

Human Resource Functioning in an Information Society: Practical Suggestions and Future Implications

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Abstract

This paper explores the state human resources management in an information society. As technology rapidly changes organizations and human resources professionals need to be mindful of the impact that can have on the every day operations in human resources departments. As human resource management is involved in the process of recruitment, selection, and retention of new and current employees, they can play a significant role in maintaining a competitive advantage in the knowledge-based market. Thus, the purpose of this article is to provide an overview of the practical and strategic steps that those in the human resources field can take to facilitate success in this changing economy, as well as to warn against the implications and consequences of failing to meet these important challenges.

Keywords

human resources, technology, information society

The shift in how organizations can effectively function in the changing world of work has recently been a hot topic within the fields of industrial and organizational psychology, human resources, management, and knowledge management. Several authors have addressed how society is rapidly shifting from an industrial age to an information age or knowledge economy and the challenges that come about with such a change (Al-Hawamdeh & Hart, 2001; Burch, 2005; Castells, 1996; Elliot & Jacobson, 2002). While there has been extensive thought-provoking discussions on the realities facing organizations and the changing demographics of the workforce, little has been written

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that directly addresses the practical implications for human resources functioning. One cannot deny that this issue has been addressed with extensive literature reviews; however the applied, pragmatic dos and don'ts of how to succeed have received considerably less attention. Thus, the purpose of this article is to provide an overview of the practical and strategic steps that those in the human resources field can take to facilitate success in this changing economy, as well as to warn against the implications and consequences of failing to meet these important challenges.

Until recent years, the traditional roles of human resources departments in organizations has been to recruit, select, place, and promote employees into different jobs. They have also been involved in overseeing salary and bonuses, performing administrative functions, and disciplining and terminating employees. However, with globalization, and information technology impinging upon today's organizations, human resources departments in the United States and around the world will have to take on the role integrating human resources structure into the whole of organizational functioning (Meisinger, 2006). They need to become the leader, rather than performing a supporting role in the company. Moreover, an organization's ability to recruit, select, retain, and develop the best employees is essential for facilitating and maintaining a competitive advantage in the information age. Such functions have become progressively more vital as the knowledgeable employees who possess the necessary competencies, knowledge, skills and abilities, are becoming very valuable, yet increasingly rare and difficult to replace. Due to the asset of the organization being progressively shifted toward the employee, the first thing to realize is the value of the company's human capital. While it may sound insensitive and impersonal, many organizations do not realize the value of an employee, until he or she has left the organization, and even then it is still difficult to fully understand the value of what was lost. Evaluating the value of an organization's assets is not a new concept, it goes along with the old saying, "what gets measured gets managed," however, the application of this notion to human or intangible assets is fairly novel (Weatherly, 2003).

Recommendation 1: Measure the value of your human capital, to manage, develop, and cultivate it.

After an organization is aware of the value of its human assets, the next is to attract selection and retain employees who fit the culture of the organization. Thus, the purpose of the next section of this article is to review the functions of employee recruitment, selection, and retention by discussing the current processes and how the paradigm shift accompanying the information society is going to change such functions.

Recruitment

Employee recruitment is the first step to take on the path to hiring outstanding employees. The more successful an organization's recruitment strategy, the stronger the applicant pool, thus, the stronger the resulting hired employees. According to Gatewood and Field (1998), the three traditional purposes of recruitment are (a) to increase the

pool of job applicants with minimum cost, (b) to meet the organization's legal and social obligations regarding the demographic composition of its workforce, and (c) to help increase the success rate of the selection process by reducing the percentage of applications who are either poorly qualified or have the wrong skills. While these overall goals of recruitment have not necessarily changed as we have moved into an information society, the importance of accomplishing these goals have become even more apparent and the ways in which organizations go about achieving these goals have and will need to change.

Typical recruiting strategies include advertising in newspapers, word of mouth, flyers, and job websites, such as monster.com. Such forms of recruitment are viewed as passive, because the action lies with the potential employee or applicant, rather than the organization (Lawrence, Sausser, & Sausser, 2007). In an employment climate where there is an abundance of potential applicants seeking employment, such tactics are not necessarily ineffective, as they are less costly than more active forms of recruitment. While organizations might try to save money wherever they can, such forms of recruitment might prove detrimental to hiring a strong and diverse workforce in the information age. Specifically, with the onset of the baby boomers generation retiring, the decrease in the number of applicants to fill those positions, the increase of outsourcing, and the increase of global and local competition, human resources departments are going to need to become much more involved and active in their recruitment processes (Cooper, 2004). Recruitment in the information age needs to be much more active. Human resource professionals need to actively seek the populations of potential employees in which they are interested. By actively seeking out recruits, organizations can hopefully reduce the number of unqualified applicants and also increase the diversity of the applicant population. Successful organizations will emphasize the development and implementation of novel strategies for recruitment. Such activities could include developing an organizational presence on social networking sites where ideal future employees might frequent (e.g., LinkedIn.com, Facebook.com, etc.).

