



Emerging Innovative Human Resource Practices in 21st Century

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Abstract: Human resource has identified as the key asset which led organizations towards gaining competitive edge in the contemporary business environment. Constant pressure is putting on HR professionals to enhance HRM effectiveness to uplift organizational capabilities, in which HR professionals has constantly engaging in a revolutionary game to revamp the traditional HR functions embracing innovative approaches. This paper examines few emerging innovative HR practices which highly got the attention among HR professionals in 21st century namely; telecommuting, electronic HRM (e-HRM), gamification, artificial intelligence and HR analytics and its application on traditional HRM functions. This topic is timely suitable due to abrupt escalate in adopting innovative HR practices among organizations due to Covid-19 pandemic. Innovative HR practices led HR professionals act as strategic partners in the organization, as these innovative HR practices directly support corporate strategy as well as provide number of benefits for organizations to reach their level of success.

Keywords - *Innovative HR practices, Emerging trends, Covid-19, Human Resource Management, Innovation*

I. INTRODUCTION

In an era, organizations continuously facing aggressive competition, innovation has become indispensable for organizations not only to maintain their market share but also for organizations' survival. As the intense competition heighten daily, together with the global changes such as globalization, constant development of information technology reveals that utilizing simple set of human resource management (HRM) practices are no longer beneficial, instead there is a crucial need of adoption of improved and innovative HR practices for organizations to remain competitive in the market. As the significance of traditional sources of competitive advantage such as; organizational technology development, economies of scale, and value adding activities are rapidly decreasing due to the high imitability of these resources, where the importance of human resource in creating competitive advantage are rising due to its intangibility, irreplaceability and inimitability (Pfeffer, 1994) where the cruciality of innovative HRM practices has come into play.

Innovation is defined as the process of developing new items, equipment, programs, or systems (Damanpour, 1991). Further, Van de Ven (1986) viewed innovation as an activity or task which intended to develop an idea, carry it out, reach to it and alter and change where necessary. While Wolfe (1995) define innovative HR practices as novel HR-related ideas, programs, procedures, or systems that organizations adopt newly. As stated by Agarwala (2003) cited from (Kochunski & Ruse 1996) HR professionals are constantly under pressure to reduce cost and to provide a more pleasant and satisfying working environment for its own staff to face the challenges and adopt new changes. Challenge HR professionals currently facing are to reshape HR strategies to match with novel requirements, as in the present survival and success of HR practices completely depend on its ability to adopt to change and revamp HR practices according to organizational and social needs (Budhwar, 1996).

Kossek (1987) identify key factors that influence the adoption of new HRM practices by organizations such as;

1. External environmental factors which influence HRM innovations across different industries.
2. Structural organizational features which relate with HRM innovations.
3. The most widely disseminated HRM innovations that are easily packaged and promoted by consultants.
4. Frequently adopted HRM innovations by organizations in order to appear more legitimate.
5. Organizations with a strong culture may implement HRM innovations for different reasons than organizations with a weak culture.
6. Organization's history of success with past HRM innovations influence and the likelihood for acceptance of new ones.

Agarwala (2002) cited from (Mishra, 1996) assert innovative HR solutions ensure that individuals respond spontaneously to company's crucial demand have a lot of potential for building healthy and successful companies. Moreover, Koster (2019) cited from (Ulrich & Dulebohn 2015) assert these innovative HR solutions depend on several vital trends such as; technological trends (such as digitalization), social trends (related to life styles, healthcare factors, etc), environmental trends (concern on sustainability), demographic changes (entrance of new generations to the workforce), and economic trends (labour market changes, economic recessions, etc). Therefore, HR professionals are in continuous game of revamping the HR strategies by keeping traditional HR practices as the base to move towards custom made HR systems that fits with organizational requirements adopting emerging innovative practices. Numerous emerging innovative HR trends can be identified in the corporate world such as telecommuting, workforce diversity practices, e-HRM, gamification, artificial intelligence, HR analytics, changes in employee skills, growth of social networking, increasing privacy concerns, HRM in Gig economy, green HRM, etc. Some advanced and commonly focused innovative human resource management practices worldwide to ensure effectiveness in managing employees in their workplace by being agile to face the constant changes successfully has been discussed in this article.

