

HUMAN RESOURCE MANAGEMENT IN 21ST CENTURY: A STUDY ON ITS CHALLENGES

Ms. Supriya Mahajan, Research Scholar,

Department of Management, Lovely Professional University, Phagwara

Abstract

Human resource management is the very important part of the organisation. In this era of 21st century no organisation can survive without human resource management. Human resource management is a group of so many human resources who are working in the organisation and handle all the activities related to their human resource department. The growth and success of an organisation depends upon human resource management. All the activities from the time when an employee enters in the organisation and leaves the organisation comes under the purview of human resource management. The aim of the paper is to find out the challenges which are confronting today's organisation human resource management. For this study data is collected through secondary sources which include research papers, books, newspapers and some websites. At the end of the study some suggestions has also been provided.

Keywords: Human Resource Management, Scope of HRM, Objectives of HRM, Challenges for human resource management in 21st century

Introduction

Human Resource is the most important asset of the organisation. A firm's success depends on the capabilities of its members. Most problems, challenges, opportunities and frustrations in an organization are people related. Human resources are the life blood of an organization.

Human resource management is the very important part of the organisation. Now days an organisation cannot survive without human resource management. Human resource management is a management function that helps manager to recruit, select, train, and develop members for an organisation. It is the function within an organization that focuses on recruitment of, management of and providing direction for the people who work in the organization. It is an organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Edwin Flippo defines HRM as

“Planning, Organizing, Directing and Controlling of the Procurement, Development, Compensation, Integration, Maintenance and Separation of human resources to the end that individual, organizational and social objectives are achieved.”

It is a multidisciplinary subject. It includes the study of management psychology communication, economics and sociology. It involves team spirit and team work.

It is a Comprehensive function. It applies to workers, supervisors, officers, managers and any other type of personnel in an organization.

Objectives of Human Resource Management

➤ **Societal Objectives:**

- To be ethically and socially responsible to the needs and challenges of the society
- To ensure compliance with legal and ethical standards. The failure of organizations to use their resources for the society's benefit in ethical ways may lead to restrictions.

➤ **Organisational Objectives:**

- To recognise the role of HRM in bringing about organisational effectiveness.
- HRM is not an end in itself. It is only a means to assist the organisational with its primary objectives.
- Simply stated, the department exists to serve the rest of the organization

➤ **Functional Objectives:**

- To maintain the department's contribution at a level appropriate to organization's needs. Resources are wasted when HRM is either more or less sophisticated to suit the organization's demands.
- The department's level of service must be tailored to fit the organisation it serves.
- HRM should employ the skills and abilities of the workforce efficiently.
- Aim to provide trained and motivated employees.

➤ **Personal Objectives:**

- To assist employees in achieving their personal goals, as these goals enhance the individual's contribution to the organisation.
- Personal objectives of employees must be met if workers are to be maintained, retained and motivated. Otherwise, employee performance and satisfaction may decline and employees may leave the organisation.
- HRM should develop and maintain Quality of Work Life (QWL).

Importance of Human Resource Management

- The Human Resources (HR) function provides significant support and advice to line management.
- The attraction, preservation and development of high calibre people are a source of competitive advantage for the business, and are the responsibility of HR.
- HRM is very important in organization. There are many issues that arise in the organizations which need to resolve and HR managers are the person who resolve these problems.
- Aiming to enable the organization to achieve its strategic goals by attracting, retaining and developing employees, HRM functions as the link between the organization and the employees.
- A company should first become aware of the needs of its employees, and at a later stage, understand and evaluate these needs in order to make its employees perceive their job as a part of their personal life, and not as a routine obligation.
- To that end, HRM is very crucial for the whole function of an organization because it assists the organization to create loyal employees, who are ready to offer their best.

