of working in the world is rapidly changing due to continuous change in the technology,

economic, social, and psychological understanding and structures. Organizations are part of the world, and humanresources play a significant role in running every type of organization. Organizations should approach their human resource/capital in the right way to win the loyalty and commitment of them while increasing profit and maximizing the efficiency/effectiveness of their work power. So, human resource management must deal effectively with the changing world of work. For the HR people, it means understanding the recent trends like cloud computing, AI, decentralized work sites, globalization, and its impact to help them in a significant way.

The article starts with the introduction section and continues along with the information and the importance of human resource in an organization. The next section includes the evolution of Human Resource Management and followed by recent trends in HR. Finally, the paper summarized in the conclusion section.

## Evolution of Human Resource management

Human Resource Management came to be used mainly from the 1980s onward. It evolved from managing slaves to the human resource management era. The various stages to the development of management of human resource practices can be classified as follows:



*Source:*

*Author's*

*compilation*

## **Modern Developments/New trends in Human Resource Management**

Every operating firm has some agenda like managing the organization, booming in the industry, and focusing on the policies. Human resource management trends follow the system and policies, which leads to the growth of an organization. To deal with business life challenges, HRM must be operating appropriately and following the new/latest trends and technology. So, there are some modern developments in HRM:

### **1. A rise in HR analytics and utilization of data**

In the competitive market, understanding and manage competitive situations related to the business development is capable of the gathering, processing, and analyzing big data. SAP, ODP, ORACLE are some of the analytics software used for analyzing the latest trends. Companies use data-driven analytics for different purposes like recruitment, providing incentives based on performance, and compensation for knowing the interest and goals of the employees, from which an organization gains a competitive edge. This data extracted from a firm's human resource knowhow systems. From the utilization of this type of data, and the operating firm can increase its productivity and decrease its employee turnover, which seen as a big win.

### **2. Growth of Millennial workforce**

In most organizations, many employees are on the stage of retirement on one end, and on another end, the millennial workforce is growing. In some big companies, majority of workforce are millennial. The research revealed that approximately half of the global workforce would be Millennial by 2022. To attract and hold the fresh talent, i.e., Millennial, organizations would have to recruit the unit of a digital native. The millennial generation is more technology-oriented, so it is necessary to ensure that their journey from the recruiting phase to organizational socialization/on-boardings supported on mobile and social platforms. It is also important to note that when we manage different ages working under one ceiling, different types of action need to be taken; for example, some employees need specific sorts of criticism, some need more active input, and some need more nonstop input.

### **3. Use of Artificial Intelligence (AI)**

AI is a buzz word these days. It has a massive influence on all processes of an organization. It is authentic-AI is staying put. Siri, Cortana, Alexa, and Google assistants are famous among employees as well as AI will soon make its place in the HR business. Some organizations now utilize AI instead of conventional techniques such as checking resumes, orchestrating meetings, and taking weeks together to conclude an applicant. As AI and technological advancements are developing every day, we can expect even more historical changes in the HR trends shortly, as well. However, experts in this field are not confident that AI is not going to replace any of the jobs, but confident about AI that it makes a more accessible or better way for job performing

### **4. Contingent Workforce**

The massive part of the modern workforce includes contingent workers. These days, organizations hire contingent/non-permanent workers instead of permanent workers. Contingent workers refer to those individuals who usually are hired for shorter periods. Contingent workers hired to perform specific tasks/jobsthat require special job skills. They are hired when an organization is experiencing significant deviations in its workflow. Every organization must make a sufficient plan to make a move to a contingent workforce. HRM plays an active role when an organization takes these types of strategic decisions. HRM has the following responsibilities when an organization decides to bring contingent worker in it:

- The responsibility of the HRM department to locate and bring temporary workers into the organization.
- It will also have the duty of quickly adapting temporary/contingent workers to the organization.
- Suggest some ideas about how an organization will attract quality temporaries (based on consultancy).

## **5. Merging of Business**

To remain in the competition, most of the organizations come (merge) together, and the situation will remain to stay rebellious for most of the industries. Some challenges will be raising for any organization, such as (i) improving the effectiveness of generation Y, (ii) analytics HR. These types of challenges are barriers to become the most attractive organization for the future workforce.

## **6. Estimating/ Forecasting on the bases of Cloud**

Cloud is still in the adaptation process. It is hardly a new concept that HRM is moving toward this. Under the cloud computing system, the significant benefits are (i) faster updates, (ii) more flexibility, (iii) innovation and, (iv) decrease in cost. Most of the HR software dealers are offering its solution in the cloud form. It is also helpful for HR managers to reduce expenses on upgrading systems. Workday, SAP, Oracle, ADP, and Ultimate software are the examples which provide Core HR solutions on the cloud.

