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Strategic HR for Sustainable Business in Technology Driven 21st C

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Abstract

The 21st C is characterized by radical technological, economic, and social changes. Full development and diffusion of the earlier century innovations has been reflected in mass production techniques, consumption patterns, and the style of functioning of the government. Improved information has enabled the affordability of technology for the common man. Information technology has brought in automated knowledge work tools, advanced robotics, and 3D printing. It has enabled people to work from home thereby ensuring freedom of choice as to where and how they live and work. Various changes including economic ones are pushing organizations to re-evaluate the way they do business and to evolve alternative approaches to work. Flexible work timings and advanced telecommunication that includes conference calling, video conferencing and on line data transfer are some of the 21st C work practices that obviate the need for physical travel and inter alia, counter factors like steep increase in fuel prices. It is also forecast that the Gen Y generation emphasis on work life balance will strategically impact the workplace in the near future. It is also foreseen that increasingly sophisticated Information Technology tools and IT enabled progressive business processes will lead to production processes that are less wasteful, error free in a much higher degree and in turn deliver products that are more sustainable environmentally. On the other hand, on a more ominous note, the shape of the new things has the potential to seriously impact the already fragile demographic equilibrium of the world, if effective countermeasures are not put in place by the business leaders and policy makers. The demographics of the new workforce, the changes in how people will conduct business along with what that "business" will look like, and the impact technology will have on both will have a major impact on the role of business, the nature of work, the way work is accomplished and the human resources (HR) organization itself. Culturally diverse work forces also will need to be trained to be sensitive to each other's needs and to work as a team towards fulfilment of organization's goals.

Keywords: Affordability of Technology, Demographic Equilibrium, Demographics of the New Workforce, Need for Training, Technological Advances

1. Introduction

The 21st C is witnessing the emergence of a lot of advanced technologies that are affecting the social fabric and the workplace. These changes are bound to affect lifestyles, work patterns, thought processes, and values. Technology has accelerated the process of globalization. With the help of technology, businesses today are setting up satellite offices in even the remotest region of the world that has internet facilities. Consequently, there is a growing competition for providing internet access to developing nations. This in turn is creating job openings in regions previously deprived of business opportunities due to lack of communication devices. Information technology has become integral to our lives, and it is unlikely that we will revert to old methods of conducting business. It therefore

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follows that 21st C workplaces will not only look different but will also function in a different manner. New HR policies need to be framed that will help develop and retain sustainable businesses and communities.

2. Literature Review

Technology results in efficiency. Organizations can provide products or services more quickly and efficiently thereby resulting in greater profits. Technology is altering the way people live and work, as also reshaping the value pools. It is leading to entirely new products and services. Business leaders therefore need to understand whether the competitive advantages based upon which they formulated strategies will tend to disappear or in the alternate, be strengthened in the coming ten years by the new technologies. Policy makers shall need to create an environment conducive to the prosperity and comfort of employees and citizens even as the new technologies are disrupting their lives.

Within organizations, HR practitioners will have to change their policies in order to streamline the new workplaces and to make them sustainable business houses. In the 21st C as in the ages that preceded it, the people within the organization shall remain one of the primary means of creating a competitive advantage for the organization, because management of human resources affects performance. If the organization can manage its employees more successfully than its competitors, if it can get them involved in the day-to-day success of the organization, it has a much greater chance of being successful. A study has shown that companies that werein the tops 10% in terms of employee engagement beat their competitors by 72% in earnings in 2007-2008. A 2008 study also showed that within a span of one year, companies with high levels of engagement outperformed those with less engaged employees1. So it is up to the HR professionals to bring about positive policy changes that will keep the employees engaged and motivated.

In the mid-70s, HR personnel were seen as mere paper pushers who maintained the organizational records of the employees but who had nothing to do with the organization's business processes. Human Resource Departments usually provided limited services to the organization - keeping track of job applicants, maintaining employee paperwork, and filing annual performance evaluations. The line managers were the ones responsible for directly managing the people within the organization. Here, the Human Resource Department was considered to be a cost centre for the organization i.e. a division or department within the organization that brings in no revenue or profit - it only costs money for the organization to run this function. Organizations need revenue centres instead.

In the past, managers simply told employees what to do. Today one has to work in a team and share in decision making. Today, the Human Resource Department is no longer just a cost centre. The Human Resource Manager's job today, like other managers, is also to improve organizational profits. In the 21st C, HR managers are called upon to be proactive rather than reactive by implementing HR policies that would retain good employees, keep them engaged and motivated and help create businesses that are sustainable.

