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EMERGING CHALLENGES AND COPING STRATEGIES IN HUMAN RESOURCE  
MANAGEMENT**

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**ABSTRACT**

The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. HRM managers have moved from handling simple personal issues to making a strategic implementation through supporting the long term strategies with the necessary employee qualifications and developing the cultural and technical capabilities required for the strategies of the organization. The challenges of HR managers today is to recognize talent and nurture the same carefully and achieve significant productivity gains over a period of time. The enterprise is nothing but people. The role of HR manager is shifting from a protector and screener to the planner and change agent. This paper analyzes various challenges which are emerging in the field of HRM and also focusing on how to overcome with these challenges. The managers today face a whole new array of changes like globalization, technological advances and changes in political and legal environment, changes in Information technology.

**OBJECTIVES:**

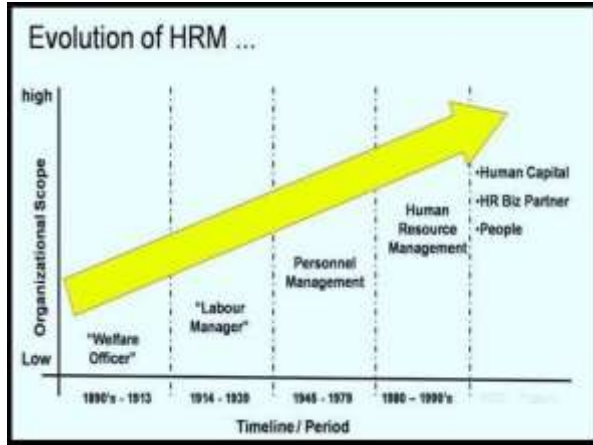
- To study the challenges emerging in Human Resource Management.
- To find out various coping strategies to overcome HRM challenges.

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**INTRODUCTION**

HRM has witnessed many changes in last 2 decades. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives.. This is true regardless of the type of organization-government, business, education, health or social welfare. As companies are becoming more concerned with cutting costs, HRM departments must show the value they add to the organization through alignment with business objectives. Being able to add value starts with understanding some of the challenges of businesses and finding ways to reduce a negative impact on the business.

Human Resource Management (HRM) deals with recruiting, managing, developing and motivating people including specialized support and managing system for regulating compliance with employment and human rights standards. The origin of HRM function arose in those organizations which introduce welfare management practices. HRM has witnessed many changes in last 2 decades. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives.. This is true regardless of the type of organization-government, business, education, health or social welfare. Organizational effectiveness depends largely on the performance of people working in organizations.



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### LITERATURE REVIEW

Survey pointed out the most important top ten HR challenges are leadership development, organizational effectiveness, change management, compensation, health and safety, staff retention, learning and development, succession planning, staffing: recruitment and skill labour (world federation of personnel management association, 2009)

Human resource manager will have to build or develop a frame work that allows flexibility to develop a workforce for tomorrow (Andries du plessis, 2008).

Organizations' worldwide are under pressure today to continually improve their performance. The major trends behind these competitive pressures are globalization, advances in information technology and increasing deregulation of global markets. (Becker & Gerhart, 1996)

Recent researches on HRM show strong and positive relationship between HRM practices and organisational performance (Collins and Smith, 2006)

Among all the organizational factors which contribute to organizational performance, the human resources are now regarded as the most fundamental factor (Mesch 2010)

The most important challenges of HRM, are technology, E commerce, and work force diversity, and globalization, ethical consideration of the

organization which may directly or indirectly affect the organization competitive advantages, especially with technological advancement the affect on recruitment, training and development and job performance with great extent can be study in organization (Decenzo and Robins, 2001)

As a result of these changes in the global economic environment business strategy, the field of human resource management is rapidly changing more than ever today (Bekcer & Gehart, 1996)

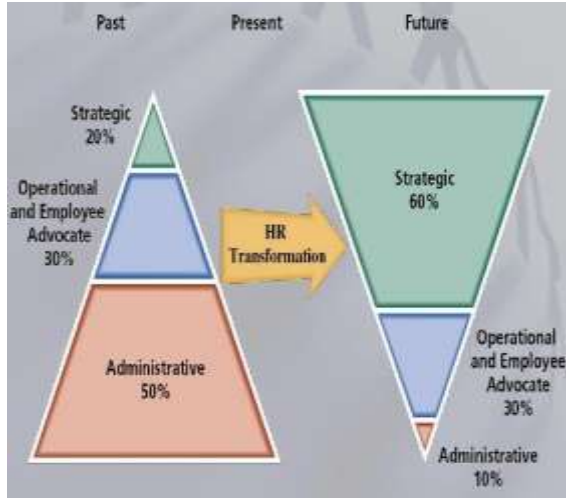
Practices consistent with a high involvement HRM strategy, such as highly selective staffing, incentive compensation, and training were positively linked to organizational performance (Delancy and Huselid, 1996).

