

A Study on the Key Challenges in Human Resource Management

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Abstract:

Human Resource Management (HRM) refers to the formal systems and practices developed for managing people within an organization. The responsibilities of HR managers generally fall into three core areas: staffing, employee compensation and benefits, and the design and definition of work. The primary purpose of HRM is to enhance organizational productivity by maximizing the effectiveness of employees. Despite the rapid pace of change in the business environment, this fundamental objective remains constant. The basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change. For small businesses in particular, HRM can present significant challenges. Many smaller firms lack a dedicated HR department and may rely on a single HR professional or even assign HR responsibilities to the CEO. Nevertheless, business owners must understand these challenges in order to manage them effectively and to prepare for future workforce demands as their companies grow. The aim of this paper is to examine the challenges faced in HRM, propose measures to address them, and highlight the emerging issues that organizations must be prepared to confront in the future.

Keywords: Human Resource Management, Challenges, Employees, Business.

Introduction

With better means of communication, breakthrough technologies and dismantling of economic and social barriers, the world is becoming borderless and the countries are fast integrating into a truly global economy. In this scenario the role of an HR manager has assumed much greater significance as he is expected to create conditions in an organization where the employees from diverse background, culture and nationality could work together with ease and flourish.

In other words, we can say that the HRM is undergoing a massive transformation that will change a career path in as at uncertain ways. Employees are placing the greater emphasis on business acumen and are automating and outsourcing many administrative functions, which will force many HR professionals to demonstrate new skills and compete for new, sometimes unfamiliar roles.

Statement of the problem

Now a days HR duties and responsibility has become a challenge for HR manager to compete with global competitors and to sustain in the diversified economy. As Human Resource is required and a very essential thing for each and every business irrespective of their size and nature of firm, optimum utilization of available employees is a very challenging task for every HR manager in this competitive era. For this reason, we have chosen this topic and made an attempt to analyze the emerging challenges in HRM and to obtain solutions in this regard.

Objectives

1. To study the challenges in HRM.
2. To provide suggestions to overcome challenges.
3. To highlight the future challenges in HRM.

Research methodology

For this study secondary data has been used. The data has been collected through internet, websites etc.

Findings**Emerging HR challenges****1. Globalization in HRM**

The term Globalization has invaded the mind of every successful businessman and the concept of Global Village is common issue in modern business world. Globalization is a process that is drawing people together from all nationsof the world into a single community linked by the vast network of communication technologies. This aspect of globalization has also affected in the business world of today.HR Manager today need not rely in small limited market to find the right employees needed to meet global challenges, but today they can recruit the employees from around the world.

How “Globalization” affects to HRM challenges....

- ☐ How to face competition from MNCs is worry for Indian firms.
- ☐ As globalization spreads, more foreign firms are entering Indian market and challenges before domestic firms are going to be much more severe in the years to come.
- ☐ As a result of Globalization businesses are forced to rapidly expand beyond their immediate borders into global marketplace
- ☐ Large investment and modernization would require highly skilled and technically trained people who would replace less trained, unskilled and redundant workforce

Greater and greater training needs are bound to be identified for updating the technological and behavioral skills of well-trained executives.

2. Handling multicultural/Diverse Workforce

A multicultural workforce is one made up of men and women from a variety of different cultural and racial backgrounds. The labor force any country is a reflection of the population from which it is drawn, despite some distortions that may be caused by discrimination or cultural bias in hiring. Dealing with people from different ‘age’, ‘gender’, ‘race’, ‘educational background’, ‘location, income’, ‘parental status’, ‘religious beliefs’, ‘marital status’ and ‘ancestry’ and ‘work experience’ can be a challenging task for HR managers. Cultural differences may often lead to difficulties with communications and a rise in the friction that can develop as people with different expectations and habits interact. As a result, workforce diversity is increasing. Managing these people with different religious, cultural, moral background is challenging task for HR Manager. Thus it is important for a HR manager to create an environment in which the positives of diversity are harnessed and the negatives are minimized as much as possible.

3. Employee Selection

Employee selection is an important process for any organization, but particularly for small business that can be challenged to compete with larger employees. Small business need capable and competent employees to help them develop and deliver high quality products and services. Not only these difficulties but there are some other factors which influence the employee selection. Thus a HR manager need to consider all these factors while selecting the best suitable employee for his organization. Some of the factors which affect the employee selection are as follows:

- ☐ **External factors:**
- ☐ Recommendations

Existing employees may recommend their relatives or friends to fill the vacancies, if the person who recommended may be good or may not be.

- ☐ Political influence

Some candidates may arrive to the interview with the influence of politicians who may be familiar to the HR manager and have good relationship with company in those case we may have to select those candidates.

- ☐ Personal bias
- ☐ Bribing

Some candidates may offer bribe to make section

☐ **Internal factors:**

- ☐ Cost of recruitment

Cost incurred for the process of recruitment may also effect the selection process.

- ☐ Job analysis
- ☐ Human resource planning

Before selection of the employees there may be already a plan for employee selection and a HR manger may in need of following that plan itself he may not be in the position to take his own decisions beyond plans already made.

4. Compliance with Laws and Regulation

Keeping up with changing employment laws is a struggle for business owners. Many choose to ignore employment laws, believing they don't apply to their business. But doing so could mean audits, lawsuits, and possible even the demise of a company. As HR manger will be responsible in hiring employees it is his duty to care of laws and regulations regarding employment, thus it will be very challenging to him to select an employee with taking into consideration of all laws and regulations. He must get updated himself about the changing rules and regulations regarding employment.