II. TELECOMMUTING

Telecommuting refers to allowing employees to work from home or work from a location which are comfortable for them without having to report to the main office (Siha & Monroe, 2006). Telecommuting includes flexible work schedules, remote working, mobile working, etc apart from allowing employees to work from home. Telecommuting may contribute to cost reduction in the organization through reduction of overhead costs such as; travelling expenses, utility cost, reduction in travel duration as well as reduce labour cost through employee retention (Davison & Khalifa, 2000). In addition, Telecommuting work as a motivational driver as it supports work life balance and provide greater autonomy to employees. Proving the fact Uresha (2020) disclose that telecommuting positively impact on employee work life balance and employee happiness in the Sri Lankan context. A sudden boost in this strategy was aroused due to Covid-19 pandemic. It is responsibility of HR professionals to embrace this innovative strategy appropriately and seek for novel alternative telecommuting options.

III. ELECTRONIC HRM (E-HRM)

Growth of e-Commerce resulted in development in e-HRM which is defined as the usage of the internet to carry out business transactions and human resource activities (Mahfod et al., 2017). Modern e-HR techniques have enabled employees to update their personal details on their own as well as enable other managers to conduct analyses, receive information as well as to make decisions without contacting human resource department (Panayotopoulou et al., 2007). As stated by Hall and Moritz (2003) some of most commonly used e-HR practices refers to enterprise resource planning software, voice recognition systems (VRS), mobile apps, HR service centers, interactive voice response and employee portals. Common application of e-HR in HR functions are presented below.

Human Resource Planning – Enterprise resource planning software, employee portals are used in developing and maintaining skill inventory, identification of training needs, succession planning as well as in the process of estimating future labour demand and supply (Njeje et al., 2018). Moreover, this contributes to ensure accurate record keeping.

Recruitment, and Selection – Online job advertisements, especially programmatic job advertising allows candidates to submit their resumes online either through emails or any other electronic platforms have enabled organizations to gather large pool of candidates as well as enable employees to apply for jobs regardless of the geographic distance. Selection methods such as online aptitude tests,

video conferencing, quizzes, etc have made the selection process easier and faster. In addition, usage of e-signatures has allowed to send offer letters, appointment letters, etc online which had made the process faster.

Performance Evaluation – E-Performance evaluation process permit managers to provide evaluations online making the process easier and faster as well as it allows the employees to record their performance data online such as target achievements securing high data accuracy (Panayotopoulou et al., 2007). Moreover, continuous feedback can be provided through e-performance evaluation systems result in high employee motivation.

Compensation Management – New approach of e-Compensation management allows employees to select the rewards package according to their choice online when different alternatives are available such as; stock options, commissions, etc (Rondeau, 2018). This has led to increase employee motivation as employees are able to match rewards with their requirement. As well as utilization of software in pay management has ensure the accuracy of transactions.

Training and Development – Training need identification can be facilitated by emails, intranet, and restricted company websites which assure the privacy as well as ensure accurate training need identification. Moreover, webinars, restricted company website training resources and materials, micro learning platforms, downloadable streaming videos, as well as social media training platforms such as ‘LinkedIn learning training’ has enable employees to gain vast local and international knowledge base.

IV. GAMIFICATION

Gamification is generally define as the ‘*application of game elements in the non-game context*’ (Deterding et al., 2011). With the entrance of generation Y and Z to the workforce, workplace has transferred more towards digitalization where the crucial need for digital HRM practices is aroused which was addressed through gamification. Gamification leads to high employee engagement, clear identification of goals, and promoting competitive environment by boosting employee motivation, uplift transparent communication, encourage risk taking and employee creativity, high employee retention due to high satisfaction as well as foster a culture of innovation within the organization (Ěrgle & Ludviga, 2018). Common application of gamification in HRM functions are explained below.

Recruitment and Selection – Gamified recruitment and selection takes a different form in which it enables applicants to apply for the job or accept the job offer after engaging in gaming process by checking their suitability in particular roles (Aledo, 2016). Moreover, gaming experience enable applicants to be relaxed and present their real behaviour which would be very difficult to check in the traditional setting allowing organization to select most suitable candidate with acceptable personality (Aledo, 2016). As mentioned by Blštáková and Piwovar-Sulej (2019) “My Marriott Hotel” utilize a gaming technique which enable players/candidates to put their abilities to the test by taking on a various of positions to check their suitability in each available position, which led company to recruit world’s top talent in the hospitality industry.

