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Human Resource Management – Assessment 1

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Name: Akshay Suresh Kurhade (2005370)

Lecturer: Gladius Kulothungan

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Introduction

After studying the researches that have been carried out for the last few years it has been found that human resources is a very essential part of any conglomerate and has a very clear objective that has to be religiously adhered to in order to ensure that the organisation should achieve the goals it has set out for itself. The effective functioning of human resources is also a means of encouraging the employees working in a company by ensuring that their requirements are looked after, namely by motivating them by taking care of their issues, by training them and by selecting and recruiting the right kinds of employees. The circumstances that affect an organisation directly or indirectly from the outside and which are not always in control of the organizations are termed as **external factors** which include social, cultural, technological, economic, political and legal environments, and such external factors are very important in ensuring the development and implementation of effective **human resource planning** in any organization. It has been discerned after a lot of deliberation that environmental scanning is a very essential part of HR planning and when related to the external environment this is a means to understand the surroundings in order to define the available opportunities or risks that an organisation faces in the long term in a specific environment.

Human Resource Strategy

The Human resource department and their HR strategies primarily focus on areas like.

- Bring and retain the right people.
- Maintain good performance to accomplish business goal.
- Creating a responsible, high-performance and ethical culture.
- Maintaining a strong, positive corporate image.

Analysis of the current and predicted changes in the external environment on HR Strategy

External Factors Impact on HR Strategy

Human resource processes and their strategies need to accommodate changes in the workforce and the only way to do this successfully is by keeping an eye on the external environmental factors like economic, social and cultural, technological, political and legal. The statement, "External factors are uncontrollable and dynamic in HRM" proclaims the inescapable significance of the impact of external factors on HRM processes. This is the main reason why HRM processes change from Corporation to corporation at public and global levels. The executives who are considered the Human Assets in a company are considered as the most indispensable elements which influence authoritative execution since it is only the Human Assets that can give a corporation an upper hand in a profoundly serious business climate. Due to this the main issue which is faced by HR managers and should be tended to as quickly as possible is the changing climate. The main factors that influence the jobs and duties of the HR administrators and HR processes in an international arena in any conglomerate are worldwide financial conditions and the competition in innovation in their field. Basic and traditional HR practices are becoming irrelevant in the changing business climate which is impacted by external public and worldwide components and in order to solve such external issues HR supervisors must create their own personalized HRM strategies. (DR. H. Saban Echdar, January 2014)

Impact of Social and Cultural

The social and cultural atmosphere in which a business works impacts Human Assets and their style of working. The social and cultural surroundings impact HR strategy in different areas namely worker inspiration, attitude towards hard work and disposition towards work. In multinational companies workers are moved around to various divisions around the world hence it is sometimes hard to comprehend how different societies function since each country follows a different administration style like formal, casual, a tall structure and some follow a wide one while some follow a unified structure and some are decentralized, this is called Geo-centrism.

For instance, the pay for performance scheme which is the main style of functioning in the US and the UK can't be effectively utilized in another Nation. Likewise, the Japanese spend more liquid resources on social and recreational exercises as compared to the Americans. (Oi, 2016) (Armstrong, 2009)

Current Changes: Many multinational organizations have changed their HR policies pertaining to training, staffing and motivation due to the different cultural and social changes that they are facing in different areas of the world. Some companies have also changed their structures depending on the countries and the cultural and social norms that they've been facing.

Predicted changes: Social norms can change due to the changes in governments which could have a strong impact how an organization's HRM works. A slow change in culture could have an impact on HR policies, manpower management and the hiring policies followed by an organisation.

Impact of Economic Factors

The current economy is one of the greatest external factor which has impacted overall HR strategy. In addition to the fact that it affects the ability pool, however it may likewise influence the HR capacity and **HR strategies** to hire anyone at all. Perhaps the most ideal approaches to get ready against financial conditions is to not only understand what's going on in our general surroundings, but also to create a plan for when there is an economic downturn. Every organization can cause anticipated in a terrible economy in the event that they to have a blustery day asset or plans to battle the harsh climate. (Armstrong, 2009)

Current Changes: The economy has shaped the world of HR. Globalization has furthermore provoked extending contention and a money related and financial move from making to emerging economies. It progresses a sensation of social care, overall co-movement and overall money related between dependence. The Covid-19 impacted on economic growth of organizations and due to which HR changed their strategies. For example, Virgin Airlines had a job cut and reduction in hours of the employees due to the Covid19 economic downturn and has promised to reverse the decision as soon as the situation improves. (Anon., 2020)

Predicted changes: The economic growth will improve positively since the market shows significant recovery from the consequences of the covid-19. HR focus on workforce strategies in the recovery phase.