## **7. Go Mobile**

Mobile devices are predominantly and utilized by most of the organizations in different types of works such as recruiting, interviewing, offering new products, and offering new jobs. It will help to take on their competitors, and the use of mobile is easy because texting is quicker rather than sending e-mail and could help speed the information process up, and it also increases the response rate of a prospective candidate. However, using mobile apps within HRM is in its preliminary stage, but some cloud-based apps make it easier. The burden of administrative work on HR decreased with the help of mobile apps, and it will extensively develop the usage of self-service. Mobile apps serve many advantages to an organization, although these apps have some primary data privacy issues such as Government can put a severe restriction on using mobile apps for employee data.

## **8. Decentralized work sites**

Advancement in the technology and its prediction about the future brought in new eyes in the face of Human Resource Management. Most of the organizations offer their

employees work from home or any location. Telecommunication facilities help to make it possible for the employees. Many employees who have family and responsibility like child care and who have disabilities may prefer to work in their homes. For example, a review done by Flex Jobs indicated that the younger generation (20-30 years old) wants to choose an organization that offers work from home. Large or big MNCs are using the Human Resource Information System (HRIS), which replaces the paperwork files and tailor-made or off the Shelf. This system helps in handling much data on a chip rather than having a room that is full of file shelves. These days, many organizations are using augmented reality and video- talking for fulfilling this objective. However, there are some challenges explained below:

- It is a big challenge and problem for training managers on how to found and confirm work quality and on-time completion.
- It also creates the problem of compensation policy, i.e., will it pay by the hour or salary basis or by the job performed?
- It is also a responsibility of the organization to ensure the health and safety of the decentralized workforce because they are different from contingent workers.

## **9. Corporate downsizing**

Downsizing refers to reduce the number of workers employed in the organization. Human Resource Management department plays a very crucial role in downsizing. Downsizing is required when an organization creates greater efficiency. It is crucial that during downsizing, proper communication must take place. It is ensured by the HRM department that there should minimize the adverse effects of rumors and ensure that individuals should be kept informed with factual data. It must also deal with the actual layoff. HRM department is key to the downsizing discussions that have to take place in the future.

## **10. Changing skill requirements**

It is necessary for every organization that it should recruit and develop skilled labor. The requirement of skilled labor for an organization for competitiveness, productivity, quality, and managing a diverse workforce effectively. If an organization does not recruit skilled

labor, it may cause significant losses for it in terms of lower productivity, shoddy quality work, customer complaints, and an increase in employee accidents. In the world of competition, the different types of jobs require different types of education and skills. The human resource department has to define the requisites of job skills and deficiencies in the phase of planning. The HR department will have to provide appropriate training to bridge the skill gaps.

## **11. Globalization and its implications**

There is no boundary of business today- it reaches all around the world. There are many opportunities for a job in Multi-National Companies (MNCs). It is the duty of the HR department that it should select an appropriate mix of employees' means employees have knowledge, cultural adaptability, and skills to handle global assignments. These organizations must provide training to their employees to meet the challenges of globalization. Organizations must develop a mechanism that will help diverse cultural individuals work together. Active steps should be taken to prevent conflict among employees based on different backgrounds, languages, customs, or age. Managers also change their way of training according to the requirement of the future.

## **12. Workforce Diversity**

HRM treated simpler because the earlier workforce was homogeneous. Today's workforce has diversity in terms of beliefs, age, ideology, and forth so on. Diversity increases creativity, innovation, and help in better decision making which ultimately improve the organization's competitiveness. HRM must deal effectively with these types of diversity to achieve the organization's goals.

## **13. New Role of HR Department**

With the old roles of the HR department now, it covers some new roles also which include employee's journey map and more excellent coverage to feedback tools, advanced communication tools, and productivity tools.

## 14. Concern on Employee Engagement

These days, organizations only will be successful if they engage their employee with their process. Gallup defined in his study that an organization can be successful is strongly connected with employee engagement. However, the significant disquiet in the previous years for the organization is that finding and keeping great talent. Employees who have knowledge of technology and engaged with the organization will be great for the organization.

### Conclusion

Human Resource Management plays a vital role in a successful organization. Human resource management brings individuals and organizations together to achieve their goals by meeting each other. HR managers must know about the current and modern developments in the field of HRM and take effective action to cope up with the changes. There are many recent trends seen in the 21<sup>st</sup> century, like a more millennial workforce, more use of AI-based technology, cloud computing, and decentralized workforce. An HR manager must understand these types of developments and involve employees in decision making for the overall development of employees as well as the organization.

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