

EMERGING ISSUES IN HUMAN RESOURCE MANAGEMENT

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Abstract

The theory, research, and practice of Human Resource Management (HRM) has evolved considerably over the past century, and experienced a major transformation in form and function primarily within the past two decades. This field of management is driven by a number of significant internal and external environmental forces. This paper analysis the various issues which are emerging in the field of HRM. To achieve the higher goals mangers have to keep themselves equipped with whole new ideas and efforts to cope up with the emerging trends like globalization, workforce diversity, technological advancements, performance appraisals, employee engagement, changes in political and legal environment and changes in Information technology. This has led to an enormous shift in the roles of professional personnel. The great challenge of HRM is to attract, retain and nurture talented employees. This paper also analysis how to overcome with these challenges. These challenges can overcome through cross cultural training, technological and informational training of HR people and motivation of employees through various techniques.

Objective of paper

To study the details of emerging issues in HRM.

To find out the various methods and techniques through which HR can overcome the challenges of present business scenario.

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Methodology

The analysis of this paper is totally depends upon secondary data like journal, books and various website from internet.

Key words

Human Resource Management, Workforce diversity, Changing trends, Employee engagement etc.

Introduction

The management of Human Resources has now assumed strategic importance in the achievement of organizational growth and excellence. As globalization advances and we move into the information age, organizations need to adapt to the changes in workforce diversity, technological advancements, performance appraisals, employee engagement, changes in political and legal environment issues in management of people. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. HR professional cannot ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to handle the emerging issues. Some critical issues have clearly emerged - planning, acquisition and development of human resources, responding to the demands of the work place and, above all, evolving a strategy of dealing with industrial conflict. As a management practice, it covers all the conventional areas of personnel management and industrial relations, as well as the relatively new areas such as communication, counselling, training and development, and job enrichment. An attempt has been made in this paper to point out the experiences on the emerging issues in managing human resources.

The Changing Nature of HRM Function

Today, competitive advantage is based on the successful application of knowledge. Managing people, as an HRM function, has broadened, to include managing organizational capabilities, relationships, learning and knowledge. These functions include four generic areas, i.e.,

- ✓ Roles,
- ✓ Relationships,
- ✓ Strategic focus, and
- ✓ Learning focus.

These areas are different from each of the economy functions, like traditional, transitional and knowledge.

- Innovate HRM
- Crafting creative business strategies
- Organizational restructuring
- Creating social networks
- Invoking new challenges
- Shifting approach
- Enabling companies to go global
- Leading to superior performance
- Creating knowledge work force

Human Resource Information System (HRIS) for Effective HRM

In today's competitive business environment, the cutting edge for any organization is given by the speed with which it takes decisions to respond to changes in the environment, internal or external. A well-designed computerized HRIS alone can provide the information and analysis within the shortest possible time. Now-a-days, many organizations are using the computerized HRIS. They keep records in a compact manner, enabling access and retrieval, in a flexible way.

Benefits of HRIS

- Simplified data entry
- Less paperwork
- Fast and accurate
- Better use of feedback
- Increased efficiency
- Improved tools for data analysis

HRIS has great significance in every sector and it can play a vital role. It helps to have a better communication process in the organization and we can offer better service with less effort at reduced cost.

Most importantly, organizations can hire and retain top performers, improve productivity and enhance job satisfaction of the employees.

Aspects of HRM

Human Resource Planning, Recruitment, Selection, Placement, Inductions, Transfer & Planning, Job Analysis, Performance Appraisal, HR Audit, Total Quality Management, Quality of Working Environment, Quality Cycle.

HR, HRM & HRD

Human Relations is called HR also known as Human Resources. Managing HR is called Human Resources Management (HRM). Developing HR is called HRD. HRM is a philosophy, while HRD includes the activities and processes undertaken to promote the intellectual, moral, psychological, cultural, social and economic development of the individuals in an organization, in order to help them to achieve higher human potential as a resource for the community. It is a continuous process by which the employees are assisted in a planned way to develop capabilities.

Emerging Issues in Human Resource Management

GLOBALIZATION

The pace of globalization is increasing continuously in terms of markets for goods and services, investment and business opportunities within one or more organizations. This transformation caused by globalization affects all the department in an organization in which human resource management is not left out in this transformation crusade as it has obligation to move along with the changing demands of the globalization process.(HRM) challenges to business especially those operating across the national boundaries as multinational or global enterprise competing in global markets entails many factors and centralization of its human resource practices is certainly vital to improve global competitiveness and empower employees for global assignment. To achieve success in global market place, the challenge of all businesses regardless of their size is to understand global corporate cultural differences and invest in human resources. There are certain. The key issues involve staffing policies selecting and retaining talented employee, training and development whilst encouraging employees to be innovative and creative, culture barriers, and legal frame work. Others issues include understanding the challenges of living and

working conditions, performance appraisals from a distance, training and management development, compensation packages and labour relations and organized labour laws.

