

HUMAN RESOURCE MANAGEMENT A KEY INDICATOR TO CORPORATE SUCCESS-CONTEMPORARY ISSUES

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ABSTRACT

The main objective of the present article is to bring the importance of human resource management and how human capital has emerged as a vital resource for the growth and success of the organization. Most experts believe that human resource may require more prominence and trusted management than any other resources of the organization. Rapid changes in the technology, economic, social, cultural and psychological understandings and structures have influence on both human resources and their management. Present models of HRM indicate that the expectations about HR roles are moving as organizations are motivating to make the HR functions smoother and better strategic. Organization needs to deal with an ageing workforce; look for benefits like compensation, better integration and provide cross cultural employment systems. As per policy, human resource management adopts new methods to sustain the position of corporate development partner. The position of the HR manager should support the necessities of improving organization. Best organizations are focusing on adaptability, resilient and immediate to adopt improvement and customer satisfaction. With built environment, the HR professional should know how to handle considerably by planning, organizing, leading and directing the human resources for improvising on emerging solutions in training and development of workforce.

KEYWORDS: *Human Capital, Human Resources, Management, Workforce, HR, Trends, Organization.*

Introduction

Human resource management is a method of considering both people and organizations to achieve goals. The task of HR manager is moving from that of a controller and screener to a planner and change agent roles. Personnel directors are the coming corporate "heroes". The today's vision in business is limited to us. At the current stage, it is difficult to show a better financial or operating report to retain your personnel relations the main importance of HRM is to grow and develop the productive contribution of resource to the organization in enhanced ethical, social, and administrative ways. Leading to success from industrial relations, personnel administration, industrial psychology and personnel management. Research indicates that its aim is to prepare a completely organizational culture that connects employees to the company's objectives with required professional commitment, integration and quality task. The coming twenty first century enabled with more opportunities with enormous pressure, if the companies want to improve the productivity of the people and treat them as "human being" which are the vital objects of all the economic activities moving towards industrial development. At current scenario there is a worldwide consensus on human resource considering as

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one of the major means of increasing efficiency, productivity and prosperity of the companies in the coming years, highly skilled and knowledge based jobs are motivated while low skilled jobs are decreasing. The impact makes the future skill mapping through proper HRM initiatives. Organizations' are also witnessing a shift in systems, management cultures and philosophy because of global alignment for Indian organizations. There is a scope for multi skill development. Role of HRM is getting more critical. Ahead of increase in competition, locally or globally, organizations may become more usable, resilient, agile, and customer-focused to cherish. From this change in environment, the HR professional has to emerge to grow as strategic partner, an employee sponsor or mentor, and a Single Point of Contact (SPOC) within the organization. In order to reach target HR likely to be a business driven function with a required understanding of the organization's big picture and be able to sustain key decisions and policies. The common platform of today's HR manager is on strategic personnel retention and talents development. HR professionals would be counselors, mentors, and succession planners to support motivate organization's members and their loyalty.

Methodology

This article has been written on secondary information basis. The secondary information has been collected from published books, journals and research papers.

Objectives of the Study

- To study the Emerging trends in human resource management.
- To analyze the method of human capital valuation.
- To study the competencies required by HR manager for enabling corporate success.