Impact of Technological Factors

Innovation can in its wake introduce openings and difficulties for human resource strategies and their administration experts. New advances may require HRM experts to recruit new workers capable to function in the newly innovated scenario. Information Technology greatly affects conglomerates that exist in a powerful climate which could prompt more prominent productivity and viability of HR policies. The use of IT applications for information based administration and progressed enlistment frameworks henceforth will expand the proficiency of the business. (DR. H. Saban Echdar, January 2014) (Anon., 2014)

Current Changes: The effect of innovation on HR system dependent on the neo-possibility approach and found that innovation has assumed a viable function in rearrangement HR system in the employment climate. IT has influenced the proficiency of the employing cycle. (DR. H. Saban Echdar, January 2014)

Predicted changes: These days rapid changes in Technology or in any event could be something as straightforward as another variant of a word preparing program. The major strategy for this kind of a scenario is training, retraining or releasing employees if their abilities are not, at this point pertinent to hierarchical necessities.

Impact of Political & Legal Factors

The legitimate climate is critical to any business which is the political and lawful climate i.e. public, nearby government and EU and different administrative bodies. These powers are significant and essential on the grounds that the issue with self-guideline is that it makes strain between what is socially alluring. These sorts of guidelines impact each cycle of the **Human Resource strategies** including employing, training, compensation, termination and substantially more. For instance, Facebook got into a debate with respect to the "auto-labeling" of photographs utilizing face-acknowledgment innovation and numerous individuals particularly in the U.S. voiced worries of their protection being meddled with. (Anon., 2020)

Current Changes: The Brexit circumstance has messed up Nestlé's arrangement and this change compromises the business of creation and food laborers. Political changes regularly influence the organization and moving tasks out of the nation could influence the unsteady climate in England. For instance, Nestlé a deficiency of more than 300 positions, affecting the generally disputable political English atmosphere(Chapman, 2017)

Predicted changes: The changing economy and political landscape will impact on employee's compensation and retention.

Human Resource Strategies responses to the changes External Environmental

The Human resource continuously monitor external environmental factors and adjust HR strategies accordingly to achieve company's mission and goal.

Strategies for Social & Cultural Environment Factors

HR groups which are firmly engaged with the association's social aspirations can lead these activities by executing their insight into portraying new practices and work styles and utilizing their aptitudes in authoritative advancement. Associations have a different labor force and is essential for organizations to deal with the social change occurring. HR recognized moral conduct has become a guideline point in social qualities and because of this these days worker needs to sign and follow moral set of principles which is the piece of normal HR practice. (Bersin, 2013) (Kazanas, n.d.)

Cultural Strategy: HR consider regional and global culture for creating a great place to work and a great company. It is about creating a happier, healthier and more harmonious workplace in which people can thrive and everyone has a direct stake in increased organizational success. (DR. H. Saban Echdar, January 2014)

For example, Google takes culture seriously and they spend significant resources and research on creating productive and collaborative environments.

IBM created equality policies for homosexuals' people to treat them equally. (Kazanas, n.d.) (IAN BEARDWELL, 2004)

Job Advertising Referencing about position, necessity, earnings and culture so that HR could get suitable application for their work culture and it is part of HR strategy.

Recruitment for some positions that is finding qualified applicants with the right knowledge and experience could be challenging, hence a dual approach, which includes proactive and reactive elements, is still very much required. (Armstrong, 2009)

Strategies for Technological Factors

Principally training, advance recruitment and employee development program are the HR strategies for technological frequent changes.

