

# CONTEMPORARY HR PRACTICES - CHALLENGES OF 21ST CENTURY

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## Abstract

Today competition is very tough and if you want to survive in the race gracefully you have to constantly upgrade your skills and sharpen your abilities. Many new techniques are implemented in the organisations to motivate the employees and to help them perform to their optimum capacity. Some of the recent techniques used these days are employees for lease, moonlighting by employees which includes blue moon, quarter moon lighting, half moon lighting, full moon lighting, consequences and challenges of dual career groups, flexi times and flexi work; training and development, management participation in employees organisation, consumer participation in collective bargaining, collaborative management, employee proxy, human resources accounting, organisational politics, exit policy and practices etc

In this paper we study some renowned organisations, which are using these recent HR techniques for retaining and developing their employees. By using these contemporary HR practices the organisation tries to make the workers and employees more competent, committed and comfortable to do a given job.

**KEY WORDS-** Contemporary HR Practices, Moon lighting, Flexi times, Employee proxy, Employees for lease.

## INTRODUCTION-

Over the recent years, significant changes have taken place in the social, economic and technological and political environment of Indian business. The government's policy of economic liberalisation and stimulating globalisation of business have brought many opportunities and threats for the modern organisations. The HR Professionals can't ignore such changes, rather they have to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges including-

- Changing international environment leading to free flow of goods and services throughout the world.
- Changing needs and expectations of customers rendering the existing processes and products obsolete.

- Changing profile and workforce, e.g., increased education, rising share of women in workforce, increased emphasis on fulfilment of psychological needs.
- Advancement of technology leading to obsolescence of present skills and techniques.
- Revolution of information technology having far reaching impact on every subsystem of business and creating need for building up 'Knowledge capital'.
- Economic and industrial policy changes leading to tough competition from multinational corporations.

All these trends of 21<sup>st</sup> century have a tremendous impact on the tasks of HR Managers who will have to act as 'change agent' or 'change facilitators'.

They have to build up learning organisations having the capacity and capability to learn from experimentation, past experiences and the experiences of others and transfer the learning to all human resources for greater organisational effectiveness.

There is no denying the fact that management philosophy is undergoing a sea change over the last few decades. Management's focus in the sphere of work organisation and workforce governance is changing from one of managing worker to that of managing work. The organisations today realise that human resource is the greatest asset and are adopting contemporary HR Practices like employees for lease, moonlighting by employees which includes blue moon, quarter moon lighting, half moon lighting, full moon lighting, consequences and challenges of dual career groups, flexi times and flexi work; training and development, management participation in employees organisation, consumer participation in collective bargaining, collaborative management, employee proxy, human resources accounting, organisational politics, exit policy and e-hrm practices etc. The HR Manager of 21<sup>st</sup> century have to face many challenges which provide the scope for further development of their multifaceted talents. The nature of the personnel function in today's scenario is very confusing and ambiguous. HR manager have to engage in high and low status activities at the same time. Although personnel work is a separate speciality, it is also at the heart of every manager's job. Thus, have to keep a delicate balance between all aspects of personnel which should be looked after by the line managers and those which should be handled by the staff specialists. Rapidly changing technology and tremendous pace of development in the economy would demand significant and substantial contribution from the HR managers. For this purpose the HR managers have to would be required to evolve appropriate techniques ----

Some Contemporary HR Practices using in 21<sup>st</sup> century are listed below-

- |    |                           |
|----|---------------------------|
| 1. | Employee for lease        |
| 2. | Moonlighting by employees |
| 3. | Dual Career Groups        |
| 4. | Flexitimes                |
| 5. | e-HRM                     |
| 6. | Training and Development  |

- |     |                           |
|-----|---------------------------|
| 7.  | Employee proxy            |
| 8.  | Human Resource Accounting |
| 9.  | Collaborative Management  |
| 10. | Exit policy and practices |

Table-1(List of 10 Contemporary HR practices)

1) **Employee for Lease –**

Presently, organizations employ specialists as well as generalists for their various operations/activities. In addition to these specialists, the organizations depend upon consultancy agencies or individual consultants for their expertise to tap and utilise their expert knowledge. Even so there is the possibility that the present generalists and specialist will become brain obsolete after continuous work in the same organization and their level of operation will also be limited.

