



AN ANALYTICAL STUDY OF HUMAN RESOURCE MANAGEMENT CHALLENGES IN 21ST CENTURY

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ABSTRACT

Today, the field of Human Resource Management (HRM) is experiencing numerous pressures for change. Shifts in the economy, globalization, domestic diversity, and technology have shaped new demands for organizations and drove the field in some new directions completely. However, we believe that these challenges also generate several opportunities for human resource and organizations as a whole.

The term Human Resource Management is used to define the formal systems devised within an organization for the management of people. The responsibilities of human resource manager fall into three main areas: benefits and compensation of employees, staffing, and defining/designing tasks. Essentially, by optimizing the effectiveness of employees, the purpose of HRM can maximize the productivity of an organization. Despite the ever-rising pace of change in the business world, it is unlikely that this mandate will change in any fundamental way. In an organization, human resource has become an essential strategic partner and the management of the same has turn out to be a challenging task for human resource managers. Now a day, the role of department of human resource management has become essential for 21st century modern businesses. Human Resource Management for small business especially may be a challenge, which typically do not have an human resource department to depend on. They may be restricted to one human resource person, or this accountability may still belong to the CEO. Regardless, small business owners must recognize the challenges, that they are ready to face them, and they are set to tackle the challenges of human resource issues as their corporation, and workforce grows.

This research paper objects at learning the challenges in Human Resource Management, to propose measures to overcome the challenges and highlight the evolving challenges in HRM.

KEYWORDS: *Human Resource (HR), Human Resource Management (HRM), Globalization, Workforce, Challenges, Strategies.*

INTRODUCTION

The field of human resource are having a number of pressures that will change the targets of organizations and change the nature of human resource processes and practices. Human Resource Management is one of the roles of management that endured great theatrical changes in the new millennium. There is a shift in HRM managers' duty from simply handling personal issues to designing strategic implementation of complex strategies for the organization. Currently, there are extensive discussions going on regarding the main issues for Human Resource in future.

With the advanced means of communication,

developed breakthrough technologies and dismantling of social and economic barriers, the world has now become edgeless, and the countries are rapidly integrating into an actual global economy. In this situation HR managers are facing a variety of challenges due to increased globalization, latest production techniques, change in customers' demands and corporate restructuring. The role of an HR manager has much greater significance as assumed, they are expected to generate conditions where the employees from diverse culture, background, and nationality could work as a team with ease and flourish in an organization.



In other words, undergoing an enormous transformation that will alter a career way in as at uncertain ways is called the HRM. Employees are putting more emphasis on business the acumen and are outsourcing and automating many administrative roles, which might force many HR professionals to establish new skills and compete for new, sometimes unskilled roles.

STATEMENT OF THE PROBLEM

In today's era, to compete with global competitors and to sustain in the diversified economy HR responsibilities and duties have become a challenge for HR manager. As Human Resource is needed and a very crucial thing for almost all business irrespective of their nature and size of the corporation, optimum usage of available workforces is a very challenging job for every HR manager in this advancing and competitive era. This is the main motive to select this topic and attempt to analyze the emerging challenges in HRM and to determine solutions for them.

OBJECTIVES

1. To study the challenges in HRM.
2. To highlight the future challenges and opportunities faced by HRM in 21st century.
3. To provide measures to overcome challenges in HRM.

RESEARCH METHODOLOGY

The study at hand is descriptive in nature. In this research study the methodology adopted, and information collected is based on secondary type of data collected through various sources such as research articles, books, academic journals, and relevant websites etc.

HUMAN RESOURCE MANAGEMENT

Human Resource Management is a multidisciplinary function that shows assumptions from several fields such as psychology, sociology, management, and economics. An effective HRM tries to get unexpected results from ordinary people. Besides recruiting the right person at right time for right job, HRM is also accountable for employee satisfaction, motivation, training, long term development & retention. This function has to guarantee through soft and hard approach that everyone is obeying the companies' laws and regulations. It is important to remain well known with not only environmental changes but also technological shifts. To grow employees in accordance with global environmental factors as well as international market is one of the

major challenges today for HR personnel.

HR now is not only restricted to supportive role in the organizational functioning but in fact it is taking a lead in developing strategic and competitive edge by being involved in taking strategic decisions. The combination of HR with businesses needs a brand-new paradigm for handling people in an organization, it also describes that HR propose solutions for many complex issues related to organizational success.

21st century method of HRM is to apply the knowledge and expertise of people effectively and efficiently to achieve organizational targets and to shed light on the importance of focus of HR towards employees' benefits and concerns as employees have a critical role in organizational success.

Today, the organizations are going through the challenges of dynamic environment which needs them to espouse recent changes and lay effort for profit optimization. In today's era, organizations are dealing with various challenges about 21st century human resource; that comprises employing new technology, globalization, everyday innovations, political as well as economic instability and ethical & ecological challenges.

Change management is one of the major challenges of today's era. The prerequisite for growth and survival of any organization is to amalgamate with internal and external changes. Hence, along with other significant business units of an association the HR is also in a requirement to take the lead in keeping up with the required speed.

