

The Future of HR: Where is it Heading?

In January 2005, Eileen Finn participated in a panel discussion presented to the **Rutgers University Executive HR Masters Program**. She joined two of her colleagues from the executive search community to discuss current market trends, the ever-changing role of human resources, the major influences on the industry and predictions for 2005.

The participants in this program were mid-career human resources managers. At least half of these “students” were business professionals in strategic HR roles for their organizations. The industries represented were financial services, pharmaceutical, technology, manufacturing and aerospace. Here is a summary of the discussion, which followed a question and answer format.

Market Trends

The current business environment is one of increased competitiveness, fed by consolidation, reorganization and a growing appetite for acquisitions. Companies are also “shedding” businesses ancillary to their core businesses. Some may call this “retrenchment,” but the trend is to consolidate the base, bolster core businesses and streamline operations.

Led in large part by this consolidation, the emphasis on an interim workforce continues. In addition, we can expect to see a shrinking labor pool from 2005 to 2011 as Baby Boomers rethink their careers.

The Role of Human Resources

With these trends in mind, the discussion turned to retention and the need for human resources and the businesses to take a more active role in developing and implementing strategies to retain their “talent pool.”

Because half the participants were from business backgrounds, there was a strong sense that human resources cannot develop these plans in a vacuum. Human resources and the business must work together to build an environment of “engagement” -- creating a shared value statement, ensuring interesting work and developing a positive management structure.

2005 Predictions

When asked about the “hot” areas within human resources for 2005, the panel uniformly responded: “talent management.” The areas of leadership and executive development, retention and mobility, and talent acquisition were all mentioned under that umbrella. Also anticipated was the difficulty in retaining top talent in the midst of a shrinking labor pool and, for the search community, the problems in attracting the right set of skills and ensuring a cultural fit.