

## **TRENDS AND FUTURE OF PROFESSIONS IN THE FIELD OF PERSONNEL MANAGEMENT IN RUSSIA**

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### **Abstract**

The article describes the generalization of the most obvious trends in the field of personnel management in Russia. The basis for the analyses were the reports of consulting companies, the opinions of practitioners in this field, as well as the results of the study on the materials of the contest "The Best HR Specialist".

The purpose of the study is to determine the probable directions of professions development in the field of personnel management. The study involved 176 professional specialists in the field of personnel management, participants of the contest "Best HR - 2016". The sample is representative and reflects the opinion of a set of qualified specialists and managers in the field of personnel management. The main material for the analysis was 176 essays about the future profession, prepared by experts in the field of personnel management, which took part in the competition.

The main method of quantitative analysis was the content analysis of the essay texts. Unique and typical judgments about trends, risks and opportunities for the development of occupations in the field of personnel management were singled out, as well as end-to-end trends that will influence the HR function in a future.

**Key words:** Trends, personnel management, profession, perspectives of professional development, digitalization

**JEL Code:** J01, J21

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### **Introduction**

In today's demanding and constantly changing world, no business entity remains unaffected. Every next stage of the social development introduces new changes. On the one hand, these changes largely depend on advances in science and technology, and, on the other hand, they are influenced by the desire of economic entities to maximize profits, including through consumption intensification. Market economy being the paradigm of social relations contains an important segment related to innovations. Some scientists have attempted to distinguish this segment as an individual type – innovative economy, although practice has

shown that all types are more or less interrelated nowadays. Thus, all professions, including those in Human Resource Management, are to experience these changes. The significance of Human Resource Management as the regulator is crucial as top management is involved. Understanding of the current trends in the Human Resource Management advancement allows practitioners to foresee the most effective ways of organizing employees' work and take new developments into account. As business activities are consistently interrelated, there is the understanding that the enhancement can only occur if principles and tendencies of their development are carefully considered. Otherwise, any advanced changes in business organizations may be diminished.

### **1. Theoretical background**

One of the recently published articles by L.A. Sokolov [1] reflects on important trends in the development of HR technologies in civil service. Taking into account a certain degree of inertia in the personnel policy of the civil service, we should accept his conclusion that main developments in this sector are aimed at the standardization of employees' work and the introduction of competency models.

One of the most well researched studies is the work accomplished by Doctor of Economics, Professor Yu. G. Odegov together with E.V. Loginova [2]. Building on a variety of studies and comparing international and domestic developments, these researchers succeeded in demonstrating the specific nature of personnel management in the Russian Federation. According to these researchers, the key trends are associated with the attempts to enhance talent management and to increase labour productivity. In the current context, these two are the most important issues for the Russian economy.

A.V. Kiselev [3, 4] described the preconditions for the HR profession transformation, on the one hand, and listed the innovations currently present in personnel management in Russia, on the other. The innovations identified include blockchain, virtual and augmented reality technologies, social networks, the Internet of things, HR-bots, and service platforms. The author carried out a great amount of work complying different trends known among practitioners, but failed to justify them by providing relevant references. Moreover, the trends described in the articles have been singled out without any clear criteria; they are not quantifiable, and the publications lack opinions of credible practitioners and experts. The sources cited are, in fact, popular business books. All of the above makes the relevance of trends selected questionable. Similar observations can be made regarding some other articles on the subject [5, 6].

Meanwhile, more than 5 years ago authors from the Russian regions published a number of articles that are of great interest for the analysis. The article by the authors from Perm [7] discusses the future of HR professions and elaborates on the importance of the revision of HR degree courses at university, investigates which skills students should be taught, and which professional standards should be applied. The current practice of implementing the professional qualifications system closely corresponds with the authors' proposals.

The article by I.B. Durakova [8] is of a particular interest as it considers trends as the main starting point for a number of other relevant developments for jobs in Human Resource management. In particular, the article addresses the question of the globalization of the profession and the need for the revision of the existing competencies. We should note that the article was published in 2009, before the substantial changes in the relationship between our country and certain countries dramatically adjusted the prospects for further internationalization of the profession.

As can be seen, Russian researches have actively considered HR trends in their academic work. However, in fact, not all the aspects described can be considered trends. There are extremely few works, which are justified by the opinions of credible practitioners and experts and with trends selection based on sound scientific methodologies.