The consultancy agencies offer expert advice and the execution of the advice is left to the employees of the organization. The employees with their limited knowledge and/or lack of executing abilities may fail to convert the know-how into a project. Hence the consulting agencies which cannot provide the human resources for implementing the project will also become obsolete.

Under such circumstances new types of organizations will emerge, which would be called as employee leasing organizations. These organizations will provide expert advice and consultancy and further they will also supply human resources for executing their projects. These organizations employ different kinds of candidates and lease them to various organizations. These leasing organizations will be principal employers and send the required number and kind of employees to various organizations on lease basis. They collect the fees and other charges from various industries and pay the salaries, provide benefits to the employees. The leasing company will pay complete salary and benefits to the employees irrespective of the number of days that the employee is sent to the various organizations on lease.

This type of agreement is beneficial to the leasing company specialist employees and the industry. The industry with limited expenses can utilise the expert advice and service of most competent human resources.

The employees will get continuous employment with better salaries and benefits whilst the leasing company derives surplus resources from its charges and fees.

2) **Moon Lightning By Employees –**

Wages and salaries are provided to the employees for their services or contributions to the job and organization. Organization will also pay dearness allowance to effect the decline in purchasing power of

the employee due to rise in cost of living. Similarity, a number of allowances are provided to the employee. Further organization also provide various fringe benefits to enhance the living standard of the employee. Despite all these allowances and benefits, employees feel that their wages are low, allowances are inadequate and fringe benefits are insufficient, they feel that employer enjoy the increased profit and that they are being exploited by the employer. Consequently they agitate for hike in wages, allowances and benefits so as to improved their living standards, but a few employee in most of the organization realises that all their demands can not be met by their organization alone. Hence, they depend either on some other organizations for part time job, part time business or take up business or start an industrial unit in order to earn more money and become much stronger financially. This type of activity taking up another part time job or business or industrial unit simultaneously with that of the original job is known as Moon Lighting by Employees (double jobbing)

- Blue Moon
- Quarter Moon Lighting
- Half Moon Lighting
- Full Moon Lighting

Effect of Moon Lighting on HRM in Future- Moon lighting by employees affects almost all the functions of human resources management. The effects of moon lighting would be mostly negative and it poses challenges to the personal manager. Presently very limited number of employees do moon lighting. But the number of employees who will do moon lighting will go on increasing due to change in the employee value and expectations.

Management will have to take all possible care in the selection process about the possibility of moon lighting by the prospective candidates. Moon lighting will effect human resource development as employees would not be interested in the human resource development as planned by the organizations.

### 3) Dual Career Groups –

Initially women used to take up employment activity until their marriage. But at present they are continuing employment even after their marriage and even after they become mothers. Today unmarried female employees, married female employees and working mothers are steadily increasing. Women employees presently limit their careers to selected jobs and organization. But, they will be ready to take up all types of jobs in different types of organizations. They will result in the number of dual career groups. Increase in the dual career group pose a challenge to the human resource managers in future due to their consequences.

Both wife and husband will be loaded with grievances and problems as both of them share their problems and grievances both at work and off the work. In other words husbands problems would be his own problem

and the problem of his wife are her own both at work and at home. Similarly, wife's problems in dual career groups will be her domestic problems, job problems and work related problems of her husband.

In view of overloading of the problems to both the members in dual career groups they spend their time and energy in solving the problems or in getting the grievances redressed for both the parties. Hence, there will be the possibility of less commitment to the work in the organization by both the parties in the dual career groups. Moreover, mostly their minds will be preoccupied with the grievances and their actions also centred on the grievances compared the employee with single career groups.

The significant consequences of dual career groups and their challenges to the human resource manager.

- Absenteeism
- Stress
- Restricted freedom
- Work Sharing
- Difficult task to line mangers
- Promotions
- Transfers

Dual career groups, in future, will demand all other organizations to have such a policy and government to enact legislation to this effect. Hence, the public sector organizations and organized industrial units will have to face problem relating to transfers of the dual career group members.

The issues mentioned above have a bearing on the human resource management and pose a challenge to human resource management. Those will also affect the human resource contributions to the job and the organizational culture and effectiveness.

