

HUMAN RESOURCE ENVIRONMENT AND EMERGING TREND

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ABSTRACT: Human Resource Environment consists of economic, legal, technological and socio-cultural environment, along with organizational factors like organization strategy and culture. Both internal and external environment changes are driving a re-assessment of HR policies, practices and procedures. External and Internal environment trend effect employment relationship. These significant changes include technology, globalization, demographic and diversity changes. Thus constant changes in workforce composition, skills, worker expectations and work life relationship require well-conceived and effectively implemented HR practices and system that must be continuously reviewed from a strategic point of view. This paper outlines the environment which decides the need for strategic perspective in human resource management and also explains emerging trend which are influencing human resources functions and increasing its strategic role.

Keywords: Human Resource Environment, Globalization, Workforce Demographics, Quality Consciousness.

INTRODUCTION

There have been lots of advancements in technology and technological developments which have been responsible for bringing several positive changes at places of work and at other places. A series of changes may be started as a result of even a minor change in the sub-structure. This will further necessitate an adjustment in the super-structure. The environment today is much more complex and difficult than it was 20 years ago within which an firm conduct its business.

We understand that an organization operates within the context of its relevant environment which affects its functioning, strategy and business plan. Environment normally consists of all the conditions, circumstances, and any other influences which surrounds and affects an organization in its totality or any of its subsystems.

OBJECTIVES

- ❖ Understand components of environment of human resources.
- ❖ Analyze emerging trends influencing human resource management.

1 HUMAN RESOURCE MANAGEMENT

Environment sometimes referred to as external environment or external factors consists of all those factors that lie outside an organization. Here important it is to emphasis that from HRM point of view, these factors may be classified into the following groups for understanding human resource environment and various influencing factors:

- ❖ Economic Environment
- ❖ Legal Environment
- ❖ Technological Environment
- ❖ Socio-cultural Environment.

1.1 Economic Environment

It covers all those factors which influences the development of economic activities. It include factors like nature of economic conditions, economic policies and factors of production including human resources. Of these factors considered in the economic environment, factors that influence HR strategy are population and workforce, workforce market conditions, national income, and inflationary pressures.

1.2 Legal Environment

Legal Environment consists of various laws formulated by government, both at centre level as well as state level. Beside these laws, government also prescribe the code of conduct related to the management of human resources. Legal environment affects HRM practices in the following ways:

- There cannot be discrimination among employees on the basis of sex, caste, Religion, or place of origin.
- In certain sectors, at least prescribed percentage of total employees must be selected from personnel belonging to backward classes, scheduled caste/ tribes.
- Employees remuneration, safety, working conditions and industrial relations systems must conform to various legal prescriptions.

1.3 Technological Environment

A sum total of knowledge that may be useful in providing different ways in doing different things is termed as the technological environment. This may encompass inventions and techniques which can be helpful in doing different things.

1.4 Socio- Cultural Environment

Socio - cultural environment in which the organization is functioning influences HRM practices to the highest degree, since employees being social people, they function according to the cultural and society of which they are part of. Culture defines and influences value, work habits, perception and personality of individual. When these individual join an organization, they bring their culture with them which influences others working in the organization.

2 EMERGING TRENDS

2.1 Globalization

A trend in which the companies extend their operations, sales, ownership, production, marketing, etc. to different countries abroad is termed as Globalization. Globalization has different implications for different companies. More globalization means more competition; and more competitions means more pressure to lowest costs, make employees more productive and do things better and less expensively.

Hofstede explained culture differences along four dimensions:

- i Individualism versus Collectivism
- ii Power Distance
- iii Uncertainty Avoidance
- iv Masculine versus Feminine Tendencies

2.2 Changing Nature of Employment Relationship

Individual invest their time and other resources in acquiring knowledge and skills and primarily aim at enhancing their productivity in different processes. The capital assets which are so produced as a result of enhancement of productivity ensures to provide the individuals with productivity capacity using which they can leverage an employment and also earn a salary. Decision related to alternate investment and employment actions are taken by the rational agent in the workforce.

2.3 Increasing the Role of Knowledge Workers

With increasing use of knowledge, the economy has been divided two broad groups- Old or Industrial economy and New or Knowledge economy. Knowledge economy derives its strength from the use of knowledge of its human resources. Human resources in knowledge economy are known as knowledge workers. The profile of knowledge workers is completely different from that of other types or workforce.

2.4 Changing Workforce Demographics

To understand labour market and demographics as most important variable in new human resources management system, two important propositions need to be emphasized:

- i The tight labour markets results in greater human resources management innovation and higher the proportion of the firm's labour force employed in high skill, technical;
- ii professional occupations will result in greater human resource management innovation. It is acceptable the tight labour markets serve as an important driving force.

2.5 Impact of Technology

Innovation in micro-electronics, information technology and others are enabling production of new products and services and also affecting the number of jobs. The nature of the skills required to operate new technology, organization of work and ultimately the

design of work system for new technologies are also being unpaacufed. Impact of technology in organizations in the form of opportunities presented by the internet for effective functioning and improvements in organization requires changes in skills and work habits of employees.

2.6 Increasing Quality Consciousness

With the increased competition at the global level and discretionary customers, more and more organizations are becoming conscious about the quality of their products and services. Quality is a sense of appreciation that something is better than something else. Increasing quality awareness has resulted in emphasis on total quality management, kaizen, six sigma and quality certification.

2.7 Mergers and Acquisitions

Merger and Acquisition have become the most common form adopted by corporate world to impart higher growth to organizations. In each and every organization, there may be some issues that may need to be considered by HR department. Before going ahead with implementation of the merger and acquisition, it is extremely important to conduct a cultural audit and one must plan for HR interventions based on the findings related to audit.

2.8 Outsourcing and Flexible Work Arrangements

Flexibility in work hours is a requirement for with many employees these days. There are different possible variables. These include flexible work schedule, telecommuting, sharing of work hours. If the work is structured around the personal obligations of the employees, then the employees will definitely feel more comfortable while working at an organization. Thus the employees of the organization will work under lesser stress and will be more motivated.

CONCLUSION

In this paper discussed about components of environment of human resource and analyze emerging trends influencing human resources management. Human Resource Environment consists of economic , legal, technological and socio cultural environment , along with organizational factors like organization strategy and culture. Important areas of environmental change requiring organizational understanding , constant review and response. constantly changing workforce composition , skills, worker expectations and work life relationship require well - conceived and effectively implemented HR practices and systems and organizations must allow HR practitioners to asses and change practices as appropriate in response to environmental change, which otherwise will risk not remaining competitive in an ever - changing marketplace and society.

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