Let us take a look at publications on Human Resource Management in international journals. When judged by the number of publications, the interest is proportional, as both in Russia and abroad from 10 to 14 works appear annually (according to Russian Science Citation Index and Web of Science data). Scopus and Web of Science citation databases cite a number of publications devoted to trends in human resource management (key words "HRM trends" and "trend in human resource management" were used). The most relevant publications can be found in "Human resource management journal" and "Human resource management review" [9, 10]. These articles present the research on the human resource management with the evolutionary perspective and actualization of the strategic aspects of human resource management activity in organizations. It is notable, that comparative studies of HR trends and their impact on human resource management are of great interest in different countries [11, 12].

Russian consulting companies frequently report on the findings of their research at certain public and private events attended by HR executives of large domestic companies. They also provide public access to some of their findings later [13, 14]. One of the most well researched studies of 2017, in our view, is "Workforce of the future" study carried out by PWC [14]. The representativeness of the findings is justified by a sound scientific

methodology applied, the sufficient sample, and the extended period of the surveys, as the report draws on the research started in 2007. The study highlights three most significant forces shaping the future of work, namely, automation, robotics and artificial intelligence. The findings of PWC are affected by the company's focus on advanced businesses. When we completed our survey among HR executives of large Russian companies with divisions in Russian regions using rapid foresight methodology, we found that only automation is now influencing and is expected to influence HR jobs in the future. In their scenario analysis of the labour market and HR development, PWC representatives studied the effect of collectivism versus individualism and integration versus fragmentation. When combined, they offer four scenarios of the workforce development that will shape the transformation of human resource management (Figure 1).

These scenarios raise questions as PWC experts have not taken into consideration any negative development paths. Communities are too diverse for their future transformation to be reduced to 4 simplified models.

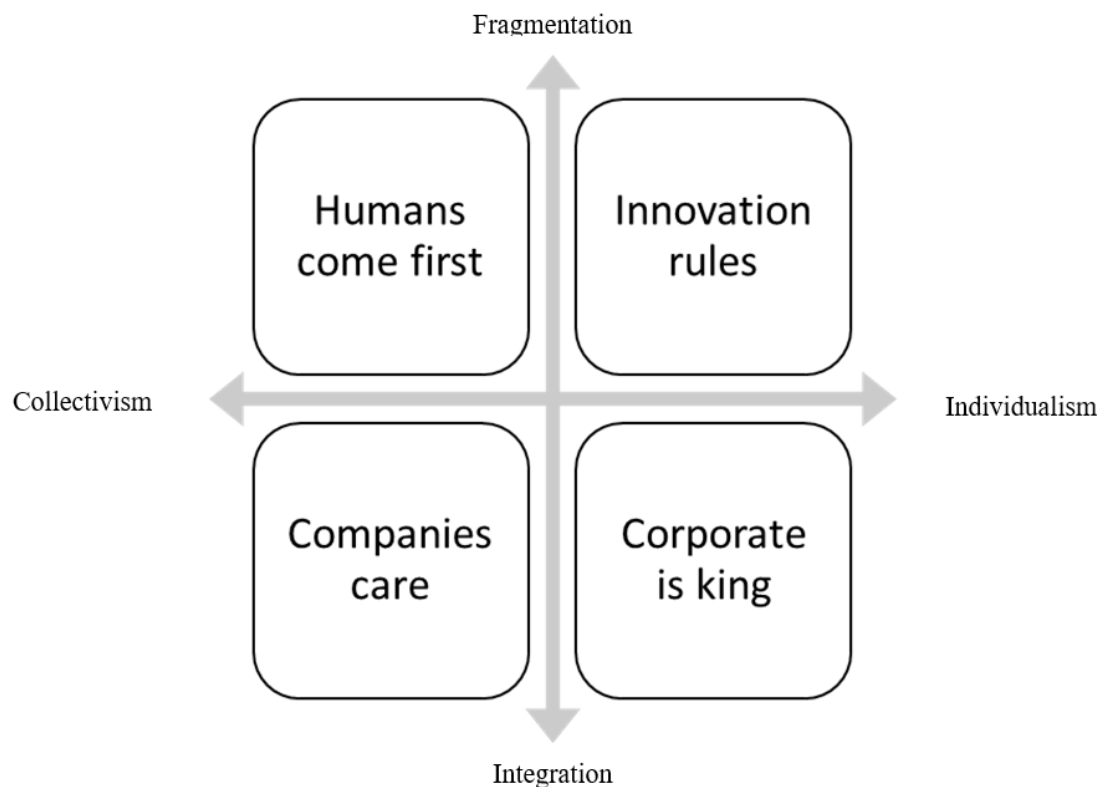


Figure 1. The four worlds of work in 2030

Source : *Workforce of the future. The competing forces shaping 2030*<sup>1</sup>

