

The most important human capital trends in stage of globalization in current time

Luba Tomčíková

University of Prešov in Prešov

Department of management

Námestie legionárov 3, 081 01 Prešov, Slovakia

luba.tomcikova@unipo.sk

Abstract: Human resources, the management of an organization's policies and procedures relating to its employees, has historically been seen as a somewhat insular task. But with the rise of globalization and mass communication, the world is becoming a smaller place. Businesses, even small ones, are now connected across cultural and geographic boundaries. As a result, global trends are affecting human resources management within organizations of all sizes. Globalization is causing businesses to rethink their human resources strategies. Organizations can now recruit employees from all around the world and subsequently are able to sell products and services across geographic and cultural boundaries. The effects of globalization on human resources have initiated a number of trends in the workplace. The article presents actual trends in the field of human resources management and it points out the results of a survey which identifies the most important global human capital trends in current time.

Keywords: human resources management; globalization; human capital trends, technologies; organization.

JEL Classification: M1, M12

1. Introduction

Globalization is a term in business that refers to the integration of an organization's operations, processes and strategies into diverse cultures, products, services and ideas. Because of its emphasis on diversity, globalization also has a deep impact on the way companies manage their employees. Understanding the effects of globalization on human resources can help managers to better equip their organizations for the increasingly global business environment. The world of work is rapidly changing. As a part of organization, Human Resource Management must be prepared to deal with effects of changing world of work. For the human resources people it means understanding the implications of globalization, work-force diversity, changing skill requirements, corporate downsizing, continuous improvement initiatives, re-engineering, the contingent work force, decentralized work sites and employee involvement for which all and more have the financial implication to organization. Let alone on the employees side where engagement, satisfaction, motivation, retention, absenteeism, turnover have to be checked. As a rule human resource management has to venture into new trends in order to remain relevant corporate development partner.

2. Literature review

Business today doesn't have national boundaries – it reaches around the world. The rise of multinational corporations places new requirements on human resource managers. The HR department needs to ensure that the appropriate mix of employees in terms of knowledge, skills and cultural adaptability is available to handle global assignments. In order to meet this goal, the organizations must train individuals to meet the challenges of globalization. The employees must have working knowledge of the language and culture (in terms of values, morals, customs and laws) of the host country. Human Resource Management must also develop mechanisms that will help multicultural individuals work together. As background, language, custom or age differences become more prevalent, there are indications that employee conflict will increase. HRM would be required to train management to be more flexible in its practices. Because tomorrow's workers will come in different colors, nationalities and so on, managers will be required to change their ways. This will necessitate managers being trained to recognize differences in workers and to appreciate and even celebrate these differences (Rutaiwa 2016).

Globalizations, disruptive technologies, social media, internet connectivity shortage of employees worldwide are phenomena that will influence, change the dynamics of business and firms. Human resource manager's roles are evolving to meet the organizational and environmental dynamics of the 21st century. Globalization takes place through a foundation of human capital. For companies that are global today, it is not effective to manage workers the same in all countries. Managers need to understand cultural differences and adjust their styles, communications, and rewards to fit within each culture. Different cultures produce employees with different values, attitudes and motivations (Thomas 2008). Challenges and trends influencing the practice of human resources management include according to Jaldeen (2015): social media, disruptive technologies, big data analytics and cloud computing will influence human resources information sharing; mobile computing, digitization, internet connectivity will change human resources practices; increasing number of women in business in top and senior management positions will influence human resources practice think; hiring and retention of young people and graduates are becoming more important, changing influences views of compensation, benefits and reward including flexible time; strategic importance of human resources is shifting the dynamics to human resources service delivery.

We live in the era of not just change, but an accelerated rate of change and trends. As compared to the past, the 21st century corporations are getting to be globally market driven ones with 'invest anywhere and share everywhere' concept. Today, the field of human resource management is experiencing numerous pressures for change. Shifts in the economy, globalization, domestic diversity and technology have created new demands for organizations, and propelled the field in some completely new directions. Many of today's employees work in global teams. An increasing number of skilled workers in this new world work on a contingent, part-time, or contract basis, so organizations must now work to integrate them into talent programs. New cognitive technologies are displacing workers and reengineering work, forcing companies to redesign jobs to incorporate new technology solutions. As the global economy gathers momentum, companies need to seize this opportunity to transform their leadership development programs from a perennial question mark to a source of strategic strength. One of factor calling for changes in human resources processes is the rise in globalization. Globalization in this context refers to organizations

