

# Recent Trends in the Field of HRM

Recent trends or emerging trends are outcome of any event which occurred in any organization or market. As business environment is a dynamic process it may change time to time. To remain in the tough competition in the market management must observe the new trends in the market and try to adopt the same. There are following needs to understand these recent trends;

## Need for emerging horizon

1. Higher education level of employees (Placating)
2. Technical up gradation
3. Human capital requirement (Gender ratio) requirement of diversified workforce
4. Occupational safety (Legislation)
5. Growth of Human capital (more participative employees are needed)

## Leading issues/ emerging trends in HRM

1. HRIS (Human Resource Information System)
2. Downsizing/ right sizing
3. VRS (Voluntary Retirement Scheme)
4. Empowerment
5. Workforce diversity
6. Business process reengineering

1. **HRIS:** Managing data and information related to HRM with the help of information technology is known as human resource information system or HRIS. We have discussed about this in previous chapter in detail. Main motive of this system is to give more time for developmental activities rather than transactional. HRIS can be used in following areas
  - a. **Recruitment system** (Includes information or data bank related to placement, recruitment, advertising module etc.)
  - b. **Personal system** (Includes employees' information, promotion, transfer and increment details.)
  - c. **HR planning system** (Includes information related to human resource mobilization, career and succession planning and developmental skills and knowledge of the employees.)
  - d. **Subsystem**
    - Appraisal System
    - Payroll system
    - Maintenance system (Health and welfare of employees)



- Personnel research system (employee motivation, absenteeism, turnover etc.)
- Personnel administrative system (joining, retirement, leaves, transfers, increment etc.)
- Training system

2. **Downsizing:** Downsizing is known as rightsizing as well. When there is a surplus staff in the organization, management can go for retrenchment strategy for the human resources. Workforce reduction due to any reason as following;

- a. Closing non-profitable venture
- b. Elimination of some jobs
- c. Concentration to core area only
- d. Cost reduction
- e. Improve efficiency by removing surplus staff

#### Reason for downsizing

- a. Technological changes
- b. Human resource planning (Surplus staff)
- c. Automation
- d. Reengineering of business process
- e. Business outsourcing

Organization should help employees to find out new job or through compensation to suppress the conflict or opposition of workers against such practices of downsizing.

3. **Voluntary Retirement Scheme:** If organization is working on retrenchment strategy and ready for downsizing the workforce VRS can be a remedy. This process is also known as **golden handshake**. There are following need for the VRS

#### Need

- a. Beneficial for both employee and employer
- b. Elimination of surplus staff
- c. Technological changes
- d. A part of downsizing strategy (retrenchment)
- e. Incorporation of talented young employees

#### Advantages

1. No or less agitation from the side of employees
2. Humane way to reduce the staff
3. Employees get handsome package of compensation amount in return of leaving a job
4. No or less objection from trade union
5. Reduction of human resource cost of the organization



**Empowerment:** The term empowerment refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority. In simpler words, authority or power given to someone to do something.

#### Reasons

- a. New way of managing employees
- b. Flexibility human behaviour
- c. Tech development
- d. freedom to take decision and making them more responsible
- e. Participation in decision making
- f. Job awareness and job satisfaction

#### Features of empowering organization

- a. Delegation of authority and decentralization
- b. Removing departmental boundaries with the help of cross functional teams
- c. Information is shared instead of withholding
- d. Managers have wide responsibilities
- e. Employees are encouraged to take part in decision making and get awarded for better ideas.

#### Barriers

- a. Low confidence and lack of capability of subordinates so superiors may not like to delegate the authority
- b. Management of ill decision is not easy
- c. Top management's authoritative attitude
- d. Resistance to change
- e. Fear of changing organizational culture

**5. Work force diversity:** In the era of globalization, organizations observe that a mixed diaspora are present in their workforce which is known as workforce diversity. This diversity can be classified in to two categories;

- a. Primary factors
  - Race
  - Nationality
  - Culture
  - Gender
- b. Secondary
  - Education
  - Religious believes
  - Hygiene habits

Secondary factor can be changes or modified for higher productivity of the organization as primary factors are hard or impossible to changer.



