CHAPTER 2

TRENDS AFFECTING HUMAN RESOURCE MANAGEMENT

Major Factors Affecting HRM
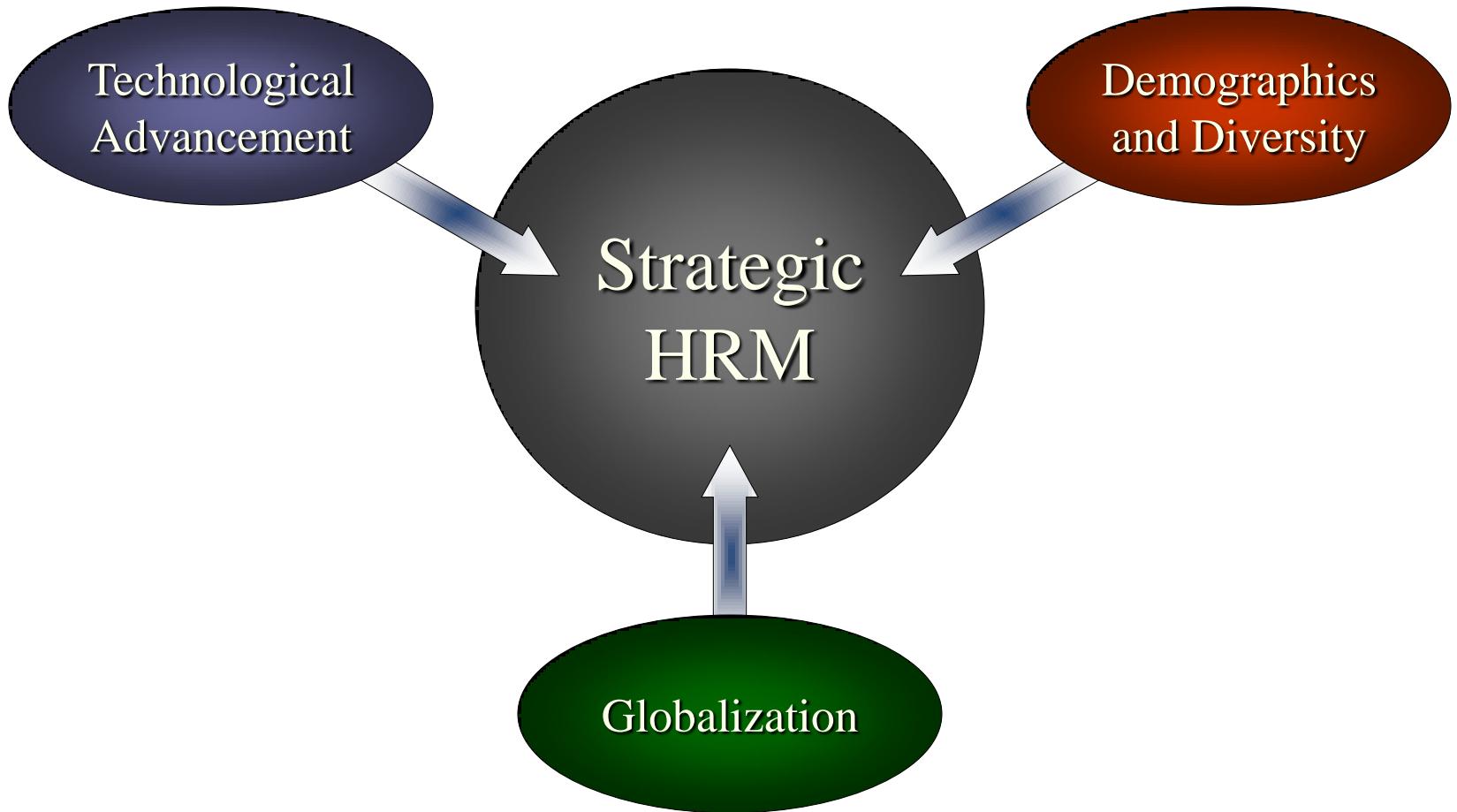
Technology and HRM