that operate on a global or international scale (Stone, Deadrick 2015). Organizations operating in a global environment face a number of new challenges including differences in language and culture of employees, and variations in social, political and legal systems. Multinational corporations are large companies operating in several countries that are confronted with new questions, including how to create consistent human resources practices in different locations, how to develop a coherent corporate culture, and how to prepare managers to work in a diverse cultural environment (Sparrow 2007). According to Stone and Deadrick (2015) another factor calling for changes in human resources processes is emerging use of technology. Over the past 30 years, one of the major drivers of change in human resources has been the increased use of information technology to collect, store, and utilize data for decision-making. Technology, especially, the World Wide Web, has transformed key human resources processes in organizations (e-recruiting, e-selection, e-training), and modified the nature of jobs and the relationships between individuals and organizations. For example, it has enabled organizations to use the Internet to advertise jobs, and made it possible for applicants to apply for jobs online (Dineen, Allen 2013). In addition, organizations are using various forms of technology to deliver training to employees (the Internet, intranet systems, video conferencing, and online simulations).

3. The current state of the issue

Deloitte's 2017 Global Human Capital Trends report is one of the largest longitudinal studies of talent, leadership, and human resources challenges and readiness around the world. The report reveals how leaders are turning to new organizational models that highlight the networked nature of today's world of work; innovation-based HR platforms; learning and career programs driven by social and cognitive technologies; and employee experience strategies that put the workforce at the center. The 2017 survey is our largest and most extensive to date, with input from more than 10,400 business and HR leaders across 140 countries. Twenty-two percent of respondents were from large companies (more than 10,000 employees), 29% from medium-sized companies (1,000 - 0,000 employees), and 49% from small companies (fewer than 1,000 employees). Respondents from the Americas accounted for 31% of the total; Europe, Middle East, and Africa contributed 51% and Asia Pacific 18%. Respondents represented a broad cross-section of industries, including financial services; consumer business; technology, media, and telecommunications; and manufacturing.

The trends in current time identify 10 areas in which organizations will need to close the gap between the pace of change and the challenges of work and talent management (Global Human Capital Trends 2017):

➤ TREND 1: THE ORGANIZATION OF THE FUTURE: ARRIVING NOW

Given the pace of change and the constant pressure to adapt, it is not surprising that executives identified building the organization of the future as the most important challenge for 2017. In this year's survey, nearly 60% of respondents rated this problem as very important, and 90% rated it as important or very important (Table 1). This level of interest signals a shift from designing the new organization to *actively building* organizational ecosystems and networks. High-performing organizations operate as empowered networks, coordinated through culture, information systems, and talent mobility. Companies are focused on redesigning the organization itself, with nearly half actively studying and developing new models. And many organizations are not only designing but also building this new organization. As networks and ecosystems replace organizational hierarchies, the traditional question "For whom do you work?" has been replaced by "With whom do you work?" Fully 88% of this year's survey respondents believe that building the organization of the future is an important or very important issue. More than three in five (59 percent) say the issue is very important - a 3 percent increase from last year. Yet challenges remain: only 11% of survey respondents believe they understand how to build the organization of the future. As this new type of organization takes hold, working in teams will likely become the norm in business, and dynamism will become an organizational hallmark.

➤ TREND 2: CAREERS AND LEARNING: REAL TIME, ALL THE TIME

The concept of a "career" is being shaken to its core, driving companies toward "always-on" learning experiences that allow employees to build skills quickly, easily, and on their own terms. This year, careers and learning rose to second place in rated importance, with 83 percent of executives identifying these issues as important or very important. At leading companies, HR organizations are helping employees grow and thrive as they adopt the radical concept of a career described in *The 100-Year Life*.⁷ New learning models both challenge the idea of a static career and reflect the declining half-life of skills critical to the 21st-century organization. The concept of career is being shaken to its core.

Employees now enjoy the prospect of 60-year careers. Yet at the same time, the half-life of skills is rapidly falling. This year, the issue of improving employee careers and transforming corporate learning emerged as the second most important trend in survey. Learning technology is changing rapidly. Traditional learning management systems are being complemented with and replaced by a wide range of new technologies for content curation, delivery, video distribution, and mobile use. This upheaval in learning and careers has become a catalyst for radical change. Nearly half of surveyed executives (45%) cite this problem as urgent or very important (an increase over last year). As capabilities fall behind, companies’ ability to keep up with employees’ demands for learning and career growth has dropped by 5%.