Effective Training: is an integral part of the corporate **Human Resource strategy**. For Example, Nestle conducted In-house training program for their employees. They are also invited external trainers for exclusive training programs so that their employees get an opportunity to attend training programs and learn new skills which they can implemented in work. Nestle also running employee development program to improve their staff's technical skills (IAN BEARDWELL, 2004) (Bersin, 2013)



Advance Recruitment: HR keen focus on advance recruitment since the rapidly change in technology. In some big IT vendors such as Google, Microsoft, Facebook, Salesforce and LinkedIn are all spending money into the advance HR recruitment market. (Anon., 2014)

For example, Nestle constant works towards identifying new additions to their research teams quickly and efficiently. Recruiting, when other companies in their market are not actively recruiting, enables them to precisely do this. Of course, they take talent selection very seriously it is not just about skills and qualifications, they also look for scientists who have a passion for science and technology, and who want to be a part of an organization at the forefront of innovation

Nowadays most of the organizational HR identify and implement analytics in the HR department to observe and study their staff achievement and spot the bottlenecks. (Armstrong, 2009) (IAN BEARDWELL, 2004)

Strategies for Economic Factors

There has been a critical expansion in spotlight on **staff management** and rehearsing great staff management. Human Resource Management (HRM) empowers administrators of a venture to communicate their objectives with particularity, expanding specialist understanding of objectives, and give the vital assets to advance effective achievement of said objectives. There has been a development in each business and industry Global exchange and capacities look for legitimate consideration on HR as the arrangements should be in accordance with such development subsequently there should be an appropriate spending portion for Human Resources and the previous methodology considering HR as a cost place is presently moving and the discernment has been changing altogether. (Armstrong, 2009)

Flexibility: For Covid-19 pandemic situation HR used their work flexibility strategy (Work from home or Remotely) in most of the location to maintain customer relation, productivity, employee work balance and business revenue. (Anon., 2014)

Manpower strategy is one of the vital strategy in the economy recovery phase. For example, Deloitte HR leaders has created their post Covid-19 recovery manpower strategy to engaged workforce, productive and resilient and they have primarily focused on five critical actions like reflect, recommit, re-engage, rethink, and reboot to shaping the organization “new normal”. (Deloitte , 2020)

Strategies for Political & Legal factors

The HR reaction despite changed legal/administrative condition and the modified business situation should be-Aligning individual objectives to hierarchical objectives. According to the evolving socioeconomics, there has been a tremendous change in legitimate commitments which contrast starting with one nation then onto the next despite the fact that the association is the equivalent. HR routinely updated guidelines of the relative multitude of parts of the association situated in different nations and at times HR taken consideration proactive measures to adjust to the dynamic legal/administrative conditions. (Kazanas, n.d.)

Hiring: HR focused on hiring qualified public relations and local negotiations team and also training and development of executives charged with running the new facility to ensure they are sensitive to cultural differences. (Kazanas, n.d.)

Organizational Reconstruct strategy: HR closely watch government policy change, a change of government and new organization's needs corresponding to business sectors, enterprises and organizations for organizational stability and accordingly HR convert their organization structure. (Kazanas, n.d.)

Compensation is an important strategy of HR. Considering predicted Political and legal factor HR adjusted compensation of their staffs. (Anon., 2014)

Conclusion

In conclusion I would like to state that the external environments that Global corporations are facing are changing at a very fast pace and so it has become very important for HR professionals to be prepared to adapt themselves to the dynamic requirements that their corporations are facing. Another conclusion that we have come to is that external factors that companies face are not always under their control and not only do they have a very lasting impact on the way businesses perform but also ensure that HR professionals should take necessary measures to cope up with the issues that their corporations face, which could in turn have an impact and bring about massive changes and adaptation in HR practices followed by the Corporation in question. These external factors as mentioned above include economic, legal, demographic, cultural, political and technological factors and all these above mentioned factors end up changing HR practices as time goes by and now HR practices have become much more efficient in ensuring that they deliver what the organizations require by altering the

way in which they hire and recruit new employees, by ensuring that training and development and compensation and benefits given to their employees benefit them to the maximum as well as ensure that the organisation does not face a loss due to the same. Finally, the researcher concludes that the statement given in the beginning of this study is true because external factors are impacting HR practices around the globe and these factors are beyond the control of the organizations as well. HR planning is an ongoing process and the strategies to be employed by the corporations need to be reviewed on a regular basis and updated as per their requirements as the organisation keeps changing. The above study may help us understand the environmental factors impacting organizations crucially and help us to extend the concept and relate it to HRM practice. Although the results have not substantiated some of the previsions, the attempt to control and consider all the environmental elements should be continued until a point in time when the studies could be useful for organizations to achieve the goals that they have set out to achieve.

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