Emerging Trends in Human Resource Management

- **Globalization and its Implications:** Business trend may not have country boundaries – it reaches globally. The rise of multinational corporations brings a fresh requirement on human resource managers. The expansion of liberal cross-border trade, the utilization of communications technology and the growth of transnational companies are not likely to let up. Bringing global talent requires staying ahead of new strategies for identifying and attracting talent. The HR department must ensure the necessary opportunities of employees in various aspects like knowledge, skills and cultural adaptability must be equipped to work on global assignments. In addition, to meet the destination, the organizations must knowledge individuals to face the challenges of opening up of economy. HRM supports to train management to be easier in its tasks and implementing policies.
- **The Adoptability towards Mobility is Pronounced:** Mobility inside the workplace are becoming most important subject. Employee's value the vulnerability of work from wherever, whenever, during benefiting from the same advantage of their peers in the office. Going ahead, the requirement for all digital workforce applications will be combined to increase the demand for more efficient mobility deployments. The trend will in fact, become even more pronounced with employees growing to push for further mobility in all considerations of their lives.
- **Digital Awareness will make more Required Competence in the Workplace:** According to prediction, organization may not be able to compete successfully without analyzing and retaining the skilled professional who have expertise associated with the digital workplace. Leaders lacking digital proficiency will struggle going forward, emphasizing the importance of placing increased emphasis on retraining and teaching digital literacy.
- **Work-Force Diversity:** Workforce diversity means ethical differences with employees like age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. No two humans are similar. Diversity is acritically linked to the organization's strategic perspective. The workforce composition also heading for drastic change in the previous years. Demands for equal compensations, putting an halt to gender inequality and bias in few occupations, the cracking down of glass ceiling have been reached. HRM must know the age differences that exist in today's workforce. HRM should prepare workforce from various t age group for effectively managing and to team bonding with each other and to bring the diversity of views that each offers. Participation will do better in these situations. As per current situation, employing diversified workforce is a mandatory for all organizations but to know such diversified workforce may be a big challenge for management.

- **Changing Skill Requirements:** Recruiting and grooming skilled labor is important for any company worried about competitiveness, productivity, quality and prominently managing a diverse workforce. Skill deficiencies convert into major loss for the organization against poor-quality work and less productivity, growth in employee accidents and customer complaints. Since the increasing number of jobs may require necessary education and higher levels of language from the existing ones, HRM practitioners and specialist must communicate the information to mentors and community leaders etc. Strategic human resource planning must carefully weigh the skill lacks and shortages. HRM department must bring suitable training and short-term programs to connect the skill gaps and expertise.
- **Corporate Downsizing:** Whenever an organization looks to delay, it is examining to bring greater efficiency. The idea of downsizing is to ramp-down the number of workers employed by the organization. HRM department has crucial role to make the downsizing. HRM people must confirm that necessary communication should take place at required time. They should minimize the negative effects of rumors and to inform with factual data to individuals. HRM should also look after with actual layoff. HRM department is the main stream for taking ramp-down discussions.
- **Continuous Improvement Programs:** Continuous improvement programs display the long-term success of the organization. Process mainly overview on quality and brings good customer satisfaction. Brings companywide initiative to improve quality and productivity. The company deviates its operations to gain customer attention and to bring ideas from workers. Companies struggle to improve on all aspects from bringing quality people to administrative paper processing, to meet customer norms.
- **Re-engineering Work Processes for Improved Productivity:** Mean while continuous improvement initiatives are success in many of our organizations, focused mainly on ongoing incremental change. Results are intuitively appealing- the constant and permanent identification make things better, further many companies work in an environment that is dynamic- facing rapid and constant change. As a result, continuous improvements programs does not favor the best interest of the organization. The problem is that they may disclose false sense of security. Current incremental change avoids facing up to the prospect that what the organization may really need is radical or quantum change. Such drastic modification results in the re-engineering of the organization.
- **Contingent Workforce:** Very substantial parts of the new trendy workforce are the contingent workers. Contingent workers are individual contributors who are typically hired for lesser period. They work on a necessary task that often requires multiple job skills and are employed when an organization is analyzing significant deviations in its workflow. When an organization brings its strategic decisions to employ a sizable portion of its workforce from the contingency ranks, several HRM issues may be significant. Have these virtual employees available when required providing scheduling options that support their needs and making decisions about whether or not benefits will be given to the contingent work force no organization can consider the transitions to a contingent workforce without sufficient planning. As such, when these strategic decisions are being made, HRM is an active partner in these discussions.
- **Decentralized Work Sites:** Work sites are becoming more and more decentralized. Telecommunicating capabilities that persist today have made it possible for the employees to be distributed anywhere on the globe. With this strength, the employers no longer have to think locating a business near its work force. Telecommuting also provides an opportunity for a business in a high cost area to have its task done in an area where lower wages prevail. Decentralized work sites also provide opportunities that can meet the requirements of the diversified workforce.
- **Employee Involvement:** Current organization's to be successful there are more employee involvement concepts that seem to be accepted. Among are delegations, participative management, work teams, goal setting, employee training and empowering of employees. HRM has a prominent role to play in employee consideration. What is required is demonstrated leadership as well as necessary management. Employees must be trained and that is where human resource management has an important role to play. Employees expected to delegate, to make decisions anticipatively handled, to work in teams or to set

