



## HRM IN DYNAMIC BUSINESS CONTEXT

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### ABSTRACT

*Among all the resources in an organization, most important are the human resources. HRM basically is with the efficient management of people to achieve individual and organizational goals. HRM is all about management of employees from recruitment to retirement. Earlier HR was just used to "Hire and Fire employees", but now it is becoming strategic. With different emerging trends reshaping the business these days, the role of HR managers is changing. Due to the various issues like Globalization, work force diversity, cut throat competition old practices are becoming obsolete. Technological advancements at unprecedented rate are adding fuel to the fire. Mundane tasks previously carried out by HR professionals are being automated This paper examines how the role of HRM is changing and what challenges are being faced by HRM?*

**KEYWORDS:** HRM, Strategic, Globalization, work force diversity, Talent, Artificial Intelligence

### INTRODUCTION

All the resources in an organization are waste if the human resources are not competent. The onus of using all the resources properly and studying of business environment lies with human resources. So, it is necessary that in order to stay ahead of the curve, human resources are managed properly. It is Human resource management that organizes these resources so that they perform effectively and goals of organization are achieved. HRM ensures that the organization has the right people, in the right job, at the right time. It ensures effective utilization of people towards attainment of personal and organizational goals. With the rapid changes in the business environment, the role of HRM is also changing. HRM is moving away from traditional roles which are generally outsourced. Now it concentrates on value added tasks by strategically utilizing people. It not just focuses on functional activities but makes recommendations towards processes in order to improve the ability of employees in the long run. SHRM assures that all the activities directly or indirectly contribute to the achievement of objectives. In the modern era of digitalization, technology is changing the face of HRM also.

### Literature Review

Sathyanarayana (2015) focused on the changing dimensions in the global era and pointed out that Globalization in the 21st century presents distinctive HRM challenges to businesses especially those operating across national boundaries as multinational or global enterprises. So, HR professionals must play special roles in dealing with the changes and must develop specific competencies to support these roles.

Sharma (2022) described about HRM practices measures in top IT Companies and analysed the existing retention strategies in IT companies and the factors based on which employee decides to stay with the company or quit.

Angelo, Gazarolli, Corvinno & Gozoli (2022) highlighted that in the current context, it is no longer sufficient to take individual actions (often based on urgency) among the figures in the organisation who are involved in HR management—what is needed are more structured systems of action that allow for the construction of processes and actions at multiple levels in HR management. In other words, it is necessary to build and nurture constant convergence between decisions and actions at the individual, middle and top organisational levels to make them more effective based on a more consistent, sustainable, and conscious approach.

Zhang and Chen (2023) highlighted that HRM digital transformation will bring certain implications, including how to parallel and transit between the old and new HRM systems, what are the challenges of the new digital HRM, the impact on performance, and digital ethics. In the digital era, there is not enough research in the field of HRM digital transformation, which also gives us researchers more opportunities to explore.

Dede (2022) highlighted that In the Human Resources Management (HRM) processes, computers and internet has made it possible for human resources departments to assume more strategic roles to contribute to the operational results. Recruitment, success assessment, in-house transfers, remuneration, work security, personnel affairs, training and development, performance measurements, rewarding and punishment management processes were transferred to electronic systems, and it was possible to manage these processes with a holistic approach.

### RESEARCH OBJECTIVE

The aim of this paper is to study how the role of HRM is changing and what are the challenges being faced by HR managers due to dynamic business environment.



## RESEARCH METHODOLOGY

This paper is based on secondary data collected from various sources like books, journals, newspaper, magazines. Different informative websites were also explored.

### HRM in the age of AI

As the landscape of business is changing, HR is moving away from the traditional tasks like payroll processing and is becoming strategic. The main function of SHRM is to associate the HR practices with the overall organizational goals and objectives to contribute directly to the business success. SHRM focusses on creating a skilled workforce, cultivating employee engagement, and fostering a strong organizational culture to support overall organizational growth and success. SHRM acts as an interface between employees and objectives and assures that utilization of human assets leads to the achievement of objectives. In today's digital world, all the functions in business are being affected by the technology and HRM is not an exception. HR departments are embracing AI and repetitive tasks like recruitment, Performance Management, Training and Development are left to the care of AI. So, HR managers are left with more time for decision making. AI makes the recruitment and selection easy by quickly filtering, resume, cover letters. Apart from this, AI also takes care of improving the skills of employees. AI driven tools assess the knowledge of the employees and provide the content needed to upgrade their skills. Also they are used to measure the performance of human resources and assist in their career planning. AI has a huge potential in shaping the future of HR but there are a lot of challenges associated with it.