EXHIBIT 2-1: ISSUES FOR INTEGRATING NEW TECHNOLOGIES

Consideration of Adopting a New Technology

Strategic Issues
- Impact on productivity
- Impact on quality of output
- Impact on timing/delivery of output
- Cost of equipment/technology
- Adequacy of current facilities
- New market opportunities afforded

Strategic HR Issues
- Necessary expansion/contraction of workforce
- Training needed to utilize new technology
- Costs for hiring, severance, training
- Effective management of change
- Impact on work group dynamics

Technology Challenges for HRM

EXHIBIT 2-2: IMPACT OF TECHNOLOGY ON ORGANIZATIONS

- Requires changes in skills and work habits of employees

- Telecommuting options

- Elimination of some lower level positions and layers of management

- Opportunities presented by the Internet

- Less hierarchy, more collaboration

- Electronic monitoring and employee privacy

Workforce Demographic Changes

- The "Graying" of the Workforce
- Negative Aspects of Older Workers
  - Perceived resistance to change by older workers.
  - Increased health-care costs for senior workers
  - Blocking advancement opportunities for younger workers
  - Higher wage and salary costs for senior workers
- Positive Aspects of Older Workers
  - As productive or more productive than younger workers
  - Have more organizational loyalty than younger workers
  - Possess broader industry knowledge and professional networks

Workforce Demographic Changes

- Baby Boomers (1945–1962)
  - In excess supply in middle management ranks
  - HR challenge is to manage "plateaued" workers
- Baby Busters (1963–mid-1970s)
  - Are career bottlenecked by the Boomers
  - Who have skills in high demand are doing and will do well
- Generation "X"ers (late 1970s–early 1980s)
  - Have life-long exposure to technology and constant change
  - Seek self-control, independence, personal growth, creativity
  - Are not focused on job security or long-term employment.

New Employee/Workplace Dynamics

- Emphasis on the Management of Professionals
  - Establishment of separate career tracks
    - Technical/Professional, Managerial /Administrative
  - Use of project teams
- Less Employee Loyalty, More Loyal to Self
  - Staying with employers for shorter periods; demanding more meaningful work and involvement in organizational decisions
- Increased Personal and Family Dynamic Effects
  - More single-parent families, dual-career couples, and domestic partners
- Increased Nontraditional Work Relationships
  - Part-time, consulting, and temporary employment flexibility
  - Outsourcing and entrepreneurial opportunities

Managing Workplace Diversity

- Understanding and Appreciating Diversity
  - Is critical to effectively marketing to ethnic and minority groups
  - Is promoted by having a diverse workforce at all organization levels
  - Helps ensure that hiring and promotion decisions are unbiased by person differences
- Diversity Management Programs/Initiatives
  - Must be integrated with organization's mission and objectives
  - Help key decision makers identify diversity's benefits to the organization
  - Make critical decisions about implementing the optimal program/initiative contingent on the organization and its people, mission and culture.

Reading 2.1: Telecommuting

- Benefits
  - Reduced work commuting time
  - Employee retention
  - Increased geographic recruiting flexibility
  - Reduced costs of doing business (reduced office space)
  - Significant productivity gains

- Obstacles
  - Difficulty in measuring performance
  - Determining eligible jobs
  - Individual employee characteristics
  - Assumption of home office expenses/liabilities
  - Managerial resistance to telecommuting
  - Increased net

Reading 2.2: Workplace Diversity

- ## Issues Affecting Diversity Policymaking
  - Why diversity is internally and externally important to the organization?
  - How is diversity related to the current and future mission and strategic objectives of the organization?
  - How is diversity to be defined in its inclusion and exclusion of the extent, composition, and recognition of "differences"?
  - Should the organization make special efforts to attract a diverse workforce? and for what purposes?
  - How do existing employees and constituents feel about diversity?
  - What specific types of diversity initiatives will be undertaken? and to meet what objectives?