goals cannot do so unless employees know and understand what is required to do. Empowering employees supports extensive training in all aspects of the job. Workers required to understand how new job design processes. They must need training in interpersonal skills to participate and work teams function correctly.

- **Technology:** With the available technological advancement and its projected trend in the future, has brought in new face of HRM. A number of computerized systems are invented to support in the HRM of which they are noticed as simplifies of HR functions in companies. Large or multinational organizations using few of the human resources information systems are gaining. You need not have to stay in a particular location to perform your duties but you can perform on a mobile basis. For instance, the paper work files are being changed by HRMIS, which may be tailor made or off the shelf. These systems support in handling a lot of data on a chip other than having a room full of file shelves.
- **Family Work Life Balance:** Over a period now in HRM history it has remained a big debate for family life work life balance. Employees have been on toes of the employers to look if there could be justice availed and on the other hand, employers have been keen to minimize the effect of the same. The fact is a happy family is equal to happy workforce. With the current trend HRM have to understand that all employees' family to some level is a happy one therefore investing in what may seem out hand for the organization is inevitable. It is time HRM to influence management to organize family day out for the staff and their families, sacrifice sometimes for leaves to enable employees to participate to their family lives.
- **Improving Health, Engagement and Productivity:** With the growing pace of organizational change and industry disruption, organizations analyzing the importance of employee health, engagement and productivity as they position, reposition and growth. While scope for improvement remains, there is a clear trend toward increased use of data in these areas, to help strategic planning.
- **Retention Strategy:** It brings a plan for redressing employee grievances and plans to solve employee issues.
- **Human Resource Audit:** HR audits are performed to examine whether the available HR systems are in sync with the organizations policies, strategies and objectives and legal requirements.
- **Human Capital Valuation Models:** The important methods for the valuation of human resources are given below:
 - **Acquisition Cost:** Under this method, costs incurred for the purpose of recruitment, hiring, induction, and training of employees are considered into account. Expenditure incurred regarding the above activities is recorded properly and a proportion of it is written off to the income of the future periods during which human resources will provide service. However, if in any situation, the human assets are liquidated prematurely, the amount, which is not written off, is changed to the income of the year the liquidation takes place. The historical cost of human resources is similar to the book value of other physical assets. This method is simple to understand, easy to work out and easy to implement.
 - **Replacement Cost:** In the case of acquisition cost, past costs are taken into account. However, under this approach one takes into account how much it costs to replace a firm's existing resources and thus represents a current value approach. Under this method, historic cost is adjusted according to the current market conditions.
 - **Standard Cost:** It is the cost incurred for the purpose of recruiting, hiring, training and development of human resources in the organization. In connection with the above activities, the standard costing principles are to be applied. i.e., target is set for various components of human resources, which are helpful to compare the actual and find the variations from the targeted one.
 - **Opportunity Cost:** Opportunity cost is the maximum alternative earning that is earned if the productive capacity or asset is put to some alternative use. Human resource valuation under the method of opportunity cost is difficult. Because alternative use of human resource within the organization is restricted. Moreover, at the same time, this type of alternative use may not be identifiable in the real industrial environment.

