



THE CHANGING ROLE OF HUMAN RESOURCE MANAGEMENT:

What challenges do the modern HR
Manager face in a recessionary and
post-recessionary business
environment?

Coverage

- Overview of the Business Environment
- Challenges faced by HR managers in the recessionary period
- Challenges in the post recessionary period
- Developments in the employment Function
- The changing role of Human Resource Management
- Conclusion

1.0 OVERVIEW OF THE BUSINESS ENVIRONMENT

The world has suddenly plummeted into a deep economic crisis (called Global Meltdown or Financial Tsunami), the worst ever since the 1930's. Almost all the sectors of economy with varying degrees have caught by surprise during the current global downturn with so much swiftness that every day has become a question of survival.

Organizations are grappling with low demand of their products, manufacturing plants are kept idling, export markets are dying, job markets are being annihilated every day.

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Business environment continued

- Is the crisis over?
- Generally the crisis is over.
- Different sectors are recovering at different rates, some faster while others very slow.
- Tourism sector recovery is very slow as it depends on luxury spending.

The Major Challenge of HR Managers.

- Balancing the two competing needs:
- The organization's need for survival by cutting costs;
- The employees need for survival by remaining with organization and getting the maximum benefit out of it.

2.0 CHALLENGES FACED BY HR MANAGERS IN THE RECESSIONARY PERIOD

2.1 Maintaining a Competitive Organization

- Deliver higher performance without increasing their budget.
- Improve the productivity of the surviving employees.
- Quality may be compromised which may lead to customer dissatisfaction and further business losses.

2.2 Budgetary Cut

Companies across the globe have tightened their belt by resorting to budgetary cuts

The Zambia government cut on training budget.

This has a repercussion on Human Resource Managers who deal with training.

The in-house-training may not yield much fruit.

2.3 Retrenchments

- Job cut - the most difficult and perhaps the most critical but inevitable among measures taken by companies across the world.
- First, it is not easy to identify who should go and let alone communicating to the affected employees is such a big challenge.

Retrenchment cont'd

- Separation package must be readily available so that the laid off employees are not sent into suffering.

2.4 Motivating employees

- Things that motivate people such as training, bonuses are reduced during the recession.
- Working with de-motivated employees can be very frustrating. Although Fredrick Herzberg classified salary among the hygiene factors meaning that money is not a motivator, its absence de-motivates people.

2.5 Avoiding legal suites

- People are now more enlightened of their human rights. Anytime there is a disturbance in their life such as retrenchments, they rush to the court even if they have no point. By the time the case is disposed of, the company would have already wasted time and financial resources.

2.6 Casualisation

- ('Casualisation' is a word invented to refer to the common corporate trend of hiring and keeping workers on temporary employment rather than permanent employment, even for years, as a cost reduction measure.
- Some Labour laws prohibit casualisation.

2.7 Corruption or Nepotism When Hiring

- The HR personnel are likely to face temptations of bribery. People may offer bribes to HR personnel in exchange for a job. Corruption and Nepotism cases during the recruitment process are likely to increase.

3.0 CHALLENGES IN THE POST RECESSIONARY PERIOD

- In post recessionary period there is more demand for organizational goods and services.
- This will prompt organizations to employ more staff to meet the growth needs.
- This growth will come with challenges.

3.1 High Labour turnover

- A lot of people will look to change jobs because of the perception that they were mistreated during the recession.
- This problem is likely to be compounded by the new job offers in the market that may be offering competitive rates for people who have gained experience from one organization.

3.2 Hiring to meet the organizational growth needs

- Mountain of application letters for any job opening.
- Organizations may end up not employing the best people because of the reduction in the overall departmental budget.

3.3 Training new staff

- The newly hired staff may have to be trained for them to get the necessary skills as well as to cope with the change in technology. This is an unwelcome cost which the HR manager has to struggle to get.
- Other employees may also take long to settle in the new job.

3.4 Offering Short Term Contracts (Casualisation)

Employees will not be loyal and committed because of their job insecurity.

The logistical cost of employing at re employing at short intervals may also be high.

Casualisation Cont'd

- The organization will have to terminate the contract of the person at the end of the contact even if they would still want to have them just to comply with the legal requirement(Avoiding “Permanent Casuals”).

