

## CURRENT TRENDS IN HR (HUMAN RESOURCES): WHAT EMPLOYEES EXPECT FROM TODAY'S POLICY-MAKERS?

Mohammad Shah Khan<sup>1</sup> and Ahmed Shah Khan<sup>2</sup>

<sup>1</sup>Department of Management Sciences, <sup>2</sup>Department of Social Sciences, Balochistan University of Information technology, Engineering and Management Sciences (BUIEMS) Quetta

### Abstract

*The technological and structural changes have revolutionized every field of business and Human Resource (HR) is no exception. In an environment in which the workforce keeps changing, laws change, and the need of the employers change too, management must continue to change and evolve. This is particularly true when operating globally. HR practitioner, throughout the world, are assessing new trends in the field. Once focused only on clerical administration, HR is now a strategic partner and has voice in all corporate decisions.*

*In this paper, I have traced the trends in the field of HR globally with special focus on Pakistan. All of these trends fall into one of the following categories: Demographic trends, Workforce trends, Economic trends, and work/life trends. Every contemporary organization must give thoughtful attention to all these trends if it wants to retain star performers. Organizations, throughout the country, are now realizing the importance of their human capital and are trying to provide them maximum comfort in the workplace.*

*In addition to these trends, employees' expectations from today's HR policy-makers are discussed in this paper. Employees expect a "home-like environment" in the organization where they devote the major portion of their day time. They want to be treated fairly and equitably.*

### INTRODUCTION AND BACKGROUND

Human Resources (HR), like all other fields of the contemporary business, is in flux. The business environment has become more competitive, complex and demanding. The technological breakthroughs and globalization have been exerting even more pressure on businesses. The pace with which changes occur has been revolutionizing every field of contemporary business and HR is no exception. "Change or Die" is the cry that is heard everywhere.

Organizations, throughout the world and in Pakistan, are now realizing the importance of the asset called human capital. In the contemporary world where all the organizations have access to almost the same technology, it is an organization's human resource that differentiates one organization from others. This fact has been realized by almost everyone today that without good people, organizations

can never grow and prosper. Walt Disney's was very right when he said: "you can dream, create, design, and build the most wonderful place in the world, but it requires people to make the dream a reality."

The field of HR has experienced many changes in recent years. Merely an administrative task a few years ago, HR is now a strategic partner with a bottom-line orientation. HR must now understand the business and speak the language of finance. Today, the HR departments are dealing with the management of human capital where people are treated as a dynamic asset of an organization.

Business today, according to an HR practitioner, is about numbers—metrics and measurement. HR has to adopt a bottom-line approach and the HR managers must be able to convey how different HR activities affect the company's bottom-line.

In order to cope with changing business environment, HR professionals must give thoughtful consideration to the emerging trends in the field. The trends that are documented in monitor these trends if they want to prepare their organizations for recruiting, training and retaining workers who are motivated to direct their efforts towards achieving organizational goals.

To identify the trends in the field, a group of human resource (HR) teachers from different universities of Pakistan gathered to ponder current trends in the field of human resources. University lecturers who had many years of teaching experience in HR and were closely examining the trends in the field, constituted this group. This paper documents the essence of that panel discussion backed by strong theoretical research in the field.

After the trends were documented, this paper was then mailed to different executives serving in the field of education, banking, telecom, and social sector. In light of the opinions of the top management, the list of trends was refined. Each trend is then followed by the expectations that the contemporary workers have from their employers. It's hoped that this paper would turn out to be a helpful tool for HR practitioners and academicians.

## **CURRENT TRENDS IN HR – TRANSFORMING THE FIELD**

### **Trend: The Workforce will Become More Diverse**

Diversity is a common element of every contemporary organization. People from different gender, age group, educational background, technical expertise and cultural background constitute the workforce in Pakistani organizations. Today's knowledge-based economy demands a new composition of skills which, in turn, has resulted in a diversified workforce including more female workers and a new generation of technically sophisticated younger workers. More women are now entering the workforce and are less hesitant to perform any kind of job in the public and private sector. Pakistani women, today, are CEOs, bankers, politicians, teachers, engineers,

this paper fall into one of these four categories: Demographic trend, workforce trends, economic trends and work life trends. According to Boone and Kurtz (2004), today's HR managers need to doctors, social workers, media-persons, and entrepreneurs.

