Emerging trends in Human Resources Management

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Emerging Trends in Human Resources Management (HRM)

Session Outcomes:

• Discover the global trends affecting human resources management,

• Describe the impact these trends are having on organizations and the management of human resources,

• Develop an appreciation of the changing role of human resources management in supporting organizational strategy.
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• How would you define or describe Human Resources Management (HRM)?
  – What is it?
  – How do you define it?

• Turn to the person next to you and share your thoughts regarding what you think what Human Resources Management is.

• I will select a number of people to share what they came up with.

• You have 2 minutes to do this.
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What did you identify as Human Resources Management?

• ____________________  • ____________________

• ____________________  • ____________________

• ____________________  • ____________________

• ____________________  • ____________________
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- Historically HRM has been described as being responsible for the attracting, recruiting, selecting, training, assessment and compensation of employees while ensuring compliance with employment and labor laws.

- More recently HRM has also become involved in succession planning, business continuity planning, workforce diversity, labor relations and some aspects of mergers and acquisitions.
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What emerging trends are having an impact on Human Resources Management?

• Take a moment and write down two or three changes in Taiwan or the world that are having an impact on the management of human resources in your organization or organizations in general.
• I will be asking a number of you to share one of the trends that you wrote down.
• I will give you 2 minutes to do this
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What trends did you identify as having an impact on Human Resources Management?

• ________________________  • ________________________

• ________________________  • ________________________

• ________________________  • ________________________

• ________________________  • ________________________

• ________________________  • ________________________
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Impact on Organizations and Human Resources Management

Political

Technological

Social

Economic
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<table>
<thead>
<tr>
<th>Political</th>
<th>Economic</th>
<th>Social</th>
<th>Technological</th>
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</thead>
<tbody>
<tr>
<td>• Increased demands for transparency in government and organizations</td>
<td>• Increased government involvement in economic growth</td>
<td>• International and internal migrations</td>
<td>• Pace of technological innovation is increasing</td>
</tr>
<tr>
<td>• Increasing dispersal of national power</td>
<td>• Increasing gap between rich and poor individuals</td>
<td>• Increased interconnectivity of people, organizations and societies</td>
<td>• Genomics</td>
</tr>
<tr>
<td>• Narrowing of gaps in national power between developed and developing nations</td>
<td>• Rapidly increasing national debt to GDP ratios</td>
<td>• Changing family structure</td>
<td>• “Digitization” of lifestyles and work life</td>
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<tr>
<td>• Increase in the power of non-state actors (businesses, organizations such as the World Bank)</td>
<td>• Growth and increasing instability of sovereign wealth funds</td>
<td>• Increasing power of women</td>
<td>• Breakthrough or transformative technologies</td>
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<td></td>
<td>• Increase in state capitalism</td>
<td>• Aging population</td>
<td>• Social, economic and cultural connectivity.</td>
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<td>• Population growth</td>
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<td>• Increasing social freedom</td>
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<td></td>
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<td>• Accelerated pace of life</td>
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<td></td>
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<td>• Urbanization</td>
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</table>
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What are the impact of these or other environmental forces on your organization or organizations in general?

• Take a moment to think about the impact of these forces on your organization, or organizations in general, then turn to the person next to you and share your thoughts regarding how you think your organizations will be impacted by these trends?

• Be prepared to share what these impacts might be.

• You have 2 minutes to do this.
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What impacts might these trends have on your organization or organizations in general?

• __________________________________________
  • __________________________________________
  • __________________________________________
  • __________________________________________
  • __________________________________________
  • __________________________________________
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Impact of Global Trends:

– Organizations have become more global in markets and operations,

– Organizations will experience higher levels of risk and uncertainty,

– The disruptive nature of globalization will increase the need for organizations to be more flexible and agile,

– There will be increased political and social pressures for ecological and societal responsibility,

– Organizations will be facing and challenged by economic and demographic imbalances.
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Impact of Global Trends:

– The use of technology will increase at a rapid pace,
– Work will be come more complex and interdependent,
– Work and thus people will be more mobile and global in orientation leading to increased workforce migration,
– There is likely to be a growing mismatch between skills needed and talent available,
– There will be an increased need for demographic and cultural sensitivity,
– More work will be done by diverse work teams often at a distance from one another,
– Declining loyalty between organizations and employees,
– The traditional definition of family is undergoing transformation.
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How will these environmental and organizational changes affect Human Resources Management?:

• Earlier we developed an understanding of Human Resources Management. Referring back to those ideas, think about how the environmental and organizational changes may impact Human Resources Management.