Recommendation 2: Avoid using passive recruitment tactics. Rather, actively seek the population of recruits in which you are interested.

Another option for recruiting is to recruit internal applicants for jobs. These individuals already possess desired organization skills and have been inculcated with the values of the organization. Whether it involves placing a current employee in a higher level job, a job in a different department, or even in a different state, recruiting employees internally increases the likelihood that those employees will be successful and remain with the organization (Cooper, 2004; Lawrence et al., 2007). It can also contribute to the retention of well-qualified, hard-working employees. While recruiting internally is not a new concept, technology that allows for web-based employee tracking and profiling can be utilized to inform human resources if an employee has the experience and/or desire to take on new roles in the organization.

Recommendation 3: Recruit internal employees for different jobs in the organization.

When there are no internal staff to fill a position or you are in need of a new employee, use multiple methods to recruit applicants. The Internet is increasingly becoming the most utilized source for job posting (Cooper, 2004; Lawrence et al., 2007). However, posting is not enough. Human resource professionals should use the Internet to search posted resumes and search for people they think might be a quality applicant and encourage them to apply. Another source of potential applicants is college campuses and employment agencies. Whether the organization is seeking applicants for a professional position, in which a degree is required, or staff position, college campuses and employment agencies have lists of potential applicants who are likely to fit the needs of the organization.

Recommendation 4: Utilize new and existing methods to search for applicants (e.g., electronic recruiting, talent banks, employment agencies, temporary agencies, college campuses, etc.).

Another very important thing to remember when recruiting new employees is they are evaluating your company as much as you are evaluating them. This is a mutual joining up process with evaluation occurring on the part of both organization and potential applicant. Thus, maintaining a good public image is essential. To do this requires putting your best foot forward. When recruiting potential applicants, organizations should send recruiters who are satisfied with their jobs and the organization in general. Organizations should ensure the recruiters are individuals who represent the core competencies of the organization. Organizations should also maintain a good public image, whether it is a clean and organized office, or a nice and functional website.

Recommendation 5: Maintain a good organizational image and show that to recruits.

Selection

The second major step in the staffing process is employee selection. Of all the processes in organizational staffing, selection has received the most attention, and thus the importance of the process is solidified in the minds of those who work for human resources departments (Ployhart, 2006). The goal of any selection system is to identify applicants who possess the competencies, knowledge, skills, abilities, and other important factors, such as personality, that effect organizational and job fit, to succeed within the organization and within the job role. Selecting employees has many challenges, legal and otherwise; thus a well thought out and legally defensible selection system is crucial for organizational success. There are several processes that need to be included in the development of an effective selection system. Rather than just review the extant literature on selection practices, like many other scholars (Evers, Anderson, & Smit-Voskuyl, 2005; Guion, & Highhouse, 2006; Ployhart, Schneider, & Schmitt, 2006; Ryan & Tippins, 2004; Schmitt, Cortina, Ingerick, & Wiechmann,

2003), the present section will focus on different forms of selection measures, and the changing nature of selection criteria.

The selection tools used to assess candidates have already seen a change from the typical reliance on cognitive ability tests, to more comprehensive systems, which include job knowledge tests, work samples, personality, integrity, and biodata tests, in addition to cognitive ability tests (Ployhart, 2006; Schmitt et al., 2003). A more comprehensive selection system focusing on multiple facets of the individual is important as the individual has become the most important asset to today's organizations. Despite increased attempts to address multiple new criteria with the above selection systems, the shift into the information society is going to continually change the necessary competencies and knowledge, skills, and abilities (KSAs) that are critical for employee success. Specifically, as technology continually changes, as departments and organizations merge, and as the global boundaries surrounding the global world of work continue to crumble, human resources departments are going to need to select employees who are able to handle the ambiguity that comes with change.

Due to the shift from a more industrial society to a more knowledge-based society, the nature of the jobs and roles of the employee are changing. Jobs are becoming much more cognitively complex, and they require wider and more comprehensive set of competencies, knowledge, skills, and abilities than before. Due to the ever-changing climate and status of organizations in the information age, organizations need employees who in a way are like smart machines. They need employees who can continually learn; improve with practice; anticipate the future; effectively communicate needs, problems, and goals; remember and maintain the past; and be adaptable, flexible, and customizable. Such characteristics, while tapped in some traditional selection tools, need to be more heavily emphasized as selection criteria.

Recommendation 6: Develop and validate measures to select employees based on problem solving, learning ability, communication ability, adaptability, flexibility, and creativity.

Another option for selecting individuals in a time in which there is a shortage of highly qualified applicants is to hire on the basic core skills and provide job-related education and training (Kontzer & Chabrow, 2005). When the labor market is short on qualified applicants, many organizations will need to reevaluate what is necessary upon hire and what can be trained post hire.