## 2. “Best HR” contest research findings

<sup>1</sup> [www.pwc.ru/workforce2030](http://www.pwc.ru/workforce2030)

For better understanding of the overall trends in the human resource management development and for the insight into HR practitioners' perceptions, the Committee for Professional Certification in Human Resource Management studied the materials of "Best HR" annual contest. The study was aimed at identifying the possible directions of HR professions development.

In order to achieve the goals set, the study focused on the following:

- To define main social and economic factors and developments in HR-communities which influence HR professions.
- To examine HR-practitioners' perceptions on possible changes in HR functions in the next 25 years.
- To determine the feasibility of attracting the participants of "Best HR" contest to future surveys and studies.

The key hypothesis of the study is that in the perspective of 3-5 years the ongoing changes in the economy and business lead to the need of reconsidering the approaches to personnel management, taking into account the most relevant trends and themes of projects in this field.

The study involved 176 HR professionals, participants of "Best HR – 2016" contest. The sample is representative and reflects the opinion of qualified HR practitioners and managers. The representativeness was verified by analyzing unique and common cases.

As the qualitative analysis revealed, views of the respondents are similar to the common perceptions of HR specialists and underline their commitment to HR.

The quantitative analysis confirmed the respondents' range of views to be narrow. With total of 524 assessments (similar assessments were not considered), 35 assessments were unique (original) assessments (7% of total). This deviation is acceptable.

The analysis was based on the materials of 176 essays on the future of HR profession, prepared by HR experts participating and reaching the final stage of the competition. The essays were structured to report on 3 issues: trends, risks, and opportunities in HR professions covering the time periods of 5, 10 and 25 years.

The main method of the quantitative analysis was a content analysis of essays. The use of the content analysis allowed to determine unique and common perceptions of trends, risks and opportunities of the HR profession development, as well as to identify cross-cutting trends which are expected to influence HR in future.

The summary of the research findings, the analysis of the materials on human resource management trends available from consulting companies, as well as the evaluation of the

assessments and opinions offered by the experts who participated in the in-depth interviews made it possible to carry out a SWOT analysis. The use of this approach allowed to examine how social and economic factors can affect the development of the profession. The scenarios for the directions of the human resource management development prepared by the experts were carefully considered. They provided the opportunity to determine the defining factors which will influence the development of HR profession and demonstrated possible development directions.

We invited HR executives from large Russian companies to participate in rapid foresight sessions. The rapid foresight is a tool for forecasting and shaping the future developed by the Agency of Strategic initiatives and used for the strategic planning of the distant future, up to 30 years.

Drawing from global and corporate HR trends, the foresight sessions were aimed at identifying the future of the HR transformation in the next 15 years, its possible function in organizations and the most significant development paths.

The participants were tasked with deciding on and describing the future of HR in the next 5, 10, and 15 years. The most common responses are presented in table 1.

Table 1. What HR evolution is forecasted by HR itself?

<b>Timeframe</b>		
<b>5 years</b>	<b>10 years</b>	<b>15 years</b>
Databases, use of electronic signatures, abolition of employment record books, use of electronic employment contracts	Automation of HR processes: Single shared all-Russia resource, virtual HR gamification	Virtual learning space, artificial intelligence, IT-HR
Work with generation Z, individual approach, employee engagement	Talent retention, development of horizontal career paths, new methods of employee engagement	Global search for talents
Change of values, behavioral changes, non-monetary motivation	Corporate culture management, development of horizontal career paths, new methods of employee engagement	Global search for talents
Processes optimization, KPI, reduction of financial risks	Strategic partnership of HR and business, industry specialization, expertise/assessment/, organizational development, change management, innovations	Strategic partnership, HR processes control
Professional standards, Single	State support, HR Learning	Use of international laws

shared information resource	centres with unified courses, introduction of uniform labor standards	in HR
Increased number of remote employees, management of remote employees	Remote work, virtual HR, 24/7 work	International labour market
Stricter requirements for trainers and training centers, licensing control	In-house learning, corporate universities. In-house learning is expected to replace vocational training	Mentoring development, knowledge management, self-learning organization