Globalization has been advancing at a hectic pace in recent decades, fuelled by greater international mobility, prosperity in the developed world and a communications revolution that has transformed the exchange of information and ideas. In every sector of the economy, we see a global community through trade in goods and services, a complex web of banking and financial flows, and an ever increasing exchange of intellectual and scientific information. Undoubtedly today the world is more like the global village that was first envisaged in the 1970s. Consequently, there is no longer a need for consumer and producer to be near each other as in the past. Nor is distance an issue in the 21st C labour market. In industries having highly transferable skills, people can be recruited for assignments in any location around the world. At the enterprise level, globalization imposes a strict economic discipline that involves efficiency, productivity, and delivery of value to the customer[2]. To achieve this, organizations are hiring teams that are diverse in terms of culture, expertise, gender, age, and experience.

3. Objectives

The paper is an overview of the changes that the 21st C technologies are bringing in businesses and consequently in the modern work places. It attempts to study how these same technologies can be used to improve the organization rather than letting them spell doom for both employees as well as the organization.

4. Research Methodology

The paper is an analytical survey of secondary sources that may at a later date be enriched by a primary investigation of the methods employed by Human Resource Function to cope with the changed workplace and workforce that the 21st C technological progress has ushered in.

5. New Perspectives on HR Role and Policies in the 21st C

Three major factors are expected to change the workplace in the 21st C namely, shifting demographic patterns, the pace of technological change, and the path of economic globalization. Rapid technological change and increased international competition demand a workforce capable of adapting to the changing technologies and shifting product demand. The era demands a cultivation of strong non-cognitive skills like abstract reasoning, problem solving, communication, and collaboration. Training and development has therefore become critical in the 21st C. HR now plays a critical role in preparing a workforce that can face the challenges of the 21st C.

6. New Perspectives on HR Role and Policies in the 21st C

In the 20th C (mid 70s), HR managers were expected to manage only papers and were therefore viewed as cost centres. Organizations need revenue centres instead. Revenue Centres are departments that generate revenues for the organization so that it can operate better in the future. HR managers should view their department as productivity centres. A productivity centre is a revenue centre that increases the profits of the organization by enhancing the productivity of the people in that organization. Productivity is the amount of output that an organization gets out of per unit of input in a certain unit of time. It is the result of effectiveness and efficiency that HR managers must work to create and improve in an organization. Effectiveness may be judged in terms of whether they did the right thing. And efficiency may be measured in terms of whether they did things right. It also involves the question of how many organizational resources were involved in getting a job done. Time as a resource is a critical factor, and HR has to ensure efficient utilization of employees' time. Inefficiency can prove to be very costly for any business. HR managers cannot control absolutely everything that an employee does. But they need to control certain things that can make employees do what they need to do[13].

HR managers face problems in terms of productivity, job satisfaction (a feeling of well-being and acceptance of one's place in the organization), turnover (permanent loss of employees from the company), and absenteeism (temporary absence of employees from the company). Job satisfaction is basically the feeling of well-being that we experience in our jobs. Low job satisfaction leads to low productivity. Turnover is the permanent loss of workers/employees from the organization. Turnover results in job analysis costs, recruiting costs, selection costs, orientation, and training costs. Absenteeism is the failure of the employee to report to the work-place as scheduled. It results in health insurance costs, loss of productivity as other employees have to do their work which in turn also results in lower job satisfaction in them. All the four HR challenges are interrelated. Strategic HRM is aimed at making organizations more competitive and sustainable as also to create sustainable competitive advantage[2]. Sustainable competitive advantage is a capability that enables the creation of value for customers that competitors cannot easily copy and thereby differentiates the company's products and services from those of its competitors.

Today, strategic HRM is not just ensuring the correct number of employees with the requisite skill sets or, implementing control sets for ensuring the working of employees towards attainment of company goals. HR managers today have to be part of the strategic planning team and thereby contribute to the organization's future. Strategic planning involves examining the organization and the business scenario as it exists in the present moment as well as the future. We try to predict what the future state will be like and then plan for that eventuality. In the 21st C, HR management has progressed from being reactive to becoming proactive. HR managers are now examining processes within the organization, and assisting line management team in fixing the problem in terms of training, motivation, and other people oriented issues.

7. An Increasingly Diverse Work Force

Today, HR managers are increasingly facing the problem of having adequate knowledge workers who gather and interpret information in order to improve a product or a process for their organization. Consequently, older employees (55 and above) with high level skills are now part of today's work force. It is predicted that over 90% of the US labour force between 2006 and 2016 will be from employees aged 55 years and above[21].

Also, increasingly, today's work force is culturally diverse. The percentage of immigrant workers is expected to increase substantially. Around 24% of the workforce in 2050 is expected to be from different nationalities. Asian workers' ratio is expected to move up from 4% to around 8%. The ratio of women in the workforce has stabilized at around 48% (Black, Sandra E., and Brainerd, Elizabeth[3]). The increase in the number of senior persons and women in the workforce means that the HR function has to come up with win-win policies that will utilize the skills of this workforce The 21st C HR manager will also have to be more culturally aware and will have to learn to deal with individuals having significantly different work ethics, cultural norms and languages[6].