• Turn to one or more of the people sitting next to you and develop several ideas on how the role and function of Human Resources Management may have to change to support your organization’s ability to succeed under these changing circumstances.

• You have 5 minutes to do this.
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To respond to these changes and the demands being placed on our organizations, Human Resources Management will need to focus on:

• ______________________
• ______________________
• ______________________
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• ______________________
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# Emerging Trends in Human Resources Management (HRM)

<table>
<thead>
<tr>
<th>Environmental/Organizational Challenges</th>
<th>Human Resources Management Activities</th>
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<tbody>
<tr>
<td>• Aging workforce</td>
<td>• Recruiting talent to fit strategy</td>
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<td>• Multiple generations in the workforce</td>
<td>• Controlling benefits cost</td>
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<tr>
<td>• Changing attitude toward “work”</td>
<td>• Managing differing expectations and needs</td>
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<td>• Retooling skill-sets</td>
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<tr>
<td>• Globalization</td>
<td>• Helping employees embrace diversity</td>
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<td>• Blurring of organizational lines</td>
<td>• Crafting and managing an integrative, high performance, and customer</td>
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<td>focused culture</td>
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<td>• Developing open and accurate communication networks</td>
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<td>• Developing and maintaining organization and employee partnership</td>
<td>• Developing and refining flexible work arrangements</td>
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<td>• Balancing family-work life</td>
<td>• Integration of temporary or contract employees</td>
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<td>• Succeeding in 24/7 economy</td>
<td>• Ensuring a supportive (incivility, non-harassment) workplace</td>
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<td>• Designing effective work-employee capabilities fit</td>
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<tr>
<td>• Technology</td>
<td>• Training and retraining</td>
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<tr>
<td></td>
<td>• Creating and maintaining collaboration competencies</td>
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<tr>
<td></td>
<td>• Leveraging technology</td>
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<tr>
<td>• Networked organizational arrangements (joint ventures, strategic alliances)</td>
<td>• Strategic partner in the business development processes</td>
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<tr>
<td>• Managed growth</td>
<td>• Facilitating and leveraging integration</td>
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<tr>
<td>• Organizational positioning and repositioning</td>
<td>• Partner in creating “value-added” work systems and processes</td>
</tr>
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Adapted from “The Future of the HR Profession, SHRM 2002, p.9”
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Strategically Aligning Human Resources Management with Changing Environmental and Organizational Contexts

These Trends
- Globalization
- Emerging businesses
- New technologies
- Intellectual capital
- Continuous change
- Competition

These Organizational Challenges
- Increasing value
- Changing workforce values
- Improving organizational capabilities
- Leadership development
- Attracting/retaining talent
- Improving efficiency
- Organizational transformations
- Multi-cultural, multi-generational diversity

These HRM Transformations
- Strategic partner
- Business competency
- Align with strategy
- Accountability
- Talent management
- Flexibility

Adapted from Dattner and Rothenberg “The Future of Human Resources”, 2003
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Organizational Responses to These Challenges

- Strategic Partner
- Restructuring Expertise
- Operational Devolution
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Strategic Partner
(Aligning HRM with Strategy)

- HR Scorecards
- Talent Management
- Business Consultancy
- Business Effectiveness
- Corporate University

Organizational Responses to These Challenges
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- Organizational Responses to These Challenges
- Restructuring Expertise
  - Outsourcing
  - HR Consultancy
  - Employee Self-Service
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### Outsourcing

Most Frequently Outsourced HRM Activities¹
- EAP Activities (44%)
- Pension/Retirement Plans (36%)
- Benefits (26%)
- Training (23%)
- Payroll (21%)