Actually human beings are emotional and social creatures and they need to be understood in order to get the things done from them. When HR activities are left to the technology, humans may feel disconnected and this may lead to loss of emotional connection with the organization. Also, in the age of AI, protection of sensitive data from unauthorized access is a big challenge.

### Challenges faced by HRM

Arthur Lewis observed "There are great differences in development between countries which seem to have roughly equal resources, so it is necessary to enquire into the difference in human behavior". Physical resources are totally useless without human resource component as these are transformed into productive resources by them. As the business environment is dynamic, so is HR environment. Due to continuously changing business environment, trends in HRM are also changing. It has become necessary for the managers to hire and retain talented employees. Following challenges are being faced by HRM these days.

**1. Workforce Diversity:** Globalisation has made the organisations heterogeneous mix of people due to entrance of workforce with different backgrounds and cultures. Significant changes have also been observed with the entry of SC, ST candidates, thanks to the protective policy of Government. More

and more females are joining the workforce due to increased career orientation which further complicates the task of HRM as females have different types of issues. Workforce diversity these days has become a necessity and assists a company to reach more people but it's a big challenge for HR to manage this diversity as Cultures around the world vary widely in their norms, values, and communication styles. It requires complete modification of old HR practices.

**2. Globalization:** Due to globalization, organisations develop international influence or start operating on an international scale which has increased competition. When the operations are extended beyond borders. It has effect on both current workers and also to new employees. Managers are required to think globally, but act locally. Globalization on one side gives access a larger pool of labour and on the other hand also increases the chance of linguistic and cultural barriers which creates problems where team work is required. It is a challenging task for HR professionals.

**3. Technological Advancements:** Technology has significant impact on business operations. Keeping pace with Technological advancements is a challenge. No doubt it helps in saving time and cost of production. Sophisticated technology obviously brings down the number of employees in the organizations as hazardous jobs as well as repetitive jobs are being handled by AI. This would make HR plan the training of employees in Alternate skills. A new breed of organisations is being developed which is called virtual organization. where employees are spread geographically and communicate via phone, email, and the internet. These Jobs in virtual organization require different skills which is a challenge for HR and he needs to update their skills continuously which is an additional burden for them.

**4. Retaining Unique Talent:** Hiring talented employees is not enough. The major challenge is to retain them. Organizations try hard to hire employees from the competitors by providing attractive opportunities to them. In private sector, people leave jobs frequently in search of lucrative jobs and retaining the employees today has become a challenge for HRM. Job satisfaction is a precondition to increase retention rate. Employees should be made to feel an integral part of the organisation. HR should provide them ample opportunities to learn and grow. There should be open communication and their efforts should be recognised. All this put a tremendous pressure on HR.

**5. Remote Workforce Management:** With technological advancements, remote work is gaining momentum and the Pandemic has made everyone accustomed to it. No doubt, it offers flexibility but it is a challenging task for HR Managers to collaborate with employees working remotely. Not only this, the employees are often in different time zones which further complicates the task. Apart from this, problems with internet connection and other glitches cause delay in completion of work. It is a must that remote work policy in tune with organizational objectives should be framed.



**6. Stress Management:** In today's world, every person is under stress. Stress is a root cause of many problems like fatigue, decreased concentration, loss of memory and most importantly decreased productivity. So to reduce turnover and improve the overall productivity, it is a must that employers should try to keep the workplace stress free which is quite challenging. Besides motivating the employees, employers should encourage workplace wellness, arrange counselling sessions and social activities for them. If employees are happy, the achieving organizational goals will become easier and turnover rates will be reduced.

## CONCLUSION

Physical resources are totally useless without human resource component as these are transformed into productive resources by them. HRM is about guiding human resources so that they perform to the best of their abilities with a high degree of morale. Management of people has always been difficult but the challenges that have been thrown by dynamic environment Workforce diversity, technological advancements, economic liberalization and globalization have made it even more complicated. Artificial intelligence is transforming the HR function. In order to survive in this competitive era, Human Resource Managers will have to be well versed with Social, Technical and Conceptual skills and should frame effective strategies to address these challenges. Old HR strategies need to be redefined and employees well being should be prioritized. Beyond doubt, Technology can take care of repetitive tasks but understanding the feelings and emotions of human beings is imperative for the success of business which still needs to be done by human beings.

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