*Source: content-analysis of essays, assessments*

For better understanding of the key HR transformation factors the participants of the focus group (each being a carefully selected credible HR expert) determined the defining factors that influence the transformation of HR profession. Possible development paths were analyzed and established, as well as factors which will be present in any scenarios. Having analyzed the findings of the research, we have come to the conclusion that the key HR transformation factors are as following:

1. Automation;
2. Business confidence in HR;
3. Continuous professional development.

With these factors taken into account, the possible future HR functions can be defined. In the light of this information, the separation into two different roles of HR-generalist and HR-business partner becomes irrelevant. According to the experts, the further specialization involves three main directions:

- HR strategist. This employee deals with strategy and organization development, change management, corporate culture, individual-oriented approach, HR processes evaluation, and handles complicated issues;
- HR integrator. This employee is responsible for interaction with other departments with extended functions in IT, Marketing, PR, Health and Safety, Finance, Medicine, Risks management and innovation;
- HR operator. This employee handles databases, oversees automated processes and deals with everyday issues.

In addition to the key progressive factors of the HR development and in order to systematize the understanding of the HR profession transformation, possible risks which may hinder the transformation process have been identified. These include:

- High competition in the HR market. With optimization and automation, any excess of

low-skilled workforce leads to an increased struggle for HR talents capable of managing transformation processes.

- Reduced number of HR positions in companies. If 10 years ago there was 1 HR specialist per every 75 employees; nowadays, in large Russian companies with their optimized processes, standardized functions, and centralized activities, there is only 1 HR specialist per 500 employees.
- Resistance to change. The main reason for the company being inert is resistance of its employees to change. As personnel usually have their own ideas and attitudes about their jobs, management has to influence the transformation processes and deal with the problem.
- Fostered unification of business processes. Overlooking face-to-face communication, emotions and individual traits, as, for example, it happened with the introduction of the system of professional qualifications in our country, inevitably leads to difficulties.

### **3. Results and discussion**

The study led to the following observations:

1. The automation of business processes and functions, business oriented HR, the desire to develop personal competencies are the key factors that influence the development of HR professions.
2. Although, there are a few pessimistic statements about the HR profession being in danger of extinction, most of the respondents expect new opportunities to emerge, are confident in their strengths and willing to handle new arising issues and develop new directions.
3. HR specialists expect new jobs to appear, among the top 3 being IT-HR, HR specialist in operating performance, and PR HR (the specialist responsible for managing the company's brand).
4. An additional research should be carried out as, on the one hand, the first results received have demonstrated the high potential of the target group, and, on the other hand, in order to take HR to the next level and design a structured approach to the development of the roadmap, more information is to be obtained.

Therefore, the future research should attempt to extend the sampling frame to include business representatives, HR-strategists and others in order to obtain more accurate coverage and have an opportunity to undertake more activities, including evaluation and planning.

Basing on the results observed in the study, the following recommendations to HR specialists can be made:

1. Develop soft skills (i.e. teamwork, creativity, ability to learn,) which can help you adapt to



change.

2. Maintain and develop your IT skills. Take a course in IT and study new software.
3. Think about working remotely to maximize your efficiency, be available 24/7
4. Bring-up-to-date your work with talented employees
5. Take an active part in HR communities to share knowledge, experience, best practices, and get opportunities to apply the skills you possess.

## **Conclusion**

The work led us to some observations which are rather conservative compared to a large number of publications describing groundbreaking transformations in HR. In the current business environment, most of the trends considered should not be regarded as trends but issues present and relevant now. When carefully studied, these trends do not seem to be relevant for businesses. Employee engagement, work digitization, employment flexibility and other factors do not meet the main business requirement, as they do not directly influence employee efficiency. The innovations that will eventually lead to changes in employee efficiency, namely, robotization, new business models, and network platforms are unlikely to happen soon and do not consider cultural aspects.

The study shows that the system of competitions can become a source of information on experts' views on the most relevant trends in the area of the study. However, the limitations of the methodology require additional evaluation studies, mandatory consideration of the opinions of scientists and researchers of this subject area but not only practitioners. Our assessments have shown that interviewees are extremely susceptible to information from the media, analytical reviews of consulting companies that often aim to advertise specific products. In addition, it is necessary to assess the impact of the macroeconomic environment, national characteristics on the possibility of trends. In next time, we need to include verification of results using statistical methods and add statistical tests.

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