

# Human Resources in Changing Environment

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### Abstract

*Globalization, heightened competition, and increased information flow, alongside rising customer awareness, have driven significant changes in human resource management (HRM). This study aims to evaluate HR's role in facilitating organizational change, exploring the interplay between change management and HR practices. The research seeks to propose a framework highlighting this interrelationship by identifying the functions and roles of HR and examining their interconnectedness. Data for this study is collected through semi-structured interviews to achieve these objectives. Human Resource Management in service and government organizations faces immense pressure to adapt to these changes. Change is an unavoidable aspect of modern business, necessitating a corresponding evolution in HRM practices. The role of HRM has transformed to meet environmental shifts, demanding a proactive approach to managing change within organizations. This study underscores the necessity of HR's involvement in change processes, emphasizing the strategic integration of HR functions to support organizational transformation. Through semi-structured interviews, the study captures diverse perspectives on how HR roles and practices have adapted to meet the challenges posed by a dynamic business environment. The findings reveal that HR's responsibilities extend beyond traditional functions, encompassing strategic participation in guiding organizational change. By fostering a deeper understanding of the symbiotic relationship between change management and HR practices, this research provides valuable insights for organizations seeking to navigate the complexities of modern business landscapes. In summary, this study highlights the evolving role of HR in driving organizational change, proposing a framework that elucidates the interconnection between HR functions and change management.*

**Keywords:** Change Management, HR Roles, Globalization, Organizational Adaptation.

### Introduction

Today's competitive business environment changes much faster when compare to previous years and this is due to the advance in technologies. To be in competition, companies must be flexible and be flexible enough to the changes in their environment. The organization takes an active role in defining its environment. HRM refers to the policies and practices needed to carry out the people or personnel aspects of management job which include recruiting, screening, training, rewarding, and appraising. In our fast moving environment, managing human resources effectively is more important to competitive success. The innovative use of human resource management can give an organization a distinctive competence that is difficult to match. The management of change is possible only by managing efficiently and effectively our country's natural, physical and human resources. The organization has to change its structure to accommodate the new ideas, and new technologies for progress.



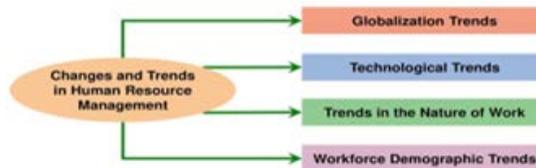
### Study Aim

- To elucidate the role of HR in change management within organizations.
- To identify and assess the factors influencing HRM practices, particularly in response to changes in the external environment.
- To understand the interplay between top management priorities, legislation, economic changes, and other factors in shaping HRM strategies and activities.

### Objective

- To propose a comprehensive framework delineating the impact of various factors such as law, literature, culture, change, actions, priorities, and organizational structure and strategy on HRM practices.
- To prioritize these factors based on their perceived influence on HRM activities as indicated by participants' responses.
- To provide insights into the crucial role of top management support and legislative compliance in shaping effective HRM practices amidst changing organizational and external contexts.

### The Changing Environment of Human Resource Management



### Literature Review

Hussain et al. (2018, p. 123) argue that organizational change involves transitioning from a current, familiar state to an unknown, desired future state.

According to Moran and Brightman (2000), change management is the ongoing process of renewing an organization's direction, structure, and capabilities to meet the evolving needs of both external and internal customers.

Pierce et al. (2002) who state that stimulation of the process necessitates that all employees must have to be addressed about change. The leaders should educate, communicate, participate, involve, task support, provide emotional support and incentives, manipulate, co-optate and coerce the employees about change.

Dave Ulrich in his book 'Human Resource Champions' published in 1997 asserts that HR practitioners and professionals are major and essential change agents in any organization that is ongoing a change process, where he consider HR professionals to be strategic partners in that organization.

## Methodology

The purpose of the research is to elucidate the role of HR in change management.

**Interview design:** Primary data collection was performed using a structured questionnaire in order to gain information on the topic. Questions selected were sequentially ordered and open-ended. This reduces the differences in responses from different individuals due to the choice of words on the part of the interviewers, where this technique minimizes the variation in the questions posed by them to different interviewees.