Moreover, today's workforce in the country includes a large number of technically sophisticated young graduates, who join organizations as MTOs (Management Trainee Officers). After a comprehensive training program, these MTOs resume middle management positions in their respective organization. On the other hand, the older employees with less or no technical skills are being gradually separated from the organizations' workforce.

Diversity is measured as an 'intangible asset' by the contemporary organizations but besides all its merits, a diversified workforce according to Boone & Kurtz (2004), brings with it a whole lot of ethical concerns for organizations. Some of such issues include discrimination, sexual harassment, and sexism. HR managers must be extremely vigilant regarding these issues.

### **What Employees Expect?**

Employees today expect that their organization's policies may clearly condemn any attempt of discrimination on any basis against them. Employees may not be treated unequally just because they don't belong to a certain genders age groups or ethnicity. To create a better workplace and reap the benefits of diversity, employees must be provided with trainings regarding different cultures and languages. In addition, HR and diversity professionals must make sure that the religious and spiritual needs and expectations of different ethnic and religious groups are addressed.

### **Trend: Work is Life and Life is Work**

The intense competition and global operations of businesses have blurred the line between employees' work life and personal life. Globalization has led us to a world that never sleeps and this is compelling businesses to operate 24 hours a day. Throughout the world, and in Pakistan, the average working hours are expanding. Employees, especially those in the

private sector, spend more than 50 hours a week in their organizations.

The changes resulting from globalization, according to Robbins and Sanghi (2005), have squeezed out personal lives of employees. The balance between personal life and work is now a primary concern of employees. In Pakistan, banking and telecom are two such sectors where office hours, on average, have extended by 3 to 4 hours every day.

### What Employees Expect?

Employees would like to have a balance between their personal life and work. In addition, they want their employers to add benefits which will help them reduce the level of stress that many of today's employees feel because of the 10-hour or longer work day. Some such benefits can be casual dress policies, free cafeterias, massage therapy, providing a room for play in the workplace, etc. These benefits can make the workplace feel like home. And a home-like environment in the workplace would turn out to be extremely convenient to workers.

Working women with children, who constitute a large portion of the workforce pie, would expect child-care facility for their infant children. They would concentrate on their jobs only if they are being assured of the fact that their children are being taken care of by the organization.

### Trend: "The War for Talent and Career Security"—Resulting in a Bilateral Lack of Loyalty.

In today's environment of cut-throat competition, attracting and retaining qualified talent, according to Boone and Kurtz (2004), is not only a top priority for organizations but also a business necessity. In order to remain competitive, every organization will have to make sure that it has proper number of qualified employees who strive to achieve organizational mission. On the other hand, technical/professional employees are following the money and career security which has resulted in a more transient labor force leading to a decrease in the number of workers who spend an entire career with one organization. The fresh graduates, especially with professional degrees like MBA, switch

organizations as soon as they see a better compensation package. This is specifically true for the workers of banks in Pakistan. The employees are supposed to sign a bond with their respective employers in which it is stated that they will not leave their organization for a certain time period.

Organizations, throughout the country, are now realizing that total rewards practices and initiatives play a key role in the acquisition and retention of key talent for now and in the immediate future. Concomitantly, downsizing of the experienced non-technical employees is not uncommon because of their higher cost to the organization. Surely, there is a bilateral lack of loyalty with employees following the 'bottom line' and employees chasing money and good career.

### What Employees Expect?

Employees today expect, besides handsome compensation and benefits, initiatives such as career development and work/life balance. The changing ethos of workplace compels employees to go for 'career security' rather than 'job security'. Employees today prefer to have all the skills in their toolbox so that they can carry them anywhere and ply their craft. They want training and development opportunities from their organizations.

### Trend: Computer Literacy and Management of Information Systems — a Necessity for Increased Efficiency and Effectiveness.

Computer is now work day tool and it is hard to imagine a workplace without it. The arrival of user-friendly software for almost every kind task eases the life of an office worker. Information systems, in particular, put a worker in enormous control with the potential for increased efficiency and effectiveness.

The Internet and the World Wide Web (WWW) is another application which has put incredible amount of information at the finger tips of employees. This technological advancement has revolutionized the field of HR in so many ways. Employment tests and interviews being conducted online are not uncommon. Remote surveys and real-time web applications (live web) is now transforming HR into e-HR: "paper-

less” transactions, self-services for employees, recruiting by the net, e-learning, and on and on.