5. Training and development

“Training is expensive. Without training it is more expensive.” –Nehru

Training is about knowing where you are in the present and after sometimes where you will reach with your abilities. By training, people can learn new information, new methodology and refresh their existing knowledge and skills due to this there is much improvements and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employees get updated with the new phenomenon. Training can be offered as skill development for individuals and groups.

Organizational Development is a process that “strives to build the capacity to achieve and sustain a new desire state that benefits the organization or community and the world around them.”

The human resource department faces many challenges in a workforce's training and development, from ensuring the stability of the high performing individuals who drive the company coaxing success from untapped potential employees and under achievers alike.

Investing in the training and development of lower level employees is another common HR problem. Some businesses have trouble finding the resources to do so. Employees on the front lines are some hardest workers and may not have the time to take a training course.

6. Balance with work life

Balancing work and life assumes relevance when both husband and wife are employed. In India, working women now account for 15% of the total urban female population of 150 million. Any organization that strives to be reckoned as ‘a great place to work’ needs to pay special attention to minimize and facilitate resolution work life conflict of their employees. The challenge however is in knowing and doing things that facilitate and support work life balance without intruding into the personal lives of employees. The HR department of such organization is often stretched for creative solutions that are practical to implement, yet

are effective in impact. Successful organizations in this space have taken work-life-balance to even higher levels by not merely restricting themselves to addressing domestic pressures on their employees but facilitating self-actualization of these individuals.

Programs aiming at work-life balance include:

- ☐ Child care at or near the workplace
- ☐ Job sharing
- ☐ Sick leave policies
- ☐ Flexible work timing
- ☐ Care for sick children and employees

7. Retaining employee

- ☐ Globalization has given freedom to working professionals to work anywhere in the world
- ☐ Now that they have endless lucrative opportunities to work, hiring and retaining the best industry talents is no joke
- ☐ Providing excellent work environment and offering more remuneration and perks than your competitors can retain and motivate them

8. Conflict Managing

There is no organization without conflict situations. It is known that 80% of conflict situation occur independently of human will. Its causes are people's individual characteristics, as well as structure of the organization, conditioned by the culture established in the organization. Work-Life-conflict is a clear and present danger to organizations and denial of this fact would be at the peril of accepting suboptimal employee performance. HR managers should know how to handle employee-employer and employee-employee conflicts without hurting their feelings.

Although it is almost impossible to avoid conflicts among people still handling them tactfully can help HR managers to resolve the issues. They should be able to listen to each party, decide and communicate to them in a convincing manner in order to avoid future conflicts.

How to overcome the HR challenges...?

- ☐ Proper HR planning: To overcome the above challenges a HR manger must have to do a proper planning before going for recruitment or selection process with regard to how many vacancies are there that is of what kind of job and for that from where he has to recruit and what must be the qualification of a candidate and how they have to conduct interviews and what are all the hurdles, influencing factor may arise in selecting a candidate.
- ☐ Facilitation: A HR manager must take care of facilitation to be given to the existing employees or for new employees. He should see to that what will be the motivator for employee to get stimulated to give his best and he must take care specially about women employees and most competent and talented employees to avoid retaining of employees.
- ☐ Ethical Behavior : A HR manger should adopt ethical behavior to have cordial relationship with employees and to avoid conflicts and handle diverse workforce with care.
- ☐ Coordination: An HR manger must work in diverse work force and he must stimulate his subordinates to do action. Thus he must develop coordinating attitude in him as well as in the working environment.
- ☐ Sympathy and Consideration: As human is a social being he needs care and sympathy from others in his working place or anywhere. Thus as an HR manager works with humans he must have sympathy and should consider someone's problem.
- ☐ Knowledge of Labor: An HR manger should have complete knowledge of labor that is, he must know the mindset of workers. A manager must have long experience with diverse workforce not only this but also he must know about changing trend in labor sector as well as changing rules and regulation of

employment. He must know about what is the minimum and maximum wage rate and average working hours.

- Academic Qualifications: To be HR manager one should have high academic qualifications with proper knowledge and experience
- Fairness: A HR manager must not be very rough and hard while he deals with his workers.
- Communication: There must be proper communication among HR manager or departmental managers and employees and it must be clear and understandable. Business owners should focus on communicating the benefits of the change for everyone so that employees can adjust to changes very easily and quickly.
- Business should create opportunities for its employees to use their skills and strengths every day. Accomplishing goals will motivate them and give them a chance to develop their skills.

Emerging HR Challenges in future

One of the crucial activities for HR managers is the HR planning. Regarding the HR functions of 21st century, the organization function has altered from “behind the scenes” to becoming critical differentiator in business. The HR roles have taken a new dimension in the 21st century especially after globalization. Manpower management is an exasperating job and it requires specialized skills.

Following are the some of the challenges being faced by HR Manager which is identified:

1. Recruitment and selection
2. Career development and growth
3. Promoting organization culture and heterogeneous workforce
4. Conflict management and resolution
5. Business ethics and values
6. Managing Multi-Generational Workforce
7. Strategies for motivation and retention
8. Flexible work hours
9. Striking work life balance
10. Managing 5 R's
11. Industrial relations

CONCLUSION

From the view point of above explanations, the globalization has many implications for the firm that may entail the diversity of cultures. The HRM in today's era has to mount the expertise, mindset and capabilities that are needed to gain a competitive edge on global scale. HR manager must be on continuous look out for creativity and innovation as it is known to be the key to success. It depends highly on HR to face the challenges of globalization which has given an entirely new view to organizations. The organization have grown savvier in using technology hence it is important to adopt all changes. Not only globalization effects but also some other factors like technological changes, competency of existing employees and well developed skill and knowledge among younger generation, laws and regulations regarding employee benefits and increasing competition in business environment will be a very challenging thing which a HR manager must have to keep in mind while recruiting and selection of the best employee.

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