TECHNOLOGICAL ADVANCEMENT

As new technologies are developed and implemented there is an urgent need to upgrade existing employees' skills and knowledge if the organization wants to survive and flourish in a competitive world. Additionally, there will be growing demand for workers with more sophisticated training and skills especially in emerging hot sectors like telecommunications, hospitality, retailing, banking, insurance, biotechnology and financial services. For example service sector employees require different skills than those utilized in manufacturing. They need strong interpersonal and communication skills as well as the ability to handle customer complaints in a flexible way. 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 manual labour to knowledge work. There is new working technology. In this situation organizations have to change their technology. New technology creates unemployment and on the other hand, there comes a scarcity of skilled manpower. Like this, technological change brings difficulties and challenges in organization.

WORKFORCE DIVERSITY

The world's increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before. People no longer live and work in an insular marketplace; they are now part of a worldwide economy with competition coming from nearly every continent. For this reason, profit and non-profit organizations need diversity to become more creative and open to change. Maximizing and capitalizing on workplace diversity has become an important issue for management today. Supervisors and managers are the targeted audience because they need to recognize the ways in which the workplace is changing, evolving, and diversifying. Since managing diversity remains a significant organizational challenge, managers must learn the managerial skills needed in a multicultural work environment. Supervisors and managers must be prepared to teach themselves and others within their organizations to value multicultural differences in both associates and customers so that everyone is treated with dignity. Diversity is generally defined as acknowledging, under-

standing, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status. Companies need to focus on diversity and look for ways to become totally inclusive organizations because diversity has the potential of yielding greater productivity and competitive advantages. Managing and valuing diversity is a key component of effective people management, which can improve workplace productivity. Demographic changes (women in the workplace, organizational restructurings, and equal opportunity legislation) will require organizations to review their management practices and develop new and creative approaches to managing people. Changes will increase work performance and customer service.

STRATEGIC HRM

It is that set of managerial decisions and actions that determine the long term performance of a corporation. It includes environmental scanning, strategy formulation, implementation, evaluation and control. The biggest benefit that strategic HRM offers is competitive advantage by building critical capabilities of HR in an organization. Strategic HRM facilitates in strategy formulation by making an organization's SWOT analysis, and also in policy implementation by providing competent human resources and competitive intelligence.

CORPORATE STRATEGY IN HUMAN RESOURCE MANAGEMENT

Today, there is an urgent need to link human resource management, inextricable, to the business of the organization, at both the strategic and practical levels. The HR manager has the task of being on a constant look-out for the right choice of employees, fine-tuning the job mix and compensation package to benefit the individual and the organization, devising a flat organization structure and organizing training programmes for continuing the education at different levels in the organization.

BEST PRACTICE HRM

A best practice in HRM has invoked a great deal of interest among HR professionals. Companies that are currently under-performing in the HR area can learn and adopt some of the best practices from organizations that have acquired some mastery over the good practices in HR. In the era of liberalization, the competitive scenario in the business environment has changed a lot. Consequently, HR practices have also changed phenomenally. The performance of the employees determines the failure or the success of an organization. There are four stages of integration between HR functions and the strategic management functions: -

- Administrative Linkage
- One-way Linkage
- Two-way Linkage
- Integrative Linkage

HR experts are having the opinion that, though "best practices in HRM" cannot be uniformly applied to all the organizations, they have a kind of uniform applicability in some functional areas, where psychological factors play an important role.

HRM IN CROSS-CULTURAL CONTEXT

Multi-cultural workforce congregations have become today's workplace realities. The cross-border market terrorism spared by MNCs evoked counter-insurgency and strategic warfare from domestic businesses. Partnering people in this race is vital for success in the market place. Workplaces have increasingly symbolized multi-cultural villages, resulting in a growing need for cross-cultural intelligence. The future competitiveness of corporations will depend on their ability to attract and manage diverse talents effectively. Cross-cultural training will give managers on international assignments the cultural understanding essential to accomplish their tasks. Cross-cultural differences are the cause of failed negotiations and interactions, resulting in losses to the firms. The strategic role of HRM in strengthening and sustaining corporate growth has assumed paramount significance, the world over.

EMPLOYEE ENGAGEMENT

Products and process alone can't help organizations to sustain loyal customers. They also need highly-motivated, dedicated and involved employees who are very passionate about their work and their organization; in short, they need "engaged employees". But, nurturing engaged employees requires a lot of effort and skill on the part of HR managers and calls for a different HR philosophy in the organization. Some of the similarities in the factor that drive engagement and the personal investment that employees make to their organisations are:

- **Being part of a winning organization:** Employees want to know they are part of a winning organization. This could mean the organization is financially successful, or that it is recognized as a thought leader among customers, or that the organization has an ambitious vision, core purpose, and well-articulated business strategy in place.

