# Exploring the future model of organisations: The changing role of HR and organisational leaders

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Abstract--- Digital transformation in the business world has already been triggered the gaps in leadership capabilities and skills. Leaders need to manage this change which is washing over every organization. HR leaders will need to move ahead of traditional top-down change management and go for more agile and responsive mechanisms. Innovations in technology are proposing new challenges before the organizations in the form of new business models. Recent trends in technologies, the way data is analyzed and people are networking with each other globally is creating a significant impact on the style of communication and work management. As organizations continue to transform, the leadership roles will also continue to change and orientation of having leadership pipeline with potential successors for specific positions or roles can no longer sustain with the demands of uncertain, rapidly changing times. The biggest challenge before the leaders and HR professionals is the management of multigenerational and diversified workforce, leading to the advent of a more complex and varied category of roles, responsibilities and leadership styles. Altogether these changes are going to affect the talent management & development practices of business organizations. Here a billion-dollar question comes with this changing scenario that how the management of organizations will attract, retain and motivate their diversified people as a key asset? And how is the role of leaders and management of HR going to change as a result? This paper mulls over the expected series of scenarios for the management of multigenerational diversified people. The purpose is to provide a lens in the form of three 'Business Model of Work' through which organizations can examine how they might operate in the future and understanding the role of human resource managers and organisational leaders in this changing context.

**Keywords---** Future organisations, three worlds of work, Changing technology, Leadership, Human resource management

# **I** INTRODUCTION

In recent years HR and leadership have undergone dynamic shifts in their roles in shaping the organizations for future needs. The requirements of digital transformation operating from a traditional mindset is no more an option of survival. HR leaders are harnessing the resources and knowledge set to redefine the obsolete models by using technologies like blockchain, artificial intelligence, digital labor and analytics. A big cloud of uncertainty exists all across the globe in the minds of HR leaders in the backdrop of transformation in technology. There exist a number of forces that are drastically revamping the world of work. Shifts in the world's economy are leading to the redistribution of power, wealth, competition and opportunity around the world. In the coming

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years, every organization is going to be affected by the changing dynamics in research and innovations in the field of recent technologies, contemporary business models and resource crunch. In most parts of the world, it is expected that in the coming ten years there will be a drastic shift in the way people are being managed in the organizations.

Many remarkable forces are drastically revamping the very nature of the world of work. Innovations in the field of technology that are disruptive in nature, the mechanistic way of thinking, new business models and resource scarcity are affecting various sectors. All over the world organizations are realizing that to attract and retain employees, customers and partners they need a clear and meaningful rationale to move ahead in the coming ten years. As per a survey conducted by the McKinsey Global Institute analysis, there are around twelve potentially economically disruptive technologies that were identified to impact consumers, workers, and the economic performance of almost every industry. These include mobile internet, 3D printing, networking of things, next generation ergonomics, cloud computing, robotics, autonomous machines, knowlegede automation, energy storage and advanced materials. In this line the present paper will set out the organization's expectations from the employees, the role of leadership and employee's aspiration towards the organization in the upcoming three business models of work, namely, Orange, Green and Blue.

### **II** Understanding the concept

There exist various forces that compete against each other which lead to the emergence of three distinct types of Worlds of work in the coming years. The reason behind such development is the push and pulls between collectivism vs. individualism and business fragmentation vs. corporate amalgamation.

The three Business Model of future work will be characterized as: Big and large corporate groups transforming into mini-states and playing a significant role in society, Specialization leading to the augment of reciprocated association and the social and environmental schema compelling fundamental modification-cum-changes to business strategy. It is expected that more or less most of the organizations are likely to fall in any of these three worlds of work or a mix of all three mentioned above.

## III Leadership and Human Resource Management: A Paradigm Shift

Das (2018) stated that human resource is undoubtedly one of the most important functions of any organization, as it relates to the most important asset of the organization - "talent". Having said that, human resources as a function have also evolved over the years. Initially, the function was centered around transactions and payroll, holiday management, policy decision making, hiring, training and employee file management. But now Human Resources or Talent Management has become a business strategic partner for miles with diverse roles - brand builder, analyst, communicator, motivator and associate. HR professionals now provide top-level thinking and guidance in key areas of talent, performance and change management. HR professionals have begun to focus on logic and business practice; Connecting and communicating with employees and collaborating with stakeholders. The key role of HR today is to give employees the best company story to provide workplace ethics, innovation and a holistic leadership culture to ensure that every employee lives this culture every day(Das, A., 2018).