### CHANGING ROLE OF HRM

Human Resources Management seeks to understand and then support how people do their jobs. Just as important, however, is the understanding of the environment in which that work is done; and how it contributes to the over all success of the organization - i.e. organizational effectiveness. The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. These days, there is a clear move away from seeing HR as a purely administrative activity, and towards appreciating it as complex, interpersonal and consultative work that requires a wide range of skills, from counseling and communication to business planning and strategy. Today's HR manager is at the centre of the organizations web of employees and departments.

Organizations that do not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources.

With the increase in competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. With the changes in HR laws, the department is also becoming more adept at providing the ground rules for hiring, firing, discipline and interaction with employees, as well as compensation and benefits, an area they've pretty much managed all along. And as laws continue to evolve and change, the HR Department is expected to become increasingly important in the management and policies required to remain in compliance of each one.



## CHALLENGES IN HRM

### Globalization :

At a political and economic level, globalization is the process of denationalization of markets, politics and legal systems i.e. the use of the so-called global economy. Globalization refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity (village markets, urban industries, or financial centers). It means that world trade and financial markets are becoming more integrated. Growing internationalization of business has its impact on HRM in terms of problems of unfamiliar laws, languages, practices, competitions, attitudes, management styles, work ethics etc. It has an effect on employment patterns worldwide. It has contributed to a great deal of outsourcing which is one of the greatest organizational and industry structure shifts that change the way business operates (Drucker, 1998). Globalization is also seen as changing organizational structures where expenses can move up or down as the business climate dictates (Garr, 2001). As a result HR managers have to confront with more heterogeneous functions and more involvement in employee's personal life.

### Workforce Diversity :

According to Thomas (1992), dimensions of workplace diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience. The future success of any organizations relies on the ability to manage a diverse body of talent that can

bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents.

Diversity affects all areas of organizations from recruitment to compensation, to the affect it has on the corporate culture, morale and competitiveness. Diversity in the workplace is an increasingly topical theme in management. Diversity within HRM, termed as workforce diversity, is a multifaceted phenomenon that can be defined as any visible or invisible difference between organizational members. With the fusion of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business prospects more vividly and creatively, especially in the global arena, which must be one of the main organizational goals to be attained. The risks of losing talents to competitors occur when an organizational environment does not support diversity. This is especially factual for a multinational company (MNCs) who have ventures on a global scale and employ people with varies ethical and cultural backgrounds. Thus, a HR manager needs to be mindful and may employ a Think Global, Act Local approach in most circumstances.

### Ethics :

While considering the challenges of human resources there is a need to discuss about ethics. The discussion about ethics happened during mid 2000s when several companies were found to have engaged in gross unethical and illegal conduct, resulting in the loss of billions of dollars from shareholders. Companies are seeing the value of implementing ethics codes within the business. Many human resource departments have the responsibility of designing codes of ethics and developing policies for ethical decision making. Some organizations hire ethics officers to specifically focus on this area of the business. Out of four hundred companies surveyed, 48 percent had an ethics officer, who reported to either the CEO or the HR executive. According to Steve Miranda, chief human resources officer for the Society for Human Resource Management (SHRM), the presence of an ethics officer] provides a high-level individual with positional authority who can ensure that policies, practices, and guidelines are effectively communicated across the organization.

### Cost Management:

Cost management is a major factor to the success or failure of their business. In most businesses today,

the people part of the business is the most likely place for cuts when the economy isn't doing well.

Consider the expenses that involve the people part of any business:

- Health-care benefits
- Training costs
- Hiring process costs

These costs cut into the bottom line of any business. The trick is to figure out how much, how many, or how often benefits should be offered, without sacrificing employee motivation. A company can cut costs by not offering benefits or plans, but if its goal is to hire the best people, a hiring package without these items will most certainly not get the best people. Containment of costs, therefore, is a balancing act. An HR manager must offer as much as he or she can to attract and retain employees, but not offer too much, as this can put pressure on the company's bottom line.

#### **Technology :**

There is a challenging task of adapting workplace to rapid technological changes which influence the nature of work and generate obsolescence. Advanced technology has tended to reduce the number of jobs that require little skill and to increase the number of jobs that require considerable skill, a shift we refer to as moving from touch labour to knowledge work.. There is new-new working technology. In this situation organizations have to change it technology. New technology creates unemployment and in other hand, there comes scarcity of skilled manpower. Like this, technological change brings difficulties and challenges in organization.

