

The future of HR in the modern economy

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Annotation. The study of human resources is one of the most key aspects in public administration. Effectively managing the workforce of a government's public sector is essential to a successful and efficient public service delivery. Innovations that the modern age has brought to all aspects of life have had a significant impact on the science of HR. This article compares modern HR to HR of the past and tries to sum up what can be expected to change in this field in the future.

Key words: Human resources, globalization, human-based economy, Peter Drucker, IT, knowledge-based economy.

Human resources (or HR) refers to the people making up the main workforce of a business, organization, economic sector, or the economy as a whole. Sometimes, the term “human capital” is used synonymously with the term “human resources”. Also used are the terms “manpower”, “talent”, “labor”, and “personnel”. So, in simpler terms, HR refers to the actual employees doing the work. The success of an organization depends largely on the people working for it. What do the current trends such as globalization and informatization mean for the future of HR?

First of all, one's whole career is a lot different to that of fifty to sixty years ago. Whereas before, one was expected to keep working in his field for one single company most of his life, it is rarely the case nowadays. The fast pace of today's economic growth and development means that workers are expected to change their workplace several times throughout their career, possibly even changing their field of work completely. The rapid development of technology breeds ever changing demand for workers.

Before, financial and natural resources were the key to success. Now, especially in the first world countries, these resources have already been developed as much as possible, making organizations switch to developing their human resources.

Furthermore, the challenges faced by employees today are different than those in previous years. The present day markets are notably more uncertain and dynamic. Business organizations are becoming a sort of “learning facility” used to develop a relatively new type of resource – the human resource.

Secondly, the modern knowledge-based economy, the concept of which was first introduced by Peter Drucker, is quite different from the industrial economy of the past. Naturally, this means that the workers in a business take on a different role – instead of being involved in developing industry, workers are engaged in accumulating knowledge, establishing various networks and obtaining information. The manual worker has been replaced by the information worker.

A recent survey done by the Society for Human Resource Management has shown, that HR professionals think the following to be the main HR challenges in the next 10 years:

Retaining and rewarding employees; developing the next generation of leaders; creating the right corporate culture to attract the best employees.

The following trends for the near future have also been predicted:

Work arrangements will get more flexible – no more strict 9-to-5 working days, the number of people working from home or independently will only increase. Modern technology allows companies to be more flexible in this regard.

HR will get more technologically advanced – work will get more and more integrated with various social networking platforms, such as Facebook, LinkedIn, and so on. Communication between staff, management, and other parties will also be carried out in the same way, the same goes for recruiting.

Workers will have work-oriented online profiles, where one can see their resume, achievements, characteristics, and so on.

The increased use of technology will mean that HR departments in various organizations will expand greatly, and will need to hire specialists in various technological fields – IT, programming, engineering, etc.

Thirdly, to have a better grasp of what the future holds for human resources, one must take into account the future transformations of the global economy. According to experts and analysts, the knowledge economy will give way to the human economy. In a human-based economy, technological advances have progressed so far that most menial jobs are performed by machines or robots, driving humans out of a lot of occupations. Knowledge, which has been amassed with so much effort in the previous stage, is now near worthless because of the computing and storage abilities of advanced computers and robots. On the other hand, there will always remain a lot of jobs that machines without a consciousness will never be able to do as well as a human.

This means that at the same time, experts in the needed fields will be even more valued than before. Especially valued will be the qualities that separate humans from machines – emotions, intuition, passion, character, spirit. Analysts predict that the way decisions are taken will also change. The aforementioned human qualities will take precedence over logic in decision-making in the human economy. Women will also likely outnumber the men in the higher echelons of management for this reason.

However, this is not the only possible future for the world. A human economy requires that the birth rates slow down – paving the way for robotization of menial industrial tasks without taking away jobs from humans. But since various regions of the globe, until recently, have been developing in relative isolation, different technological conditions have formed around the world. Whereas the northern hemisphere is advancing towards becoming a human economy, it has also recently begun to be affected by mass migration from less developed countries. This means that advancement to the next type of economy is being slowed down – the low birth rates, which were supposed to pave way for robots taking up the menial labor positions, are getting boosted by migrants. Some pundits go as far as predicting the regression of the developed world back into an industrial economy, should the flow of mass migration increase.

Even though the precise future of HR cannot be determined with absolute certainty, one thing is for sure – staying ahead of the curve requires constant research and analysis in order to predict and determine how the global economy will change in the future.

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