Recommendation 7: Reevaluate and expand knowledge, skills, and abilities necessary upon hire.

Recommendation 8: Hire applicants on basic skills and competencies, and train on job-related, specialized skills.

Retention

Employee retention efforts have typically not been perceived as an issue of fundamental importance. However, with the decrease in the availability of knowledgeable, skilled

employees, finding ways to retain current high-performing employees must be the focus of human resources departments. Retaining knowledgeable employees has become increasingly difficult in an era of downsizing, increased retirement, and outsourcing. This trend paints a dark picture for the future. Traditionally, organizations did not have to think about retention of employees with a strategic lens because new employees could be trained on how to operate machinery and to perform other necessary job functions. However, due to the shift in emphasis from capabilities of machines to the knowledge employees hold, retention becomes much more important (Lengnick-Hall & Lengnick-Hall, 2002). Scholars of employee retention assert that a shift from more general programs (i.e., employment ladders and seniority incentives) to more targeted initiatives will be necessary not only to maintain a competitive edge but also just to keep the doors open (Cappelli, 2000; Horwitz, Heng, & Quazi, 2003; Kalra, 1997).

Retention efforts is the area that is going to experience the most change, in terms of seeking new and more innovative ways to keep employees satisfied and productive, and to keep them from retiring. The first step in changing a retention program is to critically evaluate it. To evaluate it, the organization will have to analyze loss trends, in terms of why employees leave. They will need to gain a better understanding of why people leave the organization. This insight can help the organization determine whether employees are leaving because they are dissatisfied with their jobs or the organization. Essentially, an organization needs to know whether attrition is due to employees being attracted elsewhere or pushed away from the organization. The process of gaining information should include all levels of employee input, from top management and new hires, to those approaching retirement and those who have recently retired.

Recommendation 9: Critically evaluate and analyze your current retention program and reasons for employee loss.

Recommendation 10: Involve all levels of employees in creating a new retention program.

Retirement of the baby boomers is one of the major contributors to employee loss in the information age. Although it might seem like nothing can be done to curtail this loss of employees, there are many programs that can be implemented to keep employees with the company longer and thus preserve the organization. Simple things can be done to ensure that employees are satisfied with their compensation, benefits, the nature of their work, and their work environment. Many employees are afraid of asking for more money and different task assignments, and as a result they leave their jobs. Programs can be implemented that offer part-time work or other flexible work arrangements. Programs for retirees can include progressive retirement plans, in which employees ease into retirement, working with the individual who will be taking over their position. Such programs have many benefits. Specifically, a major benefit is a reduction in the amount of knowledge loss that can occur when an employee retires from the organization and does not train or work with the individual filling their position.

Recommendation 11: Develop programs that allow employees to shift jobs and roles within the organizations.

Recommendation 12: Develop progressive retirement options for older employees.

Organizations and the core competencies needed to facilitate success must be considered malleable in terms of future needs. Thus, it is crucial that organizations continually engage in long-term workforce planning to be able to determine both the core competencies and the type of knowledge that workers will need in the future.

Recommendation 13: Continually engage in and update long-term plans and needs for core competencies within your workforce.

Discussion and Conclusion

The use of different staffing procedures is ubiquitous across all organization around the world. Despite the current use of many different processes, Ployhart (2006; Kalra, 1997) noted that organizational decision makers continually ask for better tools to recruit and select employees. This continual need is driven by the failure of organizations to critically read and apply research and literature provided by scholars. Such failure is likely due to the articles being lengthy and filled with psychological and business jargon, which is typically hard to understand. Thus, the purpose of this article was to clearly and practically highlight the changes that human resources departments and organizations in general need to be aware of. In addition, simple recommendations and clear consequences were drawn to clarify the future trends of staffing in the information age.

To keep up in the information society, organizations need to rethink their current programs and adapt to the changing needs of the organization and the current and potential employees. As human resource management is involved in the process of recruitment, selection, and retention of new and current employees, they can play a significant role in maintaining a competitive advantage in the knowledge-based market. Specifically, the shift into an information age in combination with increasing levels of retiring and turnover in organizations across the country presents a very difficult storm to navigate. Put another way, the emphasis on highly skilled knowledge workers combined with the retirement of the baby boomers and the ever-reducing number of available talented applicants ensures an organization will fail unless it changes its recruitment, selection, and retention programs. According to Buczek (2007), "employee attrition in some industries could result in losing upwards of two-thirds of the knowledge workers in whom much of an organization's intellectual capital resides" (p. 304). To make matters worse even if new workers can be hired and they are very qualified, they will need to be much more productive than their predecessors, as there are just too few applicants in the labor market. If organizations are not proactive in their attempts to mitigate these trends, it will become extremely costly to maintain, and their bottom line will suffer.

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