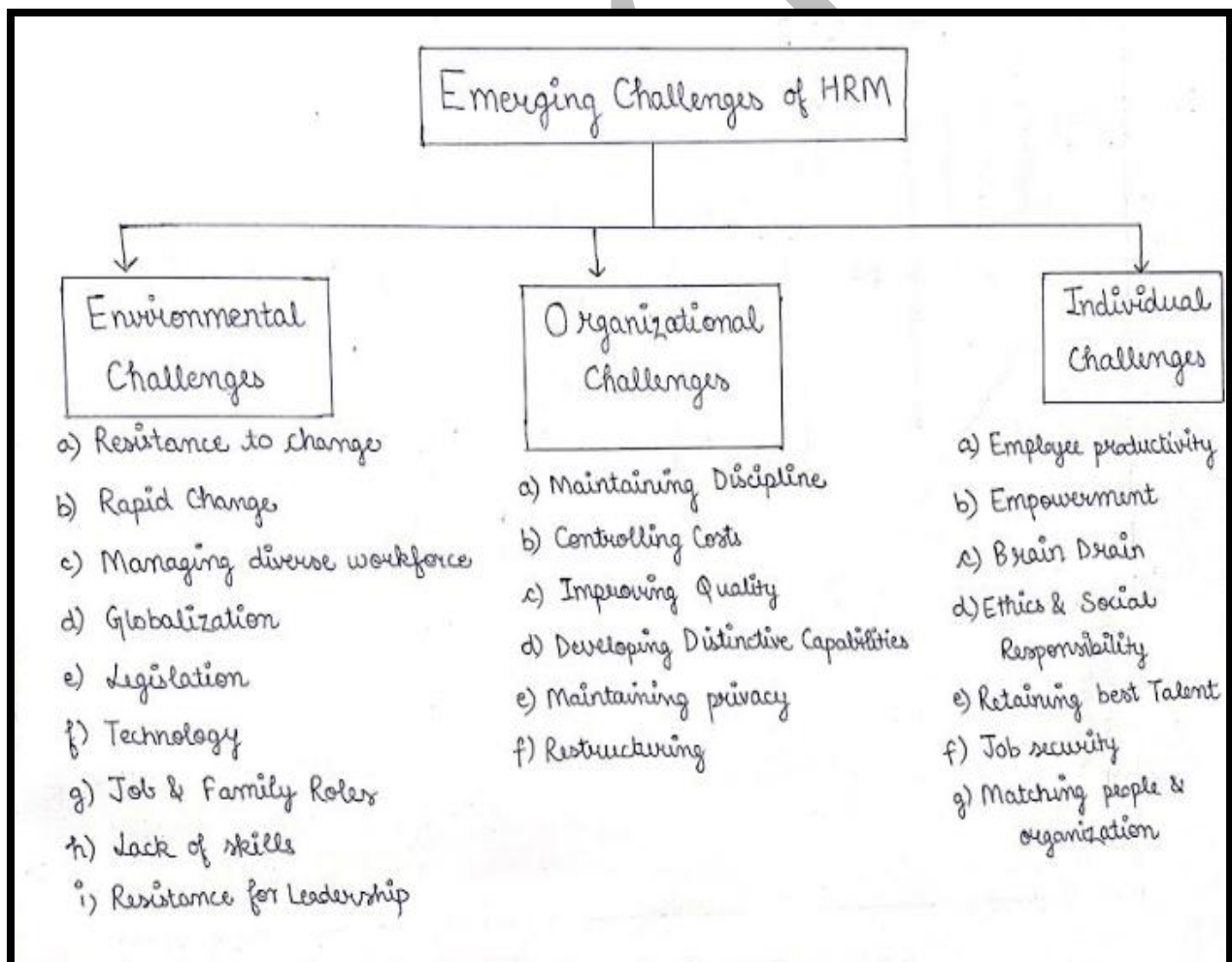


Emerging Challenges of HRM

There are number of human resource management challenges (HR Challenges) that need to be address as it is an important function of any organization. These HR challenges might be environmental challenges, organizational challenges and individual challenges, etc. Always remember that these challenges are not related to the single dimension; rather they are directed towards multi-dimensional issues that should be tackled with immediate care. Following are the broad categories of the Human Resource Management challenges in the today's competitive world.

Human Resource Management Challenges

1. Environmental Challenges
2. Organizational Challenges
3. Individual Challenges



1. Environmental Challenges:

The environmental challenges are related to the external forces that exist in the outside environment of an organization & can influence the performance of the management of the organization. These external forces are almost out of control of the management of the organization. These can be regarded as threats to management & should be handled in a proactive manner.

Following are the list of human resource management challenges that considered as the environmental challenges.

a) Resistance to change-What if I am replaced by a machine in the future?

This is a common fear which plagues the mind of many employees. Especially the ones who consider change to be a threat and think that their roles within the company will be replaced by a machine or computer that can do the job cheaper or faster.