#### 4) FLEXI-TIME –

The number of hours in a day, number of days in a week and work schedule when the worker has to perform the job are normally stated in the job description. There are number of instances where and when the number of working hours has undergone a number of changes from time to time. The Factories Act 1948 stipulated conditions regarding hours of work. Most of these changes have been introduced in order to suit the convenience of the workers without affecting the organizational functioning.

There is a move towards five days week in industries in India and four days week in advanced countries. Further some of the organizations practically in advanced countries introduced flexible working hours which are known as "Flexi-Time". Flexi-time is a program that allows flexible entering and leaving time for employees. For example employees in one management have to work from 8:30 a.m. to 2:30 p.m. that is 6 hours a day.

The institute after introducing various special paper extended its working hours up to 6:30 p.m. then it introduced flexible working hours to staff based on the class hours.

#### 5) **FLEXI WORK –**

Some of the organizations use job –rotation and committee management as techniques of training and management development. These techniques during the training program are useful to make an employee know the background and have adequate knowledge of his work and several other works and about the organization. Some other organizations use these techniques in day to day work of the employees. But the employees are not satisfied with these techniques seeing their limitations.

Employees at present need more freedom and autonomy in doing the work. In addition, they aspire to take up work which is suitable to the human resources. Hence flexi time satisfying employees urge for work suitably to their Human Resource can be satisfied through flexi work.

Flexi work is a program that allows flexibility in handing the type of work in various departments of the organizations in a systematic way be the employee during his tenure of employment in a organization.

Some employees may not like flexibility in the horizontal movement from one job to another. They prefer to move towards the higher ladders in the organization hierarchy. The management in future, in order to satisfy the need for freedom of such employees will have to allow them to move vertically now and then for shorter duration. The employees themselves will not be prepared to take up the responsibility to higher level jobs for a long time. These employees will be prepared to take up higher level jobs and perform those effectively if nominal benefits or increase in the salary are conceded to them. This provision helps the employee to satisfy his need for freedom, unchallenging and interesting work and at the same time it helps the organization in its effective functioning minimizing frustrations and enriching its human resources.

#### 5) **e- HRM—**

The new HR destination is very modern. HR today speaks e-language and operates e-related systems and procedures. HR professionals need to be aware of and knowledgeable enough to adopt the new technology for the benefit of the business. In 21<sup>st</sup> century all HR procedures are using electronically. When HR department make use of the internet and related technologies to support their activities, the process e-HRM (where e stands for electronic). e-HRM has the potential to change all traditional HRM functions. Some of e-based HR procedures are-

- e-SELECTION
- e-RECRUITMENT
- e-PERFORMANCE MANAGEMENT
- e-LEARNING
- e-COMPENSATION ETC

## IMPLICATIONS OF e-HRM-

HRM PRACTICES	IMPLICATIONS OF e-HRM
<b>Analysis and design of work</b>	Employees in geographically dispersed locations Can work together in virtual teams using video,e-mail and the internet.
<b>Recruiting</b>	Post job openings online,Canditate can apply for jobs online.
<b>Selection</b>	Online simulations, including tests,videos and e-mail,can measure candidate's abilities to deal with real life business challenges.
<b>Training</b>	Online learning can bring training to employees anytime,anywhere.
<b>Compensation and benefits</b>	Employees can review salary and bonus details and seek information about and enrol in benefit plans.

Table-2 (Implication of e-HRM)

Thus the e-HRM has opened new opportunities for HR managers and the employees to work, learn, transact personal business, be in touch with family, plane for travel, focus on health etc, which otherwise would have consumed lot of time of HR professionals.