➤ **TREND 3: TALENT ACQUISITION: ENTER THE COGNITIVE RECRUITER**

As jobs and skills change, finding and recruiting the right people become more important than ever. Talent acquisition is now the third-most-important challenge companies face, with 81% of respondents calling it important or very important (Table 1). Talent acquisition highlights how leading organizations use social networking, analytics, and cognitive tools to find people in new ways, attract them through a global brand, and determine who will best fit the job, team, and company. More than 8 in 10 (83%) executives say talent acquisition is important or very important. Accelerating digital, video, and cognitive technologies and ever-increasing transparency are quickly changing how recruiters find and court skilled employees. Rather than continuing to focus on sourcing and selection, recruiters are now relationship builders and managers. They are looking to enable a positive candidate experience for new employees - a task that requires both new responsibilities and new skills. Table 1 represent the percentage of respondents rating each actual trend “important” or “very important.”

ACTUAL HUMAN CAPITAL TRENDS	Consumer business	Energy	Financial service	Manufacturing	Professional services	Technology media
Organization of the future	88	85	92	83	90	94
Careers and learning	81	80	83	82	86	84
Talent acquisition	82	76	82	82	84	84
Employee experience	79	77	79	76	83	83
Performance management	81	80	80	81	77	80
Leadership	75	74	82	75	80	85
Digital HR	74	75	74	72	75	76
People analytics	72	69	71	68	72	74
Diversity and inclusion	69	70	71	68	70	67
The augmented workforce	59	63	61	59	73	62

No.1 – higher %
No. 2
No. 3
No.4
No. 5 – lower %

Table 1 Trend importance rankings by industry

➤ **TREND 4: THE EMPLOYEE EXPERIENCE: CULTURE, ENGAGEMENT, AND BEYOND**

Culture and engagement are vital parts of the employee experience, and leading organizations are broadening their focus to include a person's first contact with a potential employer through retirement and beyond. Today, companies are looking at employee journeys, studying the needs of their workforce, and using net promoter scores to understand the employee experience. Workplace redesign, well-being, and work productivity systems are all becoming part of the mandate for HR. In a digital world with increasing transparency and the growing influence of Millennials, employees expect a productive, engaging, enjoyable work experience. Rather than focus narrowly on employee engagement and culture, organizations are developing an integrated focus on the entire employee experience, bringing together all the workplace, HR, and management practices that impact people on the job. Organizational culture, engagement, and employee brand proposition remain top priorities in 2017; employee experience ranks as a major trend again this year. Nearly 80% of executives rated employee experience very important (42%) or important (38%), but only 22% reported that their companies were excellent at building a differentiated employee experience. Fifty-nine percent of survey respondents reported they were not ready or only somewhat ready to address the employee experience challenge.

➤ **TREND 5. PERFORMANCE MANAGEMENT: PLAY A WINNING HAND**

For the last five years, companies have been experimenting with new performance management approaches that emphasize continuous feedback and coaching, reducing the focus on appraisal. Even though HR technology tools have not quite caught up, new approaches to performance management are working, and they are increasing productivity and changing corporate culture. Today, with much initial experimentation, continuous performance management practices are being deployed on a wide scale. While not all the tools are in place at every organization, the new practices are becoming clearer and more standardized, and they are definitely working. Agile goal management, check-ins, and continuous feedback are becoming common, and new models of evaluation and rewards are being adopted next. The redesign of performance management is picking up speed: 79% of executives rate it a high priority, up from 71% three years ago, with 38% calling the problem "very important." Company capabilities to implement performance management have improved. The impact of new performance practices is high: 90% of companies that have redesigned performance management see direct improvements in engagement, 96% say the processes are simpler, and 83% say they see the quality of conversations between employees and managers going up.

➤ **TREND 6. LEADERSHIP DISRUPTED: PUSHING THE BOUNDARIES**

As companies transform and digital organizational models emerge, leadership needs change as well. Eighty percent of respondents say that leadership is an important issue, and 42 percent call it very important. Organizations are clamoring for more agile, diverse, and younger leaders, as well as new leadership models that capture the "digital way" to run businesses. The leadership gap has become larger; organizational capabilities to address leadership dropped by 2 percent. Forty-two percent of companies cite "leadership development" as very important. The percentage of companies with strong or adequate experiential programs for leaders rose by 2 percent this year. Great leaders have always been expected to succeed in the context of ambiguity. Now, they face even greater pressures as the speed of technology accelerates. The role that leaders play will continue to change, becoming even more digital-focused and team-centric. A focus on organizational practice, including culture and organizational design, will become an ever-more important part of leadership development.