### Advantages

- Diverse staff can help org in managing diversifies customers.
- Enhances image of the organization.
- Helps in globalization.

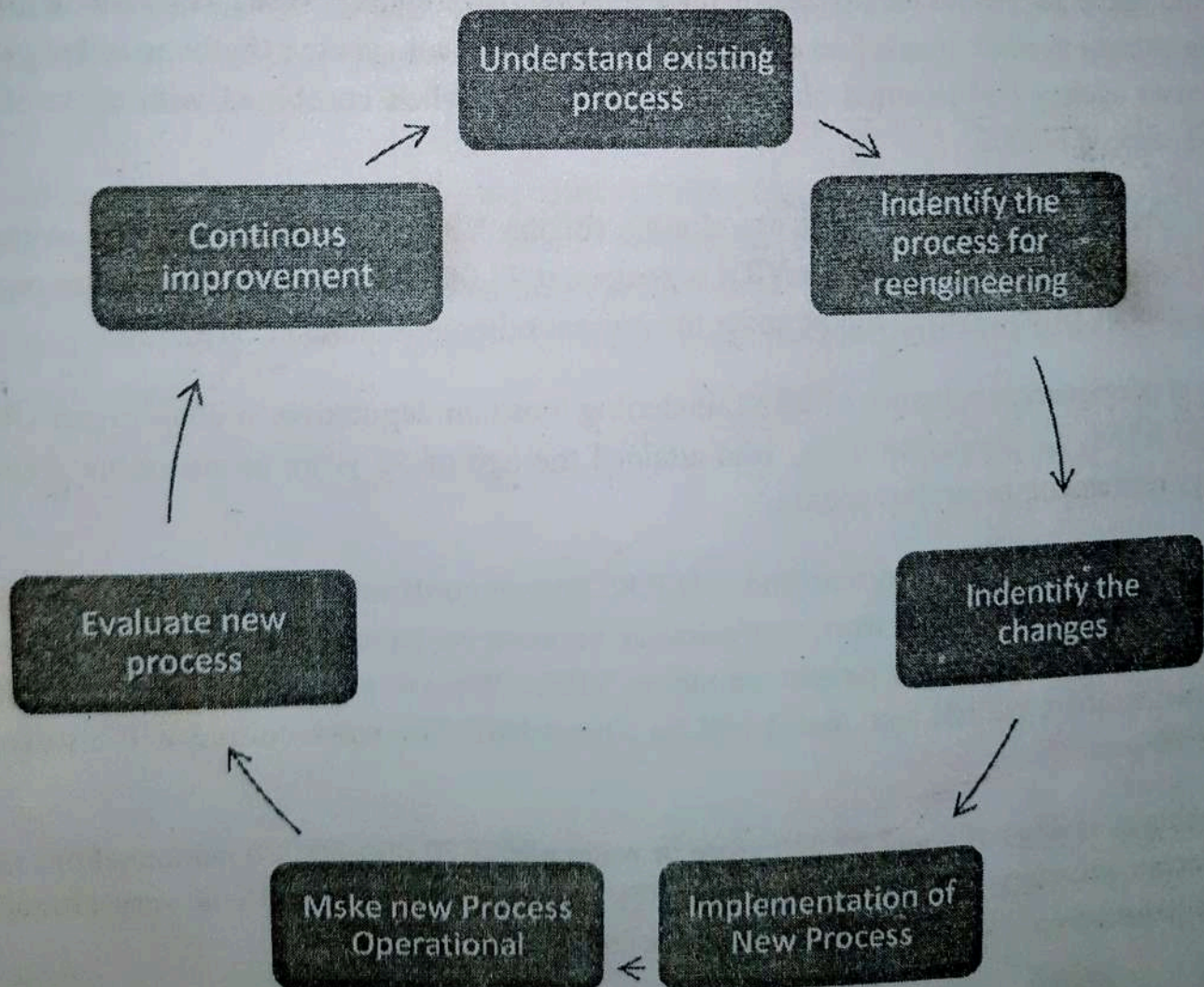
### Challenges

- Cultural difference
- Gender issues
- Discrimination
- Difficulty in bringing employees together
- Resistance to change

## 6. Business Process Reengineering

Business Process Reengineering includes the radical redesign of core business processes to achieve dramatic improvements in productivity, cycle times and quality. In Business Process Reengineering, companies start with a blank sheet of paper and rethink existing processes to deliver more value to the customer and increase the productivity of the organization.