HR managers in particular will have to learn to deal with a global workforce. They will have to learn to recruit in many different countries, train them, and also evaluate them[7].

They will have to understand and adapt to cultural differences in work ethics. They will also have to be fully conversant with the labour laws of different countries.

8. Need to Develop Different Skill Sets

In fact the HR manager of the 21st C has to be equipped with a number of skill sets. The basic skill is technical namely the ability to use methods and techniques for performing a task. HR managers need to know all the HR rules, computer skills, interviewing skills, training skills, knowledge of performance appraisal processes, and cultural knowledge. They should be capable of managing knowledge workers and increasing their performance through High Performance Work Systems (HPWS) which is a set of HR practices that helps improve the acquisition, development, and retention of talented and motivated work force. These practices in turn can be created through the use of technology in the form of a Human Resource Information System (HRIS) that ultimately promotes efficiency and effectiveness. Only when HR managers adapt to the capabilities of technology will they be in a position to create sustainable competitive advantage for their organization which is absolutely necessary for long term development in the 21st C[26].

They must also have strong people skills namely, the ability to understand, communicate and work efficiently with people through development of effective relationships. They have to be empathetic, work in teams, persuade others, resolve conflicts, gather information, and jointly analyse, and come to a collective decision. They should be capable of influencing the employees as well as the executive staff of the organization.

The 21st C HR manager also has to have conceptual and design making skills i.e. the ability to evaluate a situation, identify alternatives, select a viable alternative, and to take a decision about the implementation of a solution. They should be capable of seeing the bigger picture. Design skills enable one to come up with innovative solutions that one identifies through conceptual skills. An HR manager today also needs to have business skills namely an in depth knowledge of how the business works as also its budgeting and strategic planning processes. It involves a thorough knowledge of the financial, technological, and other facets of both the organization as also the industry to which it belongs. This is necessary if an HR manager is to contribute to the profitability of the organization.

The 21st C manager also is responsible for ensuring that the organization acts in an ethical and socially responsible manner. Drawing up a code of ethics and ensuring that employees abide by it is an important HR function today. The 21st C also is witnessing a growing awareness of environmental issues and sustainable development. Today's HR has to ensure that employees and their organization use resources wisely and responsibly without harming people in the workplace or the communities from which the organization operates[15].

9. Workplace Flexibility and its Impact on the Workplace

In the 21st C, the usual workplace with the nine-to-five schedule is soon becoming obsolete. This is due to various factors like technological advances (resulting in PDAs/smart phones, VPN access, virtual desktops, etc.), increase in global competition/economy, dual-income households, increased number of employees with caring responsibilities (e.g., child care, elder care), varying needs of the different generations in the workplace (e.g., employees under 35 years of age tend to value greater workplace flexibility), single-parent families, sustainability (e.g., an organization's ability to balance financial performance with contributions to the quality of life of its employees, the local community and society at large), and skilled employee shortages on account of demographic shifts. Employers today are resorting to flexible work arrangements (FWA) in a bid to both save costs and meet business goals as also to assist their employees. Recent studies have shown that retention of employees became about 89% due to implementation of flexible work timings. Around 85% of HR professionals opined that in the coming few years, more employees would opt for telecommuting. It was also observed that organizations that had formal FWA witnessed an increase in productivity rates of their telecommuters and a drop in absenteeism.

HR professionals are now of the opinion that FWA and telecommuting is a good solution that meets both employee requirements as also business requirements. Advance in communication technologies and falling prices of data transmission has facilitated the shift of IT enabled services to countries where labour is cheap. Consequently, the physical location of the workforce is increasingly becoming irrelevant. HR function now is finding the need to blend onshore and offshore models to offer greater flexibility as well as the capacity for organizations to work round the clock.

The 21st C is economically challenging and companies can cut down on costs through such mutually beneficial alternatives than through downsizing through layoffs. HR management now involves decisions as to how to organize the workplace, invest in employees, and structure employee compensation.

9. Insecurity a Detrimental Influence on Performance

The 21st C, on account of unprecedented technological advances, is experiencing high levels of insecurity not only at the blue collar job levels but also for professional and graduate level jobs. Different studies have shown that this has a negative impact on performance as also health. Organizations suffer financially from heightened employee perceptions of job insecurity due to the associated costs of increased absenteeism and sickness resulting from lowered employee well-being. Given these findings, it is essential for organizations to consider some constructive measures to counter the same[5].