International Journal of Psychosocial Rehabilitation, Vol. 24, Issue 06, 2020 ISSN: 1475-7192

HR today plays an important role not only in brand building but also in owner branding, making every employee an active brand ambassador for the company. Today, the role of HR has become more transformational oriented, which is responsible for driving projects and changes in the organization. It starts with a lot of human needs such as 'need to be appreciated', 'to own' and 'need to believe in' so that the employee can make meaningful contribution. This work line provides day-to-day performance management guidance, manages and solves complex employee problems, develops effective, comprehensive and objective research, develops the need for training and provides guidance and input for succession planning(Das, A., 2018).

The three worlds of work require leaders and HR managers to face new challenges. Organizations are currently facing challenges related to manpower shortages and managing a diverse workforce in this changing competitive position. It is expected that because of all the competing forces, there will be a radical change in business models, which means the organizations will be confronting certain contemporary issues like introduction of advanced techniques of performance as well as the potential appraisal, the growing significance of corporate relations and fund management as the stepping stone of business sensation, the periphery between work-life balance is vaporizing as organizations themselves are assuming onus towards the employee welfare, once the HR manager's role was considered as just a facilitator but with the advent of LPG (Liberalization, privatization and globalization) model their role has gone a paradigm shift from passive to more active function. Thus, HR professional and leaders of the organizations can be seen as standing at a junction and is compelled to opt for any of the following three ways:

• HR has to go for a new wider people management strategy that will influence various other aspects of the business.

• HR's one of the integral functions will be to stimulate the organization's agenda for the corporate social responsibility agenda.

• HR's and leaders' functions will be treated as ethical, transformational and more or less outsourced.

## **IV Different Business Models of Work**

#### The Blue Business Model

The blue world is a situation in which big organizations act as global masters and occupy the center position where organizations work as per the consumer's preferences. Here pressure to perform is always there not only because of existing competitors but also due to new entrants which are looking to guide innovation and creating the situation of unrest for the big guns. Blue companies look for two things i.e. money and opportunity, which provide them an operational model for staying alive in both steady and unstable economic conditions. Innovation always asks them to invest heavily in R&D. Organizations create exactness for sourcing the right person for the right job so that multifaceted workforce segmentation strategies can be framed by proper use of metrics and data. As per the PwC survey on ten thousand people based in China, Germany, India, the UK and the USA it has been found that 44% of people consider job security as the most important dimension in a job and 64 % people believe that technology will boost their job prospects.

#### Blue Business Model from future perspective

Employee policies try to find ways, so that top talent can be locked in which is still quite difficult to attract and retain. Personal agents are used to hunting for the best deals by senior-level executives. Screening and monitoring will shift to a new level by imitating the data profiling mechanism which was being used for customer management. The real-time monitoring of employee's health may help the organization to use sensors to monitor their location, performance and health. Real-time monitoring, regular checkups and health guidance make the workforce perform efficiently, reduce the number of sick leaves and make them work for longer years without treatment.

Leadership teams may focus on developing a recruitment process so that new employees can easily fit into the corporate culture. In return for job security employees may provide data on performance, health and private life as well. It is also evident from the PwC survey in which more than 30 % of employees were comfortable sharing their personal data. This type of monitoring could become regular in the coming time. The survey also suggested that 31% of HR professionals and organizational leaders in order to meet the demand for innovation are improving their talent hunt strategies.

#### **Changing Organizational Requirements**

As in today's scenario, managing finance is a complex task, employee management is going to be a tough business domain in the time to come in the blue world. In order to fulfill organizational objectives identification and delivery of talent is not going to be sufficient but more refined measurement and management techniques will be required exacting performance targets can be achieved. A major focus will be on developing a model to measure the human talent impact on performance and to retain the best workforce. Leaders will ensure how employee data can be managed and trust will be developed through the code of conduct.

#### V The Green Business Model

In the green world, strong social principles and green sense of responsibility are the key drivers. Environmental testimonials and ethics are the top priority demands of consumers. The agendas of society and business look forward to alignment. Organizations come forward with strong social concern for the environment. In the green world, organizations work for developing the workforce and local community to be considered as open, trusting and collaborative learning centers. The organization's ethical values are upheld all across the supply chain. For employee value proposition pay is not the only consideration but friendly hours for a family are also key determinants. In this highly regulated world, government imposes penalties for awful conduct and brands can go up or down on the perceived green testimonials. Corporate responsibility is not only a philanthropic act but employees are also expected to carry the corporate values and goals around the overall green agenda of the organizations. Organizational leaders are focused on providing sustainable living and corporate responsibility as a part of talent management and employee engagement agendas. PwC survey on ten thousand people based in India, China, Germany, US and UK reflects that 65% people would like to work with a company of powerful social principles and 36 % HR people build their talent strategies around the company's social and environmental principles which matches with the values and beliefs of their employees as per the PwC survey on 480 HR professionals all across the world.