## 6) TRAINING AND DEVELOPMENT-

Almost all the organizations train employees either in their own training colleges or in the training colleges of other organization. A few big organizations have their own management development institute, whereas a large number of organizations conduct the executive development program in five star hotels drawing the faculty from industries and reputed educational institute. Almost all the organizations depend on different type of educational institute like colleges, universities, other institutes for employees the candidate spend more than fifteen years in various educational institute before joining these organizations as employees at different levels. Some organizations after employing the candidate mostly find that the candidates are not exactly suitable to job requirements and organizational requirement even though candidates have to spent a long years for their education. Hence organizations spend a lot of time and resources in training and developing and educating their employees in tune with the job awareness and organizations requirements. This is mostly due to absence of linkage between industries and universities. But it is also felt that the linkage between industries and university will not solve this

problem effectively as the course curriculum of the universities can not satisfy the requirements of each and every unit. Thus, the present system has resulted in the loss of man days, financial resources and other resources in educating the candidates which is mostly irrelevant from the context of industrial requirement.

Organizations in future will establish their own educational institutes. These institutes will frame their course curriculum to suit the requirements of job in the organizations as a whole. These institutes will go on changing the course curriculum depending upon the changes in technology, work methods, productions process, activities and so on.

#### 7) **EMPLOYEE PROXY –**

Some people who enjoyed higher status both economically and socially may be forced to take up jobs in the rank and file cadre due to adverse economic conditions of the family. Most of such employee may adopt themselves to the status, nature of the work and working conditions of the rank and file level jobs. But a few of such employees may not adjust themselves; to the status of the job both socially and psychologically, though they may not find maladjustment economically, and physically with such jobs. Some of the employees of such category may send those candidates who are capable of doing their work. The supervisor either accepts himself or is forced to accept for the arrangement for proxy.

Similarly, those employees who resort to moon lighting may also sometimes send their proxy to take up organizational work on their behalf. The employees resorting to moon lighting send their proxy in view of their busy schedule.

Thus, employees adopt proxy system in order to improve their economic status, social status and psychological well being.

#### 8) **HUMAN RESOURCE ACCOUNTING –**

Human Resource Accounting is the process of identifying and measuring data about human resources and communicating this information of interesting parties. It is the process of developing financial assessments for people within an organization and society and the monitoring of these assessments through time. It deals with investments in people and with economic results of those investments.

Thus, it essentially involves: (a) measurement and valuation of human resources, and (b) communicating the relevant information to management and external users.

Human Resource Accounting in India- Under the constraints which the financial statements are prepared by the Companies Law in India, there is no scope for showing any significant information about human



resources in financial statements except the remuneration paid to them and the number of employees getting Rs. 36000/ p a or Rs. 3,000 p m but there is nothing to prohibit the companies to attaché information about the worth of human resources and the results of performance during the accounting period in notes or schedules.

In India, the concept of HRA is yet to gain momentum BHEL is a pioneer in this direction. A few more organizations like Minerals and Metals Trading Corporation of India, ONGC, and Neyvell Lignite Corporation are adopting these concepts. But the concept is adopted as additional information

## 9) EXIT POLICY –

The Economic Policy 1991, brought significant changes in industrial and business sector. One of the important aspects of the economic policy is the Exit Policy.

Exit policy refers to the policy and action program of retrenching the surplus human resources resulting from restructuring, modernizing, reducing the activities, closure of a part or total unit, adopting new technology or new methods of operations, redesigning and reallocating the jobs in an industrial or business organizations.

**GOVERNMENTS POLICY BEFORE 1991:**Government specified its policy regarding employment before 1991, in various industrial places. One of the objectives of government in establishing and developing public sector was to create or generate employment opportunities. The government aimed at solving the unemployment problem by encouraging the small, tiny cottage industry. Further, government used to appreciate the large scale private sector industry, if it was employment oriented. The huge size and ever growing population and unemployment problem was the reason for formulating such a policy by the government.

Consequent upon the implementation of the Government policies regarding employment and other practices of the industries, resulted in the surplus human resource and disguised unemployment in industrial units in India. This problems predominant in public sector compared to that of private sector.

## **VOLUNTARY RETIREMENT SCHEMES AND GOLDEN HANDSHAKE-**

VRS is a popular method to reduce the manpower. Under VRS, employees who have attained a particular age or completed some particular years of service would seek voluntary Retirement. Additional benefits would be given to the employees who opt for VRS. These benefits would be in addition to the money that have accrued to the PF as per the rules or to the gratuity fund, whichever is applicable. Some companies offer very attractive packages of benefits to the employees who would opt for VRS. Such schemes are often referred to as GOLDEN HANDSHAKE scheme. While the Golden Handshake scheme offered by some companies in the past worked very well, the offers made by some companies recently failed to elicit the required response from the workers .An important reason for this is said to be the higher expectations workers begin to entertain as the concept of Golden Handshake become popular.