- **Present Value of Future Earnings Method:** Model developed by Lev and Schwartz in 1971 and is popular in India. It is otherwise called as capitalization of salary method. According to this method, future earnings of employees are estimated upto the age of retirement and are discounted at a rate appropriate to the person or the group to obtain the present value. They have given the following formula for calculating the value of an individual.
- **Rewards Valuation Model:** Referred by Flamholtz. This method identifies the important variables that determines the value of each individual employee in an organization i.e., his expected realizable value.
- **Net Benefit Model:** This model was suggested by Morse (1973). According to this method, the value of human resources is equivalent to the present value of net profit earned by the enterprise from the services of the employee.
- **Certainty Equivalent Net Benefit Approach:** This model has been suggested by Pekin Ogan in 1976. It is an extension of net benefit approach of Morse. Under this method, the value of human resource is determined by considering the certainty with the net profit earned by the enterprise in future.
- **Aggregate Payment Approach:** Has been developed by Prof. S.K Chakraborty 1976, the first Indian to develop a model on human resources of an enterprise. According to this method, the value of human resources can be calculated on a consolidated basis and not the individual basis. However, the managerial and non- managerial values are evaluated separately.
- **Total Cost Concept:** This concept has been developed by Prof.N. Das Gupta(1978) by his opinion both employed and unemployed persons must be taken into account for the determination of value of human resources of the nation. In order to prepare the balance sheet of a nation, the system should be such, which shows the human resources not only for a firm but also of the whole nation.
- **Input out Control Mechanism:** Dr. Rao (1983) has suggested this approach. The system of human resource accounting was developed and applied in a transport equipment manufacturing concern. The output factors of the system are described to be the indicators of human resource development and utilization.

The Competencies are Require by HR in the new Role Enabling Organization

The competencies HRM executive needs to become a strategic partner for organization to make human resources a competitive advantage. List of the competencies are below:

- **Creditable Activist:** Deliver results with integrity, share information, building trusting relationships, influencing others providing candid observation, taking appropriate risks.
- **Culture Steward:** Facilities change, developing and valuating the culture, helping employees navigate the culture (find meaning in their work, manage work/life balance, and encourage motivation).
- **Talent Manager:** Develop talent, design reward systems and shape the organization.
- **Strategic Architect:** Recognize business trends and their influence on the business, evidence-base HR and develop people strategies that contribute to the business strategy.
- **Business Ally:** Understanding how the businesses makes money and understand language of business.
- **Operational Executor:** Implementing workplace policies, advancing HR technology and administer day-do-day work of handling people.

Conclusion

Presence of living in the era of not just change, but an accelerated rate of change. When comparing the same to the previous decades the twenty first century organizations are going global and are driving the market forces with a Motto called "invest from anywhere and share everywhere" theory. Since years, HR was managing the administration tasks and even played a role of supporting business activities. Gradually Human Resource is considered as important as set with higher yield to the company.

Human resources management plays an important role for organization to manage employees work effective, creative, quality and productivity to reach the competitive advantage over competitor and achieve organization goals and objectives. For gaining better competitive advantages today organization face three main competitive challenges, i.e., challenge of sustainability, global challenge and technology challenge. All aspects of human resources management including how organizations manages the human resources environment, acquiring and preparing, assessment and development, compensating human resources, new role of human resources management and its competencies can help organization meeting their competitive challenges and create value. Meeting organization challenges is necessary to create value and to gain a competitive advantage.

Human resource management plays an important role in the implementation of continuous improvement programs. Whenever an organization embarks on any improvement effort, it is introducing change into the organization. At this point organization development initiatives dominate. Specifically, HRM must prepare individual for the change. This requires clear and extensive communications of why the change will occur, what is to be expected and what effect it will have on employees.

Human Resource increases the trust worthiness and expertise by involving and possessing strategic business functions and using perceptive opinions informing long-term goals to achieve higher strategic benefits. Because HR leaders are primarily concerned with effective management of people it oversees the risk concerned for an effective management and helps in reducing work environment (workforce) issues. Thus, HR helps in increasing the Business Value through strategic management of the workforce.

The encouragement, business insight, involvement, creativity and innovation, the key performance and tools for conversation are the main factors for empowering the future HR. Therefore, Technology enhances productivity - as the HR can extract the best performance from the workforce, utilize the talent repository and initiate strategic workforce in proactive manner by taking up confident decisions without supervision and hence HR are recently relieved largely from administrative tasks.

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