**Sample size:** Non probability convenient purposeful sampling is used as a sampling strategy in this study, where participants were selected based on their interest to participate and on the basis of their experience of the topic. All participants were chosen from the human resource professionals in addition to experienced academics in human resource management.

## Data Analysis

The factor analysis results reveal several key insights into the factors influencing human resource management (HRM) practices. Foremost, the analysis confirms the multidimensional nature of HRM, with seven underlying dimensions emerging related to law, literature, culture, change, actions, priorities, and organizational structure and strategy. This aligns with the complex, socio-technical reality of managing people in organizations.

Additionally, the high Cronbach's alpha score of 0.9035 demonstrates strong internal reliability and consistency of the scale used in the analysis. This indicates the scale accurately measures the latent constructs in the study.

Examining the ranking of factors by mean score provides a perspective into which aspects have the greatest influence on HRM activities. The top factor, with a mean of 4.24, is priorities of top management. This means participants perceive the strategic priorities and perspectives of senior leadership as the most impactful driver shaping HRM policies and programs. This powerfully highlights the integral role of top management support and buy-in for HR initiatives to achieve success.



The second and third ranked factors relate to the external contexts in which organizations operate - relevant laws and regulations along with national economic conditions. This exemplifies how HRM does not operate in a vacuum; legal compliance and adaptation to macroeconomic trends are key environmental determinants of managing people.

The middle rankings feature organizational elements like industry traits, size, technology, and internal aspects such as structure, strategy, and competitor actions. This demonstrates the influence of contingency factors on HR; there is interplay between the organization's operating landscape and its HR needs and strategies.

Finally, the lower ranked items relate to microsocial features like politics, culture, relationships, and people's backgrounds. While impactful, the analysis suggests these idiosyncratic aspects have less broad explanatory power than structural, strategic issues. Still, their relevance indicates incorporating diverse stakeholder perspectives can benefit HRM practices.

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In summary, these insightful findings highlight foremost the integration of HRM with top-level strategy as most influential, while emphasizing how a multiplicity of factors across various levels - from societal laws to industry competitiveness to individual relationships - hold significance in understanding and managing human resources effectively. A key implication is HR leaders must develop multi-faceted strategic thinking, scanning across a spectrum spanning external trends to internal social dynamics, to craft high-impact policies and practices supporting their organization's success.

### Findings

It is clear that top management priorities are the elements that are considered at first hand. This result shows the importance and effectiveness of top management in organizations. Similarly, legislation is also a necessity that every institution has to take into account and obey. Therefore, these two findings reflect the reality that establishments experienced. Changes in the national economy directly and indirectly affect any function of a firm. So, again it should be considered, and should be responded to effectively.

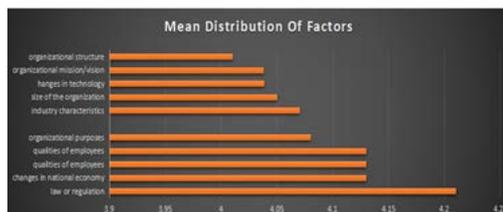
### Result

The results of factor analysis revealed seven factors. Besides, the reliability analysis showed that the scale was reliable ( $\text{Alpha} = .9035$ ). According to the factor analysis there are seven types of dimensions achieved. These are, "the impact of law and employees", "the impact of literature and experiences", "the impact of culture and politics", "the impact of change", "the impact of actions", "the impact of priorities" and "the impact of structure and strategy".

The factors affecting HRM activities are in the following order: "The priorities of top management" has a mean of 4.24, which is the highest. Accordingly, this result shows that the priorities of top management are the most important factor affecting HRM practices. In other words, HR managers give more importance to this element. The second factor is the related law or regulation (4.21). The changes in national economy (4.13) and the qualities of employees (4.13) and the qualities of employees (4.13) are at the same ranking. Also, organizational purposes (4.08) (excluded), industry characteristics (4.07), size of the organization (4.05), changes in technology (4.0385), organizational mission/vision (4.0380) (excluded), and organizational structure (4.01) have means over 4.