### HR Consultancy

- Performance Management
- Change Management
- Work System Design/Redesign

### Employee Self-Service

- Enrollment/change benefits
- Reviewing payroll and compensation information
- Applying for internal jobs
- Updating personal information
- Enrolling in training and development classes

¹HR Department and Benchmark and Analysis TM Report, 2003 Adapted from Rothenberg and Dattner, 2003
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Operational Devolution

Organizational Responses to These Challenges

Transferring HRM Responsibilities To line Managers

- Performance management
- Career development
- Promotions
- Compensation

Operational Devolution
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Implications for HR Managers:

• Recognizing the importance of HR Managers in becoming a strategic partner by aligning HR with business strategy
  – HR Managers must “know the business they are in”
    • Can you describe in specific terms what are the key factors for ensuring success in achieving the success your policy makers expect?
  – HR Managers must have business skills and knowledge
    • Do you have the skills to develop budgets, create effective measurement systems, develop strategies for improving performance outcomes?
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Implications for HR Managers:

• Developing expertise in improving organizational performance through social-technical systems design/redesign:
  – Are you able to use data and contemporary methods and processes for redesigning the way work gets done?
  – What specific examples can you point to that demonstrates this experience and expertise?
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Implications for HR Managers:

• Being attuned to employees and the critical issues facing them in balancing work/life challenges
  – The public sector must improve its ability to compete for talent. One report noted that over 30 percent of organizations were facing difficulties hiring workers for because of talent shortage.
    • How effective have you been in filling “hard to fill positions”?
    • What measures or metrics do you use to assess this?
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Implications for HR Managers:

– In some regions over 60 percent of organizations are facing difficulty hiring workers with critical skills.

• If policy makers or senior managers asked you to list the “hardest to fill” positions, could you?

• If they asked you what specific steps could you and the organization take to successfully fill these positions, what specifically would you suggest?
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Implications for HR Managers:

- It is easier to keep the employee you have and want than to find an employee that others also have and want to keep.
  
  • How effective have you been at discovering what most employees say prevents them from doing their best?
  
  • If senior managers or policy makers asked you for specific recommendations for overcoming these challenges, could you?
  
  • If they asked for specific action steps, could you outline these?
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Implications for HR Managers:

• Acquiring the competencies for creating organizational cultures that empower and align with strategy.
  – Accenture found that over 40 percent of US middle managers are currently looking for another job or plan to do so when the economy recovers.
  – To retain talent you must focus on ensuring best human resource management practices
    • Can you describe to policy makers 1) how your organization and systems must change to attract and retain the best people, and 2) build a business case for doing so?
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Implications for HR Managers:

- Increasingly organizations are realizing that people are the only sustainable source of competitive advantage thus organizations need strategic support from HR to succeed in this new economy.
  
  • Can you list at least 5 things that HR must do to achieve this?
  • Can you describe a strategy for moving forward?
  • Can you articulate the costs and benefits associated with these changes?
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Implications for HR Managers:

• Managing and leading transformations.
  – Governments must radically increase the productivity of their operations.
    • Do you have the skills to work with managers and leaders to improve efficiency?
  – Organizations must be reformed with fewer organizational layers and more sensitivity and responsiveness to the needs and the preferences of those being served.
    • Do your managers and supervisors have the skills to delegate responsibilities, to coach and develop workers, to create systems that are 1) efficient, 2) meet the needs of those we serve, and 3) provide meaning and rewards to the workers who are meeting these needs?
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Implications for HR Managers:

• Are you prepared for the future?
  – Can you “build a business case” for human resources management as:
    • A strategic partner?
    • As a change agent?
    • As transforming the culture and the operations of your agency?
  – Do you have organizational credibility for:
    • Managing change?
    • For transforming cultures?
    • For the improvement of human resources practices?
  – Do you know what workers want and expect for you to become “an employer of choice” and can you make a compelling business case for taking the actions that are needed to become this employer of choice?
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Implications for HR Managers:
Transforming human resources management requires:
• The confidence to stand alone,
• The courage to make tough decisions, and
• The compassion to listen to the needs of others.

Perhaps some of these thoughts and ideas will offer you the vision, the values and the perspective to transform our organizations to bring out the best in our people while serving the needs of our citizens.
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Questions, Comments, Reactions?