Technology also creates a workforce that expects to be mobile. Because of the ability to work from home or anywhere else, many employees may request and even demand a flexible schedule to meet their own family and personal needs. Productivity can be a concern for all managers in the area of flextime, and another challenge is the fairness to other workers when one person is offered a flexible schedule.

Technology can create additional stress for workers. Increased job demands, constant change, constant e-mailing and texting, and the physical aspects of sitting in front of a computer can be not only stressful but also physically harmful to employees.

#### **Changes in political and legal environment :**

Changes in political and legal environment means changes in political parties and rules regulation due to which new laws are come and you have to follow all laws while doing business. Many changes taking

place in the legal and political framework within which the industrial relation system in the country is now functioning. It is the duty of human resource and industrial relations executives to fully examine the implication, of these changes and brings about necessary adjustment within the organization so that later utilization of human resource can be achieved. It is the responsibility of Human Resource manager to anticipate the changes and prepare organization to face them without any breakdown in its normal functioning.

#### **Increasing cut-throat competition:**

Currently, organizations are facing increasing internal and external competitions. Due to this, product life cycles are getting shorter. It one starts to produce a new product, in no time, the same kind of product, produced by another company will be found in the market. Beside this, the size and complexity of organizations are increasing day by day. To face these growing challenges of competition, innovative human resource management and practices are needed.

#### **Revolution in Information Technology :**

Information technology has influenced HRM through human resources information systems (HRIS) that streamline the processing of data and make employee information more readily available to managers. More recently, there has been and in the future there will be impact of revolutionary computerized information system in the management it covers two primary areas:

- 1) Use of electronic computers managerial decision making process.
- 2) In future computerized information system will have increasing impact at the coordinate and strategic levels of organization.

#### **Cyber-loafing :**

It is a term used to describe lost productivity as a result of an employee using a work computer for personal reasons, is another concern created by technology. One study performed by Nucleus Research found that the average worker uses Facebook for fifteen minutes per day, which results in an average loss of 1.5 percent of productivity. Some workers, in fact, use Facebook over two hours per day during working hours. Restricting or blocking access to the Internet, however, can result in angry employees and impact motivation at work.

#### **Changes in the Economic Environment :**

This includes examination of the impact of a number of factors on production. Some of the key factors are the scarcity of raw materials and other inputs including power and electricity, encouragement of



the culture of consumerism, increasing consumer awareness and demand for quality products, continuing upward trend in the inflationary pressures with decrease in the purchasing power of rupee and its spiraling effects in the ever increasing aspirations of workers for higher wages and other material benefits and mounting costs on the employee welfare and other benefits. In an inflationary economy, the resources tend to become scarce and the costs of machine, materials and labour multiply. These push up the capital and running costs.

#### **Mobility of Professional Personnel :**

In today's competitive environment there is a increase in the mobility of various managerial and professional personnel between the organizations. As individual develop greater technical and professional expertise, their services will be greater demand by organization in the environment. So for Human Resource Management employee retention is a challenge.

#### **COPING STRATEGIES**

- Cross cultural training of HR personnel to understand cultural differences.
- Training of HRIS – Human resource information system should be given to the HR managers or HR professional so that they can overcome Information Technology challenges.
- One of the most important aspects to productive HRM is to ensure the department adds value to the rest of the organization, based on the organization's strategic plan.
- Shifting HR strategy with changing economy – strategy of HR should be agile, capable of flexing and adaptive to changes in the economy.
- Hiring is a very expensive part of human resources, and therefore HRM should take steps to ensure they are hiring the right people for the job the first time.
- Ethics and monitoring of ethical behavior are also challenges in HRM. Setting ethical standards and monitoring ethical behavior, including developing a code of conduct, is a must for any successful business.
- Motivate Professional personnel more and more so that do not change organization more frequently financial motivation is not always required you can motivate through non financial motivation like

encouragement, training of employee, job satisfaction.

- To cope up with the issue of Globalization HR manager should adopt the concept of Globalize Human Resource Management (GHRM) where it prepares the skill people or manager worldwide. This way the trend of globalization can be minimized with some extent.
- Regarding the debate on work force diversity, the HR manager accountable to make such a broad strategies which help to adjust employees in global organization, HR must increase the ability to compete in the international market.
- To provide more and more talent people into the organization the HR manager must re-decide and re-arrange the staffing functions, for recruitment selection, training and transfer, promotion, dismissals, placement, demotion and layoffs of the employees separate strategies should be developed and implemented.

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