## CONCLUSION

Successful organisations understand that to survive and grow the business in 21<sup>st</sup> century, they must help their people grow. Managers seek innovative ways to cope with globalisation. They turn to HR for new ideas, strategies and solutions. Historically an HR office can be a magnet for people problems and easy target to criticism. A typical day for a HR professional may involve everything from calming a disgruntled employee, to hiring a new manager, to evaluating anew benefit plan etc.

With the increasing need of globalisation, contemporary HRM practices helps in providing the company leverage and a competitive edge. HRM must follow the latest trends in order to improve the organizational culture. I have listed some renowned organisation in Table-3 which are using contemporary HRM practices to improve their efficiency.

Despite having a good infrastructure and technologies, many companies fail to improve productivity of their employees because of poor management practices so, making human resource efficiently is one of the most essential tasks as it helps the organisation to gain a competitive edge over others and achieve the overall business objectives. HR strategies play a vital role to compete this century.

WIPRO - Wipro initiated *training programme* called “Winds for Change” aims at improving leadership skills and implementing knowledge management. Wipro created five different programmes like - ELP, NLP, WLP, BLP, SLP etc by using *e-Training and development*.

CEO- Azim Premji

SATYAM - Satyam follows the principles of organizational learning and has taken various initiatives in this aspect. They are using *e-learning*, MPS programme for active learning.

CEO- C.P. Gurnani

POLARIS - Polaris giving high pay packages to competent employees and also stated using ESOP option through *e-compensation*.

CEO- Arun Jain

WHIRLPOOL - Whirlpool focus on integrating creativity, innovation and *e-knowledge* culture in to the organisation.

CEO- Jeff M Fettig

NOKIA - Nokia believes in appropriate *e-selection* strategy means they believe in hiring the best people and spending on them.

CEO- Stephen Elop

INFOSYS – Infosys have well developed software and knowledge repositories for creating and sharing knowledge.

CEO- N R Narayanan Murthy

TATA STEEL - Tata Steels using hi-tech software for sharing knowledge and improve the efficiency of employees.

CEO-H M Nerurkar

TOYOTA COMPANY - Toyota Company intertwined people based, knowledge sharing culture. The Co. believes in five key principles: Challenges, Kaizen, Genchi Genbutsu (Go and See), Respect and Teamwork.

CEO-Akio Toyota

TCS - TCS strengthened their Retention Strategies to prevent attrition of employees.

CEO-Natarajan Chandrasekaran

3M - 3M using appropriate selection strategy means recruiting creative people who have broad range of interests and are willing to learn.

CEO-George W Buckley

GLAXO INDIA-Glaxo India is providing flexi time and flexi work options for their employees.

CEO-H R Khusro Khan

Hindustan Lever- Hindustan Lever strengthened their Retention Strategies to prevent attrition of employees by using collective management strategies.

CEO- M.S. Banga

Ranbaxy Laboratories- Ranbaxy Laboratories follows the principles of eHRM and has taken various initiatives in this aspect. They are using *e-learning*, e –selection, e-recruitment, e-compensation programme for active learning.

CEO – D S Brar

Indian Oil Corporation- Indian Oil Corporation follows effective exit policy and practices for their senior employees to satisfy them they are using golden hand shake policy also, and for giving the opportunities to young talent.

CEO- M A Pathan

Cipla- Cipla using e-hrm techniques for retaining and developing their employees. By using e-hrm the organisation tries to make the workers and employees more competent, committed and comfortable to do a given job

CEO-Y Hameed

Larsen & Turbo- Larsen & Turbo have well developed software and knowledge repositories for creating and sharing knowledge through e-training and development.

CEO- A.M. Naik

East India Hotels- East India Hotels strengthened their Retention Strategies to prevent attrition of employees by using dual career graph technique of HR.

CEO- P.R.S. Oberoi

Table-3 (List of some renowned organization and contemporary HR practices used by them to compete in 21<sup>st</sup> century)

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