Managers typically adopt a new value system that places increased emphasis on customer needs. Companies reduce organizational layers and eliminate unproductive activities in two key areas.



(Figure: Business Process Reengineering)



Companies practise Business Process Reengineering to improve performance and substantially of the business. Business Process Reengineering can:

- a. **Reduce costs and cycle time:** Business Process Reengineering may reduce costs and cycle times by eliminating unproductive activities and the underperforming employees who perform them. Reorganization by teams decreases the need for management layers, accelerates information flows, and eliminates the errors and rework caused by multiple handoffs.
- b. **Improve quality:** Business Process Reengineering enhances quality by reducing the fragmentation of work and establishing clear ownership of processes. Workers gain responsibility for their output and can measure their performance based on timely feedback.

### **Case of VRS of 57,000 BSNL employees**

*Source: [www.livemint.com](http://www.livemint.com) (Business News paper of Hindustan Times Groups)*

New Delhi: As many as 57,000 employees of public sector undertaking Bharat Sanchar Nigam Ltd (BSNL) have already availed themselves of the voluntary retirement scheme that was rolled out on 5 November, news agency PTI reported on Sunday. The figures when combined with those of state-owned MTNL exceed 60,000.

In all, nearly one lakh BSNL employees are eligible for the VRS out of its total staff strength of about 1.5 lakh. BSNL's internal target for VRS is pegged at 77,000 employees, PTI further reported. The effective date of voluntary retirement under the present scheme is January 31, 2020.

All regular and permanent employees of BSNL including those on deputation to other organisation or posted outside BSNL on deputation basis, who attained the age of 50 years or above are eligible to seek voluntary retirement under the scheme.

When contacted by PTI, BSNL Chairman and MD P.K. Purwar confirmed that discussions have been initiated on the issue. "We have to work meticulously because we have now started taking the data, which SSA, which unit, how many people are taking VRS.... We will still be left with about 80,000 people. So, the numbers are not less...but it will be almost half. The work culture will also have to change," Purwar told PTI.

BSNL is looking at savings of about ₹7,000 crore in wage bill, if 70,000-80,000 personnel opt for the scheme. Telecom secretary Anshu Prakash told PTI on Friday that the VRS is very attractively designed and has received "unprecedented" response from the employees



The Cabinet last month approved a ₹69,000 crore revival package for BSNL and MTNL that includes monetising their assets and giving VRS to employees. The two operators will also be merged.

Employees above the age of 53.5 years will get 125 per cent of their salary, which they could have earned in the balance period of their service. Employees in the age bracket of 50 to 53.5 years opting for VRS will get benefit in the range of 80 to 100 per cent of the remuneration to be paid in the balance period of their service.

For employees over 55 years of age opting for VRS, the pension will be commuted only when they attain 60 years of age (the current retirement age).

The package includes infusion of ₹20,140 crore for purchase of 4G spectrum, ₹3,674 crore for GST to be paid on spectrum allocation, companies raising ₹15,000 crore in debt on the sovereign guarantee and government funding ₹17,160 crore for VRS and another ₹12,768 crore towards retirement liability.

The two firms will also monetise assets worth ₹37,500 crore in the next three years. MTNL has reported losses in nine of the past 10 years and BSNL too has been ringing in loss since 2010. The total debt on both the companies stood at ₹40,000 crore, of which half of the liability is on MTNL alone.

**Note:** Above case shows that as the retrenchment strategy BSNL has planned to offer the VRS to its ageing employees to reduce the burden of labour cost of the sinking ship of BSNL. Company is expecting saving of around ₹ 7000 cores form the labour cost. New vacancies would be filled with young and more competent employees at much lower salaries and wages as pay grade at entry level remains low.