Scope of Human Resource Management

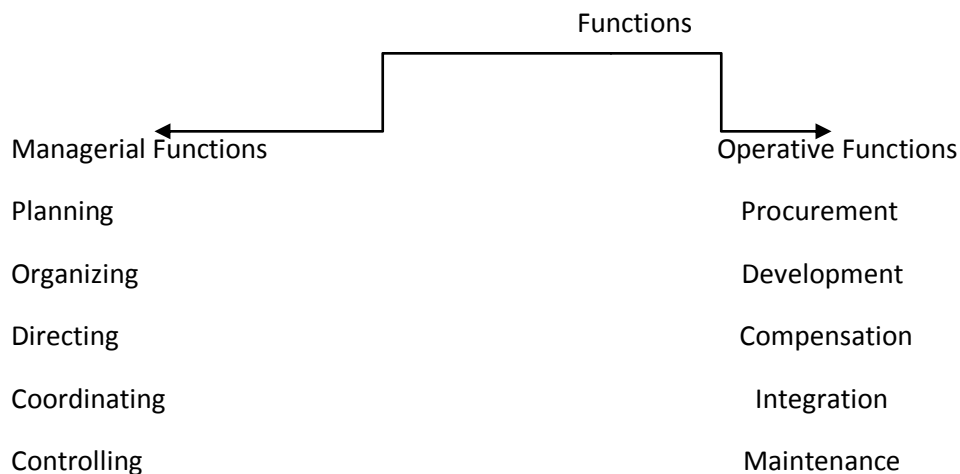
The scope of human resource management is indeed vast. All major activities in the working life of a worker, from the time of his or her entry into an organisation until he or she leaves, come under the purview of HRM. Specifically, the activities included are HR planning, job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal

and job evaluation, employee and executive remuneration, motivation and communication, welfare, safety and health, industrial relation (IR).

The IIPM has described the scope of HRM into following aspects:

- **The Personnel Aspect:** concerned with HR Planning, recruitment, selection, placement, induction, transfer, promotion, demotion, training, development, layoff, retrenchment, wage and salary administration, etc.
- **The Welfare Aspect:** concerned with working conditions and amenities like crèches, rest rooms, lunch rooms, housing, transport, education, medical help, health and safety, washing facilities, recreation, etc.
- **The Industrial Relation Aspect:** concerned with company's relations with the employees. It includes union management relations, negotiations, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.

Functions of Human Resource Management



Review of Literature

ManpreetKaur (2014) find out that to face the challenges in 21st century HRM has to implement effective strategies. Babu and Emani (2014) in his study find out that HR's Strategic Challenges include the need to support corporate productivity and performance improvement efforts and also HR must be more involved in designing not just executing—the company's strategic plan. Fakhryan et al. (2012) find the relations between performance appraisal satisfaction and outputs of employees with due attention to the role of intrinsic variable. The result showed that there is a positive relationship between performance appraisal satisfaction and work performance and effective commitment of employees and also a converse relation with tendency to quit job position. Kamal and Kumar (2013) in his study found that HR practice is becoming more and more challenging day by day, they have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training (Cross cultural training and technological and informational training) is necessary of HR people. Anil Kumar Singh (2010) in his study find out positive and meaningful relationship between HRM practices and organizational culture. Vaitkuvienė (2010) conducted research in two Swedish manufacturing companies given by, the company Frilight AB and EnitorPlast AB and reported that the workers were found satisfied

with the working conditions, training of staffs and career opportunities. Liz Weber (2009) in his study find out that the most important challenges of the HR in business are layoffs. Tannir (2007) in his study investigated that Human Resources jobholders need capability, integrity and professionalism in order to succeed in the ever-changing environment. Porter and McLaughlin (2006) identified only two studies that examined the effect of specific HRM policies or procedures on leadership, and none that examined the effect of these in bundles. Armstrong (2004) defined Human Resource Management (HRM) as the function within an organization that focuses on recruitment of management of, and providing direction to the people who work in the organization. Wiesner and Millet (2003) in his study find out that managing employee relation with other employees in the organisation may also a big challenge for today HR. Johns (2001) suggested that the effect of organizational context will be more evident if bundles of contextual elements are examined. Littlefield (1998) view conflict as occurring when there are real or perceived differences in interests (i.e. wants, needs, fears, concerns) that cannot be simultaneously satisfied. Gordon (1992) said that training is the activity which is planned, systematic and results in enhancing the skills, knowledge and competency of an employee to which is necessary to perform the work effectively. According to Flippo "Training is the act of increasing the knowledge and skills of a person for doing a particular job". Beach said that Training is an organised procedure by which people learn knowledge, skills for definite purpose. Safles (1989) defines 10 leadership legitimating role which include demonstrating ability, achieving credibility, representing and buffering, anointing, manipulating social distance, setting consequential goals, giving technical aid, showing persistence, practicing power, and maintaining momentum. Beer et al (1984) has tried Harvard framework for functional HRM based on problems of personnel management as well as strategic HR perspective.