Training and Development – Gamification assure the knowledge and skills transferred through training programs will retain with employees for future reference as they gain that knowledge through an enjoyable experience. Organizations develop various gaming techniques linked with quizzes, games with medals and levels which update based on employee performance, etc allowing employees to gain an entertaining experience. For instance, Walmart used multiple choice quizzes named ‘Curvy Loop, Quiz Show and Simon Says’ timed for 3 minutes each quiz, to increase employee awareness in safety practices which later revealed that 54% decline of total accidents in tested distribution centers presenting the effectiveness of the game (Mak, 2015).

V. ARTIFICIAL INTELLIGENCE (AI)

Artificial intelligence can be define as the computing technology that imitates human-like intelligent actions (Bhave et al., 2020). Artificial intelligence has enhanced the effectiveness of HRM as it assists HR professionals to assess, forecast, and diagnose tasks result in better decision making. In one hand AI can be considered as a threat by HR professionals because AI aspects like robotics technology has increasingly substituting the employees result in having a considerable decline in workforce. Thus, benefits of AI have overweighed its costs. In the present context AI has embedded in several HRM functions presented below.

Job Analysis – Job analysis is a traditional HRM function. AI can be used in job analysis by filtering available job descriptions with positions which enable analysts to have an understanding about the nature of the jobs and specific skills which required to perform those jobs before actually collecting the data about jobs result in less time consuming and less effort and cost (Johnson et al., 2021).

Recruitment and Application Screening – Even after the recruitment process, through AI organizations will have the opportunity to store the database of past applicants, and when there is a requirement for recruitment organization have the opportunity to firstly search from the existing database to check suitable candidates which result in lowering recruitment cost and faster recruitment. Moreover, when screening the applicants, AI enabled automated systems assist to identify talented and qualified applicants to be invite for interviews, later AI will automatically generate letters accordingly based on the interview results.

Employee Hiring – AI enable organization to integrate information which collected through resumes, employment tests, interviews and personality inventories and permit organization to make hiring decisions based on the information. As stated by Johnson et al. (2021) cited from (Ideal 2019) AI based hiring decisions has led to increase employee performance by 20% which result in reduction of turnover rate by 35%.

VI. HR ANALYTICS

HR analytics refers to systematically assess and quantify the primary cause of human resources for performance with the purpose of making finer decisions (Human Resource Management International Digest, 2017). As stated by Opatha (2021) HR analytics is important for organizations to demonstrate that the benefits of having skilled employees outweigh the costs. Moreover, HR analytics has become an essential feature when making critical business decisions (Gurusinghe et al., 2021). HR analytics is essential in addressing key HRM challenges such as to recognize primary factors affecting to organizational performance, ensure proper allocation of work force by matching geographic regions, enhance employee retention through reduction of employee turnover and cost of hiring, identification of main employee performance drivers, ensure that remuneration packages are equitable, and in identifying employee insights to improve the overall performance of the organization (Momin & Mishra, 2016). Utilization of HR analytics has made it easier for HRM to transfer from supportive role to strategic role in the organizations. As stated by (Opatha, 2021) cited from (Vadakkanmarveetil 2014) HR analytics has been constantly apply in routine HR activities such as; selecting the most suitable candidate for the vacant positions, capturing employees who are suitable for promotions and to develop succession plan accordingly, analyze which HR activities directly influence employee performance such as training, as well as to identify super performers in advance and take actions to maintain their motivation to assure their retention. HR analytics assists HR professionals in aligning HR responsibilities with company strategy and enhancing HR's role as a strategic partner.

VII. CONCLUSION

Innovation has become inevitable in this dynamic business environment not only for business to maintain their market share but also to survive in the market. Human resource being the most unique and important asset an organization possess; it is essential for human resource professionals to embrace innovative approaches to manage human resources to enhance organizational capability as well as to ensure employee satisfaction which lead better employee performance drive towards achieving competitive advantage. With the global changes number of innovative HR practices has discussed in the literature. Few most commonly focused innovative HR practices worldwide such as; telecommuting, electronic HRM (e-HRM), gamification, artificial intelligence and HR analytics has discussed in this paper with their application on traditional HR functions. Due to the pandemic abrupt rise in these HR practices can be seen around the globe therefore, knowledge on these innovative HR functions has become a timely requirement which covers from this article.

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