- **Working for admired leaders:** “Admired leaders” are one of the most important non-monetary drivers of performance. Organizations with a strong network of admired leaders, create the conditions for high engagement.
- **Having positive working relationships:** Employees value positive working relationships with high calibre and professional colleagues. Employees describe being excited about the thought of coming to work with these kinds of colleagues.
- **Doing meaningful work:** Meaningful work is often defined as work that makes a difference or has an impact to the organization. Employees often want to see how their work impacts the organization’s vision and strategy.
- **Recognition and appreciation:** Recognition is another important driver of employee engagement. Recognition may mean monetary rewards and compensation, but it also can refer to the appreciation and direct feedback that employees receive from managers. This recognition and appreciation demonstrates that employees are valued and that their contribution is acknowledged by the organization. Recognition also means that leaders notice the often unnoticed things that employees do, to make their organizations successful.

HR FUNCTION & PERFORMANCE MANAGEMENT

The challenge before human resource professionals today is to create an enabling organizational climate for the employees, For this, they need to examine relevant issues such as training and development, performance appraisal and career planning in the organization. Selection and recruitment of personnel is an important responsibility of the human resource department. The recruitment policy provides competitive remuneration as per industry norms, maintains high standards for selection of recruits, and encourages lateral induction to infuse fresh ideas and new skills in the organization.

PERFORMANCE APPRAISAL

Performance appraisal provides an annual review and evaluation of an individual's job performance. Although the appraisal forms may only be completed once a year, the job of performance appraisal is continuous – sometimes daily - and requires effective communication on both the part of the supervisor and the employee. Performance appraisal has many uses, but perhaps the most important is that it provides employees with critical feedback with which they can improve their performance. Training needs should be identified during performance

discussions. Since performance evaluations may also be used in legal disputes, it is essential that the information entered is truthful accurate and based on performance, not personalities, rumours, or opinions.

Action Plan for an Effective Performance Appraisal

The HR manager should explain the basic purpose of the exercise. Formal communication workshops should be organized. HR department should keep the confidentiality of the appraisal report; two-way feed-back should be created, the exercise should be presented as a forum. HR department should make a time-table for the appraisal process and review discussion in forums. HR department should work out the methods, incentives and department-wise ratings.

ISSUES IN RECRUITMENT

Recruitment is increasingly becoming a two-way process, as a result of both employers and employees having higher expectations from one another. The first trend is using the resume database for recruitment; the other trend gaining prominence is the recruitment of key personnel from competitors, which is called "poaching".

PERFORMANCE & REWARDS

It is a positive achievement cycle; it serves as a powerful motivational force for future growth. Success compensation refers to a salary component, various fringe benefits, performance-linked bonuses, stock options, etc. Compensation package emphasizes on performance, linked compensation, sharp increase in perks and allowances, recognition of special skills and abilities of individuals, increase in senior management remuneration, and salary increases for junior managers.

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.

CHANGES IN 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 spiralling 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.

MOBALITY OF PROFESSIONAL PERSONNEL

One of the interesting facts will be 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.

How can we overcome with these challenges?

1. Cross cultural training of HR personnel so that they understand other cultural people
2. Motivate Professional personnel more and more so that do not change organization more frequently financial motivation is not always required you can motivate through nonfinancial motivation like encouragement, training of employee, job satisfaction
3. HR should adopt the change at internet speed.
4. Shifting HR strategy with changing economy – strategy of HR should be agile, capable of flexing and adaptive to changes in the economy.
5. Technical changes in the workplace often require the implementation of additional training for workers. As training and development is generally the realm of the HR department, this creates yet another challenge for human resource managers. HR must first determine what training is necessary and then implement training measures to ensure all workers can keep up with technical changes. Human resource managers must also determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization
6. 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.
7. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

Result In present scenario HR is facing various challenges like globalization; workforce diversity etc. HR people can overcome these challenges through cross cultural training, motivation of employee, technological and information technological training Due to all these challenges it is very difficult for HR people to retain, attract and nurture talented employee. But it can be possible from motivational techniques, HR executives cannot motivate employee from only financial techniques but they can motivate from non-financial techniques.

Conclusion

The traditional functions of HRM now need to be strategically directed towards developing and sustaining organizational capabilities, through activities that overlap with traditional business functions such as finance, marketing, and non-traditional activities, such as knowledge management. Human Resource Information System has great significance in every sector. It can play a virtual role and help the communications process in the organization. Most importantly, organizations can hire and retain the top performers, improve productivity and enhance job satisfaction of the employees. HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labour legislations and technology. The trends have taken place in the organization, human resource planning, job design, motivation, recruitment, skill development and employee relations. The challenges can be faced by HRM effectively, if proper strategies are implemented. Hence, the role of HRM will be more significant in future due to the emerging scenario.

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