As with any change in the workplace, changes in technology could cause anxiety or even resistance among your employees. The role of the human resource manager would be to develop strategies to combat this resistance to change which begins by assuring employees of their worth for the business. They must be able to perceive the technology as an aid not an obstacle to their work.

b) Rapid Change

The world is changing at a faster rate because change is constant from several centuries. So the management of the organizations should be quickly adaptive to the changing requirement of the environment otherwise they become obsolete from the market. The human resource management of an organization plays a basic role in response to the environmental change. The HR department should adopt such policies that can avail the new opportunities of the environment & keep the organization away from the newly emerging threats.

c) Managing a diverse workforce: Unity in diversity is the new business mantra

Composition of workforce is getting diverse at present situation. Diversity is not only created by age, gender, educational background and religion but also by the nature, personality and background of workers. However, with a more diverse workforce, some usual issues such as harassment or discrimination may arise. To control such instances, a company must formulate and implement strict rules and regulations.

d) Dealing with the “new normal” – Globalization

We live in a global world today. In fact, mergers, acquisitions, collaborations, takeovers are a common phenomenon. While internationalization of firms is obviously a sign of success, it is also a challenge as with globalization, you also have to deal with several challenges related to different languages, work culture, management approach, culture and tradition. You are also required to handle various functions such as scheduling meetings, managing holidays and outsourcing of talent to overcome these challenges.

e) Legislation

It is the old environmental challenge that is faced by organization since many decades. There are certain labor laws that are declared by the government for the benefits of the working employees. Some of these laws are disadvantageous to the interests of the organizations so it is a one of the big challenges for the HRM to implement all those labor laws within the organizations. If any of such law is violated, serious actions are taken by the relevant government authority that may result into serious penalty for the management of the organization.

f) Embrace technology or get extinct.

Any company must consider technological changes as the present day world demands every firm to move with the change, or else be left behind. Technological changes influence the overall nature of work and businesses need to find employees that are able to adjust with the change.

During this process, unemployment as well as employment opportunities arise, creating new challenges for HRM. With new developments in technology as well as with the use of new tools, such as talent networks and internal social networks, there is the promise of increased flexibility and productivity.

g) Job & Family Roles

In recent years, dual-career families are increasing in which both the wife & husband work. This creates a serious burden on the women that they have to give time to their families also. In many organizations the policies of HR favors the employment of more than 10 years. The working hours of the organizations are also strict and tight for the employees. Moreover, the selection & training procedures are two tough and time consuming so most of the talented women hesitate to join any organization which would result in the wastage of talent and potential. Even working men also suffer from these employment policies because they do not properly give time to their families. So the challenges for the HRM increases with this particular issue & special favorable working policies are needed to be employed in all organizations.

h) Lack of Skills

The service sector development is expanding due to many reasons like change in the tastes & preference of customers, technological change, legal change etc. All of this affected the structure

and managing style of the business organizations. The skills required in the employment of service sector is also advancing but the graduates of the technical colleges & universities are groomed according to the latest requirements. Therefore most of the employees lack the standard required skills to perform their duties and it becomes a big challenge for HRM to properly train these new & old employees to become an efficient & effective workers.

i) Leadership Development and Succession Planning

Leadership development is one of the biggest challenges for human resource management. It needs to be a critical strategic initiative. HR professionals are expected to provide the essential structure, processes and tools to select the best and develop the future leaders of the organization.

Most such initiatives can also be successfully conducted with the use of a scientific approach through customized assessments. With online assessments on identifying the best talent, predicting success at your workplace as well as building the next set of leaders by evaluating them through this approach can be the best next steps.

2. Organizational Challenges

The organizational challenges for the HRM are related to the factors that are located inside the organization. Although these challenges are evolved as a byproduct of the environmental challenges but these can be control by the management of the organization to much extent. The proactive HR managers take notice of such challenges in advance and take corrective measures before these would convert into serious issues. The human resource management challenges within the organization include competitive position & flexibility, organizational restructuring & issues of downsizing, the exercise of self managed teams, development of suitable organizational culture etc.

When the workforce of an organization is effectively used in combination with other factor of production, the opportunities of the environment are availed & the threats are eliminated. The competitive position of the organization can be influenced by the policies of HR in the following ways.

a) Maintaining discipline and ensuring successful achievement of business goals

Discipline is one of the key issues, lack of which can cause various problems impacting the productivity of the company. For instance, if discipline is not maintained; employees may neglect their tasks and duties or even procrastinate their tasks and misbehave with co-workers. The ultimate result of these activities is decreased productivity of your company.