The second group includes "change in the international economy" (3.84), impact of an overall HRM strategy (3.84), history practice (3.78), impact of education and training in HRM (3.75), actions of competitors (3.70), priorities of line managers (3.64), HRM theory, and research and literature (3.54), and general education policies and practices (3.54).

The third group includes items which has values under 3.5. Accordingly, these are national culture (3.37) (excluded), issues of power and policies (3.37), professional organizations firms (3.35), Political characteristics of managers (3.32), political developments (3.25), actions of unions (3.22), political characteristics of employees (3.10), HRM staff's experiences in other organizations (2.98).



## Recommendations

### 1. Top Management Priorities

- Foster Open Communication: Encourage transparent communication channels between top management and employees to ensure alignment of priorities and organizational goals.
- Leadership Development: Invest in leadership development programs to equip top management with the necessary skills and knowledge to effectively lead and prioritize tasks.
- Strategic Planning: Implement robust strategic planning processes that involve input from top management to ensure that organizational priorities are clearly defined and consistently communicated throughout the organization.

### 2. Legislation Compliance

- Regular Compliance Audits : Conduct regular audits to ensure that the organization is compliant with relevant legislation and regulations. This includes updating policies and procedures to reflect any changes in legislation.
- Employee Training : Provide ongoing training and development programs to ensure that employees are aware of and understand the relevant legislation and their responsibilities in complying with it.
- Legal Counsel : Establish relationships with legal experts or consult with legal counsel to stay informed about changes in legislation and to seek guidance on compliance matters as needed.

### 3. Impact of National Economy

- Economic Forecasting : Monitor economic trends and forecasts to anticipate potential impacts on the organization and to develop contingency plans for mitigating risks.
- Diversification of Revenue Streams : Diversify revenue streams to reduce reliance on any single sector or market segment, thereby mitigating the impact of economic fluctuations.
- Agility and Adaptability : Build organizational agility and adaptability to respond quickly to changes in the national economy, such as adjusting production levels, optimizing resource allocation, and exploring new business opportunities.

Overall, these recommendations emphasize the importance of proactive planning, effective communication, and strategic decision-making in response to the findings related to top management priorities, legislation compliance, and the impact of the national economy. By implementing these recommendations, organizations can better navigate challenges and capitalize on opportunities in today's dynamic business environment.

## Conclusion

This study has found that the HR managements of large firms generally take many environmental factors into account. Moreover, firms consider or being affected both internal and external elements of organizational environment, when determining HR policies. Also, the impact of an overall HRM strategy is one of the high-ranking elements that shape HR actions of these companies; which show that, these institutions generally have strategies for their HR activities. Further investigation should be realized with more environmental factors, with a larger sample. Organizations of different countries should be compared for their environmental system that shape HR planning and implementations.

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## **Annexure**

### **Questionnaire**

#### **Open Ended Questions**

Note : These questions are designed to gather qualitative insights from interviewees while minimizing variation in responses by using a structured approach.

1. Can you share your insights on how the size of the organization influences HRM practices?
2. How do literature and experiences contribute to shaping HRM strategies in your organization?
3. What role do professional organizations play in influencing HRM decisions within your organization?
4. Can you discuss the impact of HRM staff's experiences in other organizations on HRM practices here?
5. How do HRM theory, research, and writings impact decision-making processes within your HR department?
6. In your opinion, what is the significance of education and training in HRM for the overall success of the organization?
7. How do daily political developments in India affect HRM practices within your organization?
8. What influence do culture and politics have on HRM policies and procedures in your organization?
9. From your perspective, how do the political characteristics of managers impact HRM practices within your organization?
10. How do you perceive the political characteristics of employees impacting HRM decisions and practices?
11. Can you elaborate on how power and politics manifest themselves in HRM processes within your organization?
12. How do general education policies and practices impact HRM strategies and initiatives within your organization?
13. What are your thoughts on the impact of changes in the international economy on HRM practices within your organization?
14. How do changes in the national economy influence HRM decisions and actions within your organization?
15. Can you discuss the impact of technological changes on HRM practices and strategies within your organization?