10.1 Creating a Vision for the Organization

Visions are goals shared by persons within an organization or amongst groups of organizations. They influence the decisions to pursue certain technological options and to discard others in the journey of development and progress. Visions are necessary for providing orientation, co-ordination and for motivation. They are a reference point from which individuals can focus their thoughts and take decisions. They co-ordinate individual thoughts and perceptions to establish a basic understanding amongst individual in an organization and amongst organizations. This results in co-operation. They also motivate individuals into action.

10.2 Need to Teach Collaboration Skills through Networking under Guided Supervision

Cultural change is also a result of the exponential increase in the quantity and quality of information and its immediate availability through mobile information technologies from smartphones to other sizes of portable computers. Due to the emergence of fast computer networking, the team approach has emerged to faster processing of a task. Educators must try to apply group and collaboration skills with the help of the emerging communication tools of an increasingly networked world, and develop new models that will not only revitalize education but lead community and economic development as well. The Internet and the formation of teams using computer networks will significantly improve the rate of interaction and the depth of interaction in learning. Schools seldom teach students network interaction applications let alone allow them the use of computer networking tools in school (e.g., email, Instant Messenger chat, newsgroups, peer-to-peer networking and so forth). So students use these tools at home without educational guidance. Educators view this knowledge, which is critical to current economic growth, as frivolous or dangerous for school productivity. Yet, this interaction knowledge is increasingly required. Further, the global nature of the Internet has enabled teams to be formed across vast distances of geography and time. Collaboration is a critical aspect of creativity and the creative nature of digital collaboration accelerates change. This is also often seen as frivolous or dangerous for school productivity. At the same time, the need for this interaction knowledge is increasing exponentially.

10.3 Role of Organizational Culture and Learning

Organizational culture filters the influence of organizational visions on technology development. Organizational culture is the social values, ideas and perspectives that bind the members of an organization together, and are reflected through the rituals, stories, and language. It affects the manner in which the organization and its members perceive their environment and the changes in it as also their role in that changed environment and what individual and collective behaviour is desirable and legitimate in such an environment. It can be both strength as well as weakness depending upon how it is used. On the one hand it gives a sense of stability and identity to which the members can refer to whilst enforcing a pattern of behaviour within the organization that was successful in the past but might actually prove to be a hindrance whilst coping with current challenges.

Organizational learning plays a critical role in the development of technologies as it is capable of influencing the direction and course of research in an organization. It is the collective acquisition and activation of new prevailing thought processes and the development of a flexible response to a changing external environment. It involves moving away from old strategies and management concepts towards new perceptions and opportune visions and changes in existing culture in order to promote new organizational behaviour and new thought processes. Learning has become critical to the success of organizations in the 21st C global competition. Organizational learning can be made possible through daily co-operation and communication.

11. Conclusion

There is a need for co-operation and empathy and collective decision making. But true decentralisation of decision-making and co-ordination goes beyond tele work and is not meant just to save office space and reduce commuting. There is an urgent need for the introduction of new mechanisms that are capable of furnishing reliable and inexpensive information. HR management will involve devising policies that will make this possible in the 21st C workplace. Rapid technological development and diffusion are unlikely to take place without creativity, spontaneity and transparency on the part of organizations and employees alike. HR management has therefore become a critical part of new business strategies in order to cope with the 21st C development and its incumbent competition. New HR policies that enable organizations to exploit technological advances and globalization in the provision of certain goods and services by striking the right balance between empowerment and control will be an important management element in the future workplace.

Various forces are shifting the workforce away from more permanent jobs towards non-standard employment relationships. HR personnel will have to ensure for the organization a workforce that is adaptable throughout the life course to changing technology and product demand. HR will have to help employees retrain in order to be productively reemployed. They will have to make employees aware that they must be prepared for continuous learning throughout their working phase, and accordingly give them the necessary training. They must pay greater attention to work-family balance issues in order to increase the work force participation of women that will work favourably for both the organization as well as women. Senior competent employees may be encouraged to contribute meaningfully to the organization through flexibility in job responsibilities, hours worked, and pay. Progressive organizations recognize that they need to meld together these diverse populations to create a cohesive team and that they have the necessary skills and support to execute corporate strategies. HR personnel know that success comes from leveraging an organization's capital namely, the expertise, the creativity, entrepreneurial energy, and resourcefulness of a diverse workforce.

Today, it is no longer possible to manage the workforce as a monolithic entity. HR managers are challenged to manage a complex group of unique individuals who demand different work experiences based on different backgrounds and values and skill sets. HR must offer them a compelling mix of rewards tailored to suit the individual employee's unique needs and preferences. Organizations today are willing to invest in flexible programs that give their employees flexible hours, flexible compensation and benefits options, support for varied work life choices, and opportunities to fully develop their potential and make a positive contribution to the organization.

In the absence of the checks and balances discussed earlier, the 21st century technology may well turn out to be a monster devouring the human race.

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