Human Resource Information System (HRIS), a mission-critical application containing vital employee information, is yet another application that facilitates HR managers. Pakistani organizations are now adopting such information systems for value addition. The widespread availability of computers and HRIS also opens the door to the possibility of inappropriate access to information, security breach, equipment failure, terrorist attacks, and natural disasters.

A large number of workers today are telecommuting. Modern communication technology allows such workers to do their work at home. Many talented IT professionals and software engineers of the country work as independent contractors developing software for national and international companies. Through Internet and other communication media, these individuals share their projects with their respective organizations.

### **What Employees Expect?**

The rapid growth in the use of computers and other mobile devices in the workplace bring about many privacy and security issues. Employees would like their policy makers to devise policies that govern the access and use of computer technology. The privacy of the employees using computer technology may not be sabotaged. Training may be designed to create awareness in employees.

### **Trend: Corporate Social Responsibility and Ethics Integrated into Business Strategy.**

The corporate social responsibility is not only limited to the general public, customers and investors, it also encompasses the employees of the organization. Throughout the world and in Pakistan, organizations are becoming conscious regarding responsibilities towards their employees. According to Boone and Kurtz (2004), employees today increasingly find themselves squeezed between working long hours and handling child-care problems, caring for elderly parents, and solving other family crises. This has made work/life balance as an ethical responsibility for many businesses.

Workplace safety is another area that has grabbed much attention in recent years. Safety and health of workers, according to Boone and Kurtz (2004), on the job is an important business responsibility.

Another challenge that has given birth to ethical issues in the workplace is equal opportunity on the job. Sexism and sexual harassment are other areas that have been arising ethical concerns in the workplace. Unfortunately, very little consideration is given to these issues in Pakistan. Many sexual harassment and sexism cases are not even reported because of lack of awareness in employees regarding these issues.

More organizations now in the country have ‘codes of ethics.’ In order to ensure ethical conduct, organizations try their best to live by this document. The ‘code of ethics,’ states Mondy and Noe (2005) must clearly state what is ethical and unethical in employees’ specific areas of operation.

Social responsibility and business ethics are now an integral part of organizations’ strategy. Organizations have now realized that good ethics is good business. It is now a proven fact that socially responsible behavior pays off on the bottom line.

### **What Employees Expect?**

Employees would like their organizations to be more socially responsible. Organizations must be more responsive to the violations of employees’ rights. Discrimination should not take place at any cost. In addition, organizations must start to adopt policies which will help women and minorities end discrimination based on genders, race, color, or national origin. Similarly, organizations should establish policies and employee education programs aimed at preventing such violations.

### **Trend: A Continuous Growth in HR Outsourcing.**

As a result of increasing prevalence of outsourcing, the role of HR professionals has changed. Typical activities that are outsourced include pension administration, background/reference checks, benefits administration, and

training & development. This shift has allowed HR to focus on more strategic activities of the organization.

Small organizations, on the other hand, are increasingly outsourcing their entire HR function. They rely heavily on Professional Employer Organization (PEOs) to provide all benefits for their employees. This trend of outsourcing has brought new career opportunities for the professionals. As a result, the number of consultants providing such services are increasing.

### **What Employees Expect?**

Outsourcing HR activities may result some ethical issues, especially regarding privacy of the employees. Consultants may, in some cases, share employees' personal information with other firms or marketing agencies.

### **Trend: Emerging New Roles for HR**

The traditional role of HR is changing. HR is no longer limited to the old clerical and administrative roles. It is now a strategic partner having voice in every kind of corporate decision making. The SHRM (Society of Human Resource Management) symposium on the future of HR education (2007) concluded that while the traditional HR roles of selection, staffing and compensation still exist, the changes in the environment will result in new HR roles that will require HR professionals to have a global and multi-cultural perspective.

HR, in contemporary organizations, must speak the language of finance. New roles of more strategic nature are emerging for HR. These roles will require HR professionals to have a global & multicultural perspective. Some potential new HR roles include:

- Manager of outsourcing contracts
- HR strategist
- M&A (Mergers & Acquisition) Specialist
- Chief knowledge officer
- Diversity specialist
- Ethics officer
- Keeper of the corporate culture

### **What Employees Expect?**

Employees need be equipped with the state-of-the-art skills so that they adroitly cope with the complexities and challenges of these new roles.

HR must have a chair in the mergers and acquisitions planning meetings. Employees would expect to gain awareness and understanding of the business so that they line themselves achieve its goals.

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