Need of the Study

In this era of competition every organisation wants to become successful and to achieve a competitive edge. To achieve this it is very important that they know about the challenges in their way. This paper helps to find out the challenges which are confronting today's organisation human resource management.

Objectives of the Study

- To create the awareness about the concept of Human Resource Management and its functions,
- To find out the challenges which are confronting today's organisation human resource management.
- To find out possible solutions through which HR can overcome the challenges of present business scenario

Research Methodology

- **Sources of Data:** The source which is used for the collection of data in the study is completely secondary. Secondary sources have been used for the data collection which includes review of literature, books, newspapers and some websites.

Human Resource Management Challenges

After studying and analysing our secondary data we find out some challenges which confronting today's organisation human resource management. These challenges are:

- **Change Management:** This is one of the major challenges that HR departments are facing. Bringing change in organizational procedures and processes, implementing that change and then managing change is one of the biggest concerns of HR managers. Business environment is so volatile. Technology keeps changing very fast..Upgrading the existing technology and training

people for them is a really a difficult task for HR department. The success rate of technology change depends how well HRD can handle the change and manage people issues in the process.

- **Leadership Development:** The second biggest challenges for human resource management, is leadership development. Leadership is discussed on basis of traits and certain qualities, but at an organizational level it is based on knowledge. The most important challenge is to develop individuals who have performance potential on basis of past record and knowledge based expertise in to business leaders by imparting them with the necessary "soft skills".
- **Globalization:** Globalization is also one of the important challenges for HR professionals. HR Manager recruits candidates from different countries who speak different languages and practice customs differently. This brings challenge to HR policies regarding different concerns such as cultural and ethic sensitivity.
- **Compensation:** Every organisation has to deal with the issue of compensation and employee benefits because of slow economy and tightening corporate purse-strings. The key is to present mandatory changes in such a way that employees can accept, if not necessarily agree with them while providing non-monetary morale boosting incentives whenever possible to make the changes less traumatic.
- **Recruitment:** Human Resources must have selection tests that match positions in the company; a method of search for important communication skills and co-operative skills are also essential to a company's success. In an era of rising unemployment, it would seem that finding qualified workers would be easier than ever. But that's seldom the case. Many industries are facing dire needs for employees with acceptable skills and the required training or degree. This applies not only to health care, but also to technology and other fields as well, causing many employers to search outside their local marketplace for workers who can do the jobs they need filled.
- **Employee Engagement and Talent Retention:** Winning the hearts and minds of talent is of prime importance in the current context. Employees are no longer committed to their companies. Their dedication is towards their own professional growth and careers Employee engagement means that HR has its eyes and ears close to the ground realities that an employee faces in the job. Issues like work-life balance, fun at work are considered part of the employee experience.
Human resource managers are on their toes to strike a balance between employer and employees keeping in mind the recent trends in the market. They may find themselves in dire consequences if they are not able to handle the human resource challenges efficiently.
- **Conflict Management:** Conflict arises in every organisation. This arises when the view point of employees at different from each other. HR managers should know how to handle employee-employer and employee-employee conflicts. They should be able to listen to each party, decide and communicate to them in a convincing manner in order to avoid future conflicts.
- **Employee Motivation:** This is one of the challenges of HR Manager to motivate the employees of the organisation. Motivation of employee is important because if employee is motivated then they perform well in the organisation and a demotivated employee does not perform well in the organisation.
- **Benefit Costs "Health and Welfare":** Provisions must be made for the care of employees. This can be in the form of health benefits and sick days. Workshops and company picnics, outings, holiday celebrations, etc. often boost morale.
- **Merger & Acquisitions:** Merger & Acquisition is one of the effective technique to gain competitive edge over other organizations. HR professionals have to perform certain activities like creating transition teams, managing the learning process, recasting the HR department

itself, identifying and embracing new roles for HR leaders, identifying and developing new competencies.

Possible Solutions to Achieve These Challenges

- Cross cultural training of HR personnel.
- Motivation
- Shifting HR strategy with changing economy
- Human resource managers determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization
- Training of HRIS
- Proper performance evaluation system and proper career development plans should be used in the organization.

Conclusion

All challenges which are discussed in this paper can be properly managed by HR manger when they will work with HR practices in a proper way. When HR works in a good way by keeping all the practices in mind, competitive advantages can thus be achieved.

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