



Chapter 21

A Critical Assessment and Enhancement of Metrics for the Management of Scarce Human Resources

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ABSTRACT

The effect of digitalization and its transformative power in all aspects of corporate strategies and organizations are visible everywhere. As leaders try to make sense of the “digital tornado” and prepare, try out, and set courses in new business directions, the authors propose to take a step back and focus on what is still at the core of corporate change – the people of your organization. In this chapter, the authors reflect on the forces and challenges that employees are facing in times of rapid and digitally driven change. They also mirror this, considering structural, sociological, and demographic change in the workforce, especially with regards to younger employees. They provide a set of fundamental metrics that can quantify the human resource strategy of an organization to derive measures which can be controlled via a DMAIC cycle. This contribution is an extended version of and includes an enhanced set of metrics to address challenges of digitalization and agile work environments. Further, approaches to possible solutions and first steps for an implementation in companies are presented.

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INTRODUCTION

Keywords like agile or fluid organizations are on everyone's mind right now and rightfully so. In a permanently changing business environment, companies and especially their HR strategies and departments must adapt to changes in the market to be more agile and customer oriented than ever before. To succeed, the productivity of employees is the key solution to changing business environments. Therefore, the allocation and retention of these scarce resources in the best possible way is even more important.

One of the main challenges for companies is to improve the enterprise not only on the side of the organizational and process level but to develop new strategies and approaches in human resource management (Painter-Morland, Kirk, Deslandes, & Tansley, 2019). Only a symbiosis of the discipline's information technology, organization, psychology and management will enable relevant and indispensable employees to promote loyalty to the company (Adeinat & Kassim, 2019). Loyal employees are happy employees which ultimately fosters the productivity of employees.

In this fast pace environment, it is simply not enough to just implement organizational changes like building squads, tribes or chapters. There are several other layers to that topic that a company must consider if it wants to be more responsive (Dhir, 2019; Thorgren & Caiman, 2019). The usage of big data, state of the art technology and new ways of working are building a triangle to enable a company to manage and lead their personnel in the best way possible and to derive measures for further development.

Companies need to put their people first. In times of automation, robotics and artificial intelligence, innovations by a company's own employees will be the lifeblood and key to success in the future. A loss of talent should not be tolerated in any circumstances and companies need to take the appropriate measures to counteract such possibly harmful developments (Singh, 2019).

This paper is a critical examination and an enhancement of the results of the research of the authors from 2016 in the area of agile organizations and leadership. Also, findings and experiences of the implementation of this framework from several projects with different companies are included.

DERIVATION OF METRICS FOR A FRAMEWORK TO MANAGE SCARCE RESOURCES – THE RESULTS OF 2016

The results from the initial structured literature review are still as important as they were in 2016. Therefore, we haven't change the finding that are presented in the following section.

Search Strategy

The research strategy follows the model of the structured literature review. It includes search terms, literature resources and search process, which are detailed one by one as follows:

The search string has to be defined based on the population under study, and the keywords and their synonyms. Therefore, the study population includes the relevant keywords from all five layers of the proposed framework.

With this population the list of keywords and their synonyms, used to generate the search string was:

- employee wages: employee salary
- education of employees: education of personnel, untapped potential in organizations

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