➤ **TREND 7. DIGITAL HR: PLATFORMS, PEOPLE, AND WORK**

As the enterprise as a whole becomes digital, HR must become a leader in the digital organization. This means going beyond digitizing HR platforms to developing digital workplaces and digital workforces, and to deploying technology that changes how people work and the way they relate to each other at work. Fortunately, the path to digital HR is becoming clearer, with expanded options, new platforms, and a wide variety of tools to build the 21st-century digital organization, workforce, and workplace. HR is undergoing rapid and profound change. Once viewed as a support function that delivered employee services, HR is now being asked to help lead the digital transformation sweeping organizations worldwide.

➤ **TREND 8. PEOPLE ANALYTICS: RECALCULATING THE ROUTE**

Data about people at work has become more important than ever, but the focus of people analytics has changed. Formerly a technical discipline owned by data specialists, people analytics is now a business discipline, supporting

everything from operations and management to talent acquisition and financial performance. Readiness to capitalize on people analytics remains a challenge, however. Only 8% of organizations report they have usable data, while only 9% believe they have a good understanding of the talent factors that drive performance. People analytics in HR is undergoing a seismic shift. Driven by the widespread adoption of cloud HR systems, companies are investing heavily in programs to use data for all aspects of workforce planning, talent management, and operational improvement. People analytics, a discipline that started as a small technical group that analyzed engagement and retention, has now gone mainstream. Organizations are redesigning their technical analytics groups to build out digitally powered enterprise analytics solutions. These new solutions, whether developed internally or embedded in new digital solutions, are enabling organizations to conduct real-time analytics at the point of need in the business process. This allows for a deeper understanding of issues and actionable insights for the business. While 71 percent of companies see people analytics as a high priority in their organizations (31% rate it very important), progress has been slow.

➤ **TREND 9. DIVERSITY AND INCLUSION: THE REALITY GAP**

Fairness, equity, and inclusion are now CEO-level issues around the world. A new focus on accountability, data, transparency, and “diversity through process” is driving efforts around unconscious bias training and education throughout the business community. Despite these efforts, however, we see a reality gap. Issues around diversity and inclusion continue to be frustrating and challenging for many organizations. Diversity and inclusion has become a CEO-level issue around the world. The digital organization of today, which operates as a network of teams, thrives on empowerment, open dialogue, and inclusive working styles. Leading organizations now see diversity and inclusion as a comprehensive strategy woven into every aspect of the talent life cycle to enhance employee engagement, improve brand, and drive performance. In survey, the proportion of executives who cited inclusion as a top priority has risen by 32 percent compared with our 2014 survey. Over two-thirds (69 percent) of executives rate diversity and inclusion an important issue (up from 59 percent in 2014). Old models of diversity and inclusion are undergoing change, and this trend is expected to accelerate. As employee demands shift and diversity receives greater attention globally, the private sector’s responsibilities will continue to grow.

➤ **TREND 10. THE FUTURE OF WORK: THE AUGMENTED WORKFORCE**

Robotics, sensors, and cognitive computing have gone mainstream, along with the open talent economy. Companies can no longer consider their workforce to be only the employees on their balance sheet, but must include freelancers, “gig economy” workers, and crowds. These on- and off-balance-sheet workers are being augmented with machines and software. Together, these trends will result in the redesign of almost every job, as well as a new way of thinking about workforce planning and the nature of work.

4. Conclusions

In conclusion we point to the following facts arising from the results of the survey. Building and supporting teams will be leaders’ principal tasks. Leading organizations will offer dynamic developmental opportunities for employees to build their careers, while companies that continue to operate in the old manner will likely struggle to keep up. In this new world, more nimble organizations will have certain advantages, but successful large organizations will keep pace by building stronger ecosystems and partnerships that broaden their workforces and capabilities. The organization’s role is to create the environment and systems to allow employees to constantly learn and relearn. Talent sourcing and recruitment face tremendous pressure. Talent and skill shortages are widespread. Employees are demanding new careers and career models. And technologies and innovations - including cognitive, artificial intelligence, social collaboration, crowds, and the sharing economy: are reshaping the workforce. Leading companies are turning the open talent economy into an opportunity by embracing technologies and developing new models that make innovative use of on- and off-balance-sheet talent sources. Attracting skilled resources is no longer simply the responsibility of HR. It now stands as a top concern of business leaders. Leadership development continues to be a significant challenge for companies around the world, as the transition to the new digital organization creates even larger leadership gaps. High-performing leaders today need different skills and expertise than in generations past, yet most organizations have not moved rapidly enough to develop digital leaders, promote young leaders, and build new leadership models.

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