3.5 Fear of the Next Recession

- “Once beaten, twice shy,” so goes an adage. Organizations are most likely to develop prudent, proactive and stringent conditions to buffer the organization against any future recession.

4.0 DEVELOPMENTS IN THE EMPLOYMENT FUNCTION

The employment function has been very dynamic. It has changed in both titles and roles.

The table below summarizes the changes through which the employment function has undergone.

Time Frame	Phases	Roles and Responsibilities	Job titles
1910s – 1920s	Employment management (First employment management department)	Wage and salary administration. Grievance handling, Collective Bargaining Hiring Control of workforce	Employment Manager Labour Manager <i>(Humane Bureaucrat)</i>
1920s-1940s	<i>Personnel management</i> (Title change from employee management Dept- personnel management Dept)	Recruitment and selection, job evaluation, training, collective bargaining	Personnel manager Personnel Officers Personnel Administrators Manpower Planners/Analysts <i>(Consensus Negotiators)</i>

Time Frame	Phases	Roles and Responsibilities	Job titles
1940s- 1960s	Specialist personnel management <i>“Professionalisation” of the field</i>	Collective Bargaining, recruitment and selection, training and development, industrial relations control for compliance	Personnel Specialist, Personnel Managers, Manpower Analysts (Organizational Manpower)
1960s – 1980s	Professional Personnel Management	Recruitment and selection, performance evaluation, job evaluation and grading, training and development, career management, compensation and benefits management personnel auditing, legalistic control of management relationship	Personnel Specialist Personnel manager Manpower Analyst (Manpower Analyst)

Time Frame	Phases	Roles and Responsibilities	Job titles
Late 1980s – 1990s and beyond	Human Resource Management	Strategic Management orientation Vertical and horizontal integration of HRM policies and practices Emphasis on the HPWPs Performance Management	Human Resource (HR) Officers Human Resource (HR) Managers <i>(HR Architects)</i>



HRM defined

- Human Resource Management is a process of bringing people and organizations together so that the goals of each other are met.
- Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order

5.0 THE CHANGING ROLE OF HUMAN RESOURCE MANAGEMENT

"If we didn't sometimes taste adversity, prosperity would not be so welcome.

Every problem is also an opportunity in disguise. The HR manager has to think and rethink many times as to how his role can change at this testing time of slow down to save organizations. The changing role of HR will among others involve:

5.1 HR manager must be a Strategic Partner

- In this role, the HR person contributes to the development of and the accomplishment of the organization-wide business plan and objectives.
- The HR business objectives are established to support the attainment of the overall strategic business plan and objectives.



HR manager must be a Strategic Partner cont'd

- More than a provider of services
- A management partner who shares accountability for organizational results
- Does more than explain what is prohibited

5.2 HR must Learn the business Language

- Get to know the business language.
- study some bit of Finance so that you understand most of the terms that are crucial for the survival of the organization.
- HR must also be able to do some Political and Economic Analysis to determine their impact on HR.

5.3 Shift of focus

From

- Job Analysis
- Personnel Management
- Rule maker
- Functional Orientation
- One size fits all
- Mutual distrust (with employees)
- Focus on activities

To

- Competency Assessment
- HRM
- Consultant
- Business Orientation
- Tailored programs
- Partnering
- Focus on impacts

5.4 New trends in HR

- **Human resource outsourcing-** lean HR depts
- **Change agent-** Prepare workers to accept technological changes by clarifying doubts.
- **Policies-** HR policies based on trust, openness, equity and consensus.
- **Relations-** Fair treatment of people and prompt redress of grievances would pave the way for healthy work-place relations.

6.0 Conclusion

- It is my hope that during this convention the Business Executives will find an opportunity to change the HR Profession into the most admirable and relevant one to organizations. This will mean being able to balance organizational needs and employees needs.

Conclusion cont'd

- Organisations of the future will rely more on its people.
- Yesterday: Access to most capital and latest technology
- Today: Offering products with highest quality
- Tomorrow: Maintaining high caliber of People.

Conclusion cont'd

- I know that no one individual can be smarter than all of us. Together we will overcome the challenges of the just ended Global Economic crisis.
- No matter how big the problem is, no problem is insurmountable. Tough Time's Never Last, But Tough People Do!



THANK YOU FOR LISTENING

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