#### Green Business Model from future perspective

Green Business Model focuses on the smart and efficient use of resources. Customers expect green organizations to bring in innovative ideas and practices so that broader societal goals can be fulfilled. The internet and technology are playing a critical role in providing total transparency on the organization's ethical, social and environmental impact. Green firms go in co-creation involving all stakeholders to create new better eco-friendly products that benefit customers, organization and communities. Life equilibrium is considered as a source of strong competitive advantage.

#### **Changing Organizational Requirements**

In green organizations, everyone feels liability for the success of the organization and has the opportunity to take part in decision making. Top management drives employee policy, believing that people's conduct in organization and role in society have a direct linkage in an organization's success or failure. Green organizations work on flexible, flat and fluid organizational structure and stay away from fixed hierarchal structures. Everyone is responsible for organizational success and takes part in decision making and feels liable.CSR and HR mingle together to attain sustainability and social growth. It has been confirmed in a PwC survey that sharing organizational values and beliefs attracts the best and brightest candidates though the overall incentive package is still going to be important. Organizational leaders are expected to come up with innovative solutions to these concerns.

#### **VI The Orange Business Model**

Where big is not good for the environment, people and business. In the orange world organizations fragmented into specialized project-based entities. Technological support brings network on a common platform often on a task by task basis. Specialization is the keyword. Social media and the internet play a critical role to build the supply chain and raw association of specialists changes from region to region. The orange world wishes for greater autonomy. The new generation wants more freedom, entrepreneurship and specialist skills in the fast-changing economy. As per the PwC survey on ten thousand people based in China, Germany, India, UK and the USA, it has been found that 29% of people look forward to the opportunity to take control of their carrier as, when and what they need. In the survey of 480 HR professionals all across the world, it has been expected that 20 % of their employees to be made of temporary or contract workers by 2020.

#### **Orange Business Model from future perspective**

Big firms are going to be outflanked by the middle market innovative and vibrant entrepreneurial firms. The core team sustains the values and beliefs of the organization and the remaining workforce keeps changing on a project basis. Few organizations will keep on competing on specialization and excellence while others offer price dependent products. Improved technology provides an opportunity for remote working and improved global network. System efficiency and improved processes are critical factors for orange organizations. These companies are going to speed up their area through extensive use of technology. The development of staff and relationship networking is critical with the use of technology to track their ability, usability and location.

#### **Changing organizational requirements**

Recruitment becomes mainly sourcing function, as many orange organizations will be too small to have HR recruiting teams and will depend upon technology to fulfill their sourcing needs. People will be recognized as the beholder of certain skill sets instead of a member of a company. So, specialized people will be in demand for the completion of a specific project/assignment. The importance of professional guilds, associations and trade bodies is going to increase for training, development and innovation. Employees will be categorized and rewarded for their special expertise. Project delivery related bonuses are going to be common.

PwC survey on ten thousand people based in India, China, Germany, the US and UK reflects that 2 out of 5 people believe that the traditional form of employment will change in the future and people will offer their skill sets and will have their own brands to those who need them. It has been evident from the survey of 480 HR people all around the world that HR professionals will build their talent to hire a diverse mix of people, preferably on an ad hoc basis.

## VII Global Workforce and its Future

Today, technology has also changed the face of the business world. In this information age, the introduction and advent of computer and information technology has transformed the business system and business process. From the entry and presence of people to their motivation and retirement, all important decisions are now based on the use of innovative and intelligent software and technology applications (Taj, 2011). As per the research conducted by the World Economic Forum and Accenture, it has been found that 87% of the workers participated in the poll believe that new technology like artificial intelligence will boost their work experience and they are eager to put their leisure time to learn new skills to supplement their existing ones.

Research shows that the following are major challenges when managing the workforce of the future - talent attraction and retention; Improving organizational efficiency, managing conflict and stress in the workplace, leadership behavior and skills development, diversity management, and diverse employee talent management; Developing workforce balance and more specifically training solutions to train the workforce to use new technologies / technology applications. The Future workplace will begin with a team building process, including inside and outside the team, leading-edge people who work in a flexible and technologically-driven way and develop leading-edge philosophy, principles and ideas.

People management characteristics from future perspective

HR departments encounter an uphill battle in getting ready for future. The modern-day manager needs a basket of skills in the next decade. The HR manager would be required to have integrity, communication skills and emotional intelligence in their armory. Transformation in technology demands to update on the part of organizational leadership. It is really important for the current day's organizations to plan a suitable HR management (procurement and development) strategy for the future in order to sustain in a highly dynamic, competitive and technologically advanced world. All the organizations whether belongs to Blue, Green or Orange world has to craft a suitable business & people management strategy to capture market leadership

positions. In the next decade, technology, globalization, demographics, and other factors will be more prominent in influencing organizational structures and cultures.