You need to make your policies clear and inform every employee about your disciplinary procedures as well as let them know who they can appeal to. You must follow different

processes depending on the severity of the employee's actions. There is a need to ascertain whether discipline is due to employee performance issue or if it is misconduct.

b) Controlling Costs

An organization can avail the competitive position by lowering its cost & strengthening its cash flows. For this purpose, the labor cost of the organization is minimized through effective compensation system that adopts innovative reward strategies for good performances. In this way the favorable behaviors of the employees are rewarded so the organization would get the ultimate advantage. Moreover the policies of compensation should keep the labor cost under control. The effective employees should be selected that keep with the organization for a longer duration & proper training should also be provided to these employees. The HR department should also restore the work of the employees along with the improvement in the health & safety issue of working environment. All of these efforts would limit the cost of labor.

c) Improving Quality

The quality improvement can lead an organization towards competitive advantage. The total quality management programs are employed that improves all the processes within the organization which would ultimately result in the improvement of the final product or service.

d) Developing Distinctive Capabilities

Another method of gaining competitive advantage is to employ the people that have distinct capabilities to develop extraordinary competence in specific area.

e) Maintaining privacy and managing vital business information

As the technology within an organization advances, so do the privacy and security concerns connected with those technical changes. Ensuring that your employees are well trained in securing data and hence preventing privacy breaches Providing employee training on how to secure data and preventing any breach of privacy thus ensuring the safety of sensitive business information is a key challenge for human resources. Communicating with technology vendors and keeping up-to-date with the technical aspects of the company are some more ways for human resources managers to recognize and confront this challenge.

f) Restructuring

Another technique is the restructuring of the organization in which the methods of performing different functions are altered positively. In case of HR department, the majority of functions are still performed within the organization.

In some organizations the major functions of HR department are now transferred to the other parties in the shape of outsourcing, shared service center etc. The sizes of HR department in those organizations are shrinking because most of functions are performed by outsiders. But in most of the organizations the HR manager performs all the relevant functions of HRM. The HR department is now involved in the mission oriented & strategic activities.

3. Individual Challenges

The decisions related to the specific individual employees are included in the individual challenges for the HRM. The organizational issues are also affected by the fact that how employees are treated within the organizations. The problems related to the individual level are as follow.

a) Ensuring better employee productivity to maximize your profits

Maximizing profit and minimizing cost is the core of every business. Higher the productivity level, more successful you will be. So ensuring that productivity levels of your employees are always high should be your top priority. However despite continuous effort, you might sometimes get unsatisfactory results. In such case, you should thoroughly analyze the situations and make proper conclusions whether it is the result of inefficient employee or inadequate resources.

In case it is due to inefficient employee, training the employee, or even recruiting new staff could be a solution or finding alternative resources for sufficient input if inadequate resources are the case. HRM should manage on-site as well as off-site job trainings for employees. Providing training and support to employees not only benefits the company but also helps the employees who take this route to feel like they are a vital part of the business.

b) Empowerment

In the modern days many organizations make changes in such a way that their individual employees exert more control on their work as compared to their superiors. This individual control of employees is called empowerment which helps the employees to work with enthusiasm, commitment & learn new skills because they are more make normal decisions about their work by themselves & hence enjoy their work.

c) Brain Drain

One of the challenges for HRM is the detachment of the key potential employees from the organization which link with the competitors for higher remunerations etc. In such cases the organization loses its intellectual property & in many situations the leaving employees at the

higher levels also take with them the potential lower level employees. This brain drainage is becoming serious issue in the high-Tec companies.

d) Ethics & Social Responsibility

Under this challenge, the organizations make an effort to benefit some portion of the society. This is now considered to the social responsibility of the organization to show favorable behavior towards the society. The ethics serves as the basic principle for the socially behavior of the organizations. Within organizations, the HR departments develop a code of conduct & principles of code of ethics that serve as the guidance for the personal behavior of the employees of the organizations. The employees also expect from the management to show favorable decisions.

e) Retaining your best talent – Make it your top priority

Gone are the days where recruiting good talent was enough, retaining that good talent is also imperative. Especially those employees who possess greater professional and technical knowledge are much in demand in the job market as such employees have the ability to keep their company ahead in the race. Such employees are invaluable assets for any company. Employee development and engagement, health and safety, recognition, flexible work timings, work-life balance are some examples of novel approaches that you could use to retain your employees.

f) Job Insecurity

In the recent years, restructuring & downsizing develops the sense of insecurity of job within the employees of the organizations. Now many employees only desire to get a steady job rather than a job with promotional future. Even most successful organizations lay off its employees in the period of cut throat competition. The stock market also shows favorable results when layoffs has been made. All these things create a fear among employees about the insecurity of their jobs which would hinder their effective performance.

g) Matching People & Organizations

It has been proved from the research that the HR department contributes to the profitability of the organization when it makes such policies of employee selection in which those employees are selected & retained that best suits the culture of the organization & its objectives. For example it is proved from research that those employees would become beneficial for the high-Tech companies that can work in risky, uncertain environment having low pay. In short it is an important challenge for the HR department to hire and keep such employees whose abilities & strengths would match the requirements & circumstances of the organization.