# Table1: People management in future

	Big Organizations are King:	Concern for People: Green Business	Specialization Wins: Orange Business
	Blue Business Model	Model	Model
Organization's orientations towards sourcing and attracting talent	Blue world Organizations believe in using the in-depth research methods with a view to finding and selects the best & competitive talents that will turn into future stars. Talent satisfaction & retention is based on higher earnings, enough job security and by providing good status.	Green World companies believe in attracting compatible individuals to broaden their The corporate family also takes care of selected people/ talent by adopting the right behaviors and attitudes. The focus is on attracting talent to Green World brands, their value system and culture.	In the case of the orange world, Technology become a key source in Searching, finding and evaluating suppliers of key skills (Contractor). A company's reputation and online recruitment becomes a key source of talent attraction.
Performance-Reward relationship	Reward distribution is truly based on the people's performance index.	Green organizations believe in the distribution of total rewards based on employee's corporate citizenship and decent behaviors along with performance in given jobs.	believe in following contract-based pay for various
Role of Learning and development	In blue world organizations, individuals are continuously emphasized to improve the skills and competencies to adjust to changing business needs. There is an alignment of individual learning and development	In the green world, an individual's personal and professional development is emphasized in areas such as volunteering.	

	goals with business goals.		
The role of HR	HR managers make use of advanced analytics for forecasting manpower demands and for determining and anticipating people's performance and retention related issues.	good culture and developing a standard of behavior in order	sourcing contractors and negotiating &
The job of technology in People management	There is a strong use of Sensors and data analytics to evaluate and optimize people & organizational performance.	These aims at assisting people to work efficiently and minimizing the negative impact on the environment.	Generating virtual collaboration.

# VIII The Brown Business Model: A Key to Success

In the future, the best applied model will be the Brown Business Model, which incorporates the best features of the blue, orange and green business models. This business model believes in continuous technology upgrade through heavy investments in research and development, taking care of stakeholders where the environment and its security are the main concerns and activities, while project-based expertise is key and helps in talent management and in successful implementation of various major projects. However, technology plays an important role in driving business performance around the world, where high-speed wireless networks are used to manage and handle their commercial transactions, entertainment and communications. Accessing any information and making business decisions depends on the technology will be the important characteristic. Businesses will continually improve and personalize their relationships with all stakeholders, including employees, customers, suppliers and shareholders, using sophisticated technology applications such as specially designed customized software.

# IX Discussion and future scope

The future of HR has emerged, and it is now. HR needs to drive people's busy lives through automation to create manufacturing offices that integrate technology with human potential. Human resource managers and leaders need to hire skilled employees and enable them to work in a digitally transformed business environment. Continuous innovations and technological advances are destroying old business models and industries and creating new business models and new workplace practices. Today, new sophisticated technologies, data analytics and social networks are creating a strong impact on the way people communicate, make decisions and

work. The traditional career model is being replaced with new job roles and headlines, and the workforce is smarter and the workplace is more flexible and high-tech.

This paper is based on the PWC report and survey to help global business leaders understand their perceptions and beliefs about changing the future work life and employment prospects. The study presents "three worlds, including the blue, green and orange worlds" that define future business models and people's management practices in changing business trends and priorities. Technological advances and the speed of use of Internet applications create a major impact on the way business processes are organized, including business style management, people management and other development functions. Now there are questions that need to be addressed by current business houses such as "whether they are ready to face and handle these technological changes and what is going to be their right strategy for building their own blue, green or either orange world."Further a combination of these all together i.e. "The brown world" will better facilitate them to expand the business, to earn greater return on investment, keeping higher people motivation and commitments and leading the business more strategically in future. Whatever will be the decision, it really matters, but more than this, it is desirable to understand the role of leaders as transformational and value-based leaders that will allow working organizations to make better talent management and employee engagement plans in new technologydriven world and advanced customized human resource training programs for survival and long-lasting sustainability in highly automated world. This conceptual paper invites the future researchers to explore these concepts in more details to understand the nature of organisations in future. This paper also gives the opportunity to future researchers to explore the role of human resource managers and organisational leaders in managing the different challenges ,an organisations may face in the future. This paper presents an innovative approach for understanding the idea of future organisations and their significant characteristics.

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International Journal of Psychosocial Rehabilitation, Vol. 24, Issue 06, 2020 ISSN: 1475-7192

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