Globalization is a phenomenon which has the roots that can be tracked back from early 80's, but it has gained momentum recently. Globalization is synonym with a concept that world is one marketplace where it is important to deal with culturally diverse people in a decent way. Globalization has opened doors for many business firms to expand globally which adds value to national income. It is integrating business actions beyond geographical boundaries. Hence to cater the shifting requirements of today's era in 21st century, HR department will have to shift from traditional to a strategic approach.

EMERGING HRM CHALLENGES IN 21st CENTURY

One of the key activities is the HR planning for HR managers. Concerning the HR functions of 21st century, the organizations have changed from "behind the scenes" to developing into the critical differentiator in businesses. The HR roles have taken a new dimension in the 21st century particularly after globalization. Manpower management is an exasperating work, and it



needs specialized skills. During the prior few years, many transitions have taken place like due to rise in there were several layoffs; countless people lost their jobs that put a lot of burden on organization's management to reassess its measures and strategies. Following are some of the emerging challenges being faced by HRM:

1. HRM Globalization

Globalization is the term that has conquered the mind of mostly every successful businessman and the concept of Global Village is common problem in modern business world. Globalization is defined as a process that is bringing people together from all countries of the globe into a single community connected by the massive network of advanced communication technologies. Globalization in this situation refers to organizations that function on an international or global scale. Organizations functioning in a global environment face numerous new challenges including differences in culture and language of workers, and variations in political, social, and legal systems. Multinational corporations (MNCs) are huge companies working in many countries that are confronted with new questions, including how to generate consistent HR practices in different locations, how to develop a coherent corporate culture, and how to prepare managers to perform in a diverse cultural environment. Business world of today has also been affected by this aspect of globalization. HR Manager in today's era needs not rely only in small-limited marketplace to look for the right workers needed to meet global challenges, but today recruitment of the employees can be done from all around the world.

2. Recruitment and Selection

Employee recruitment and selection is an essential process for any corporation. The HR of multinationals and local firms is going through a hard time. Both types of firms are struggling hard to find appropriate candidates. Small businesses require competent and capable employees to assist them develop and deliver high quality products and services. Not only these problems are there but there are some other issues which effect the selection of employee. The quality of people appointed depends mainly on how much effective recruitment and selection tactics are. However, this procedure of recruitment and selection is not always gliding smoothly and come across many challenges due to globalization that has permitted firms to invest overseas. Tangible problems confronted during the process may comprise the cost of advertising job openings while intangible obstacles can be communication gaps between hiring managers and recruiters. We know that each individual is different from another; even the recruitment committee will take

decisions on the basis of their own perceptions as they are influenced by their values, beliefs and social views and thus it is tough to rule out the possibility of biasness. Thus, a HR manager requires to ponder on all these factors while choosing the best fit employee for their company.

3. Heterogeneous Workforce and Promoting Organizational Culture

Today the organizations are having heterogeneous staff, which is off course considered to be a positive thing as diverse minds will lead to new creations and ideas, but handling the culture where individuals have different mindsets and putting across the cultural values is certainly a challenging task.

A multicultural worker is made up of individuals from different racial and cultural backgrounds. The workforce of any nation is an image of the residents from which it is formed, despite of some distortions that can be triggered by cultural bias or discrimination in recruitment. Dealing with individuals from different 'age', 'race', 'gender', 'location, income', 'educational background', 'parental status', 'religious beliefs', 'ancestry', 'marital status', and 'work experience' can be a challenging mission for HR managers. Cultural variations can often lead to problems with communications and an increase in the resistance that can be developed as individuals with different hopes and habits interact. It results to, growing labor force diversity. Managing these individuals with diverse cultural, religious, moral background is challenging job for HR Manager. Thus, it is essential for a HR manager to make an environment in which the negatives are minimized as much as possible, and the positives of diversity are harnessed. Culture of any office is its root and hence HR managers really have to take a lot of pains for developing a successful organization culture.

4. Managing Multi-Generational Workforce

These days organizations have workers belonging to multi generations who fall under different age groups. These generations are categorized as Baby Boomers I, Generation Jones or Boomers II, Generation X, and Generation Y. Generation X and Y born individuals are known to be better aware of technology and they like to use new working techniques. They wish to implement new philosophies and they are considered to be innovative, while baby boomers & boomers II feel much comfortable with their traditional ways and they resist to come out of their comfort zone. It is significant for an organization to hold both sets of people, as both types are equally essential to organizations success. The task of HR manager is to respond to their requirements accordingly.

However, they can also be considered chances for organizations to use the several talents and skills that



these people bring to the workforce and must offer a wide array of individuals with the opportunity to show their skills and talents. Furthermore, the changed composition of the workforce must help organizations reach larger markets for their products and services and elevate the innovation and creativity in organizations.

5. Career Growth and Development

Employee career growth activities refer to initiatives taken by employers and employees to refine their expertise and keep themselves familiar with the recent developments. Globalization has fetched countless technological changes and developments.

The human resource department come across many challenges in employees' development and training, from certifying the constancy in the high performing persons who drive the firm coaxing success from untouched potential workers and under achievers alike. Investing in the development and training of lower-level workers is additional common HR problem. Some businesses have problems in finding the resources to do so. Workforce on the front lines are some hardest labors and may not be able to take a training course due to time limitations.

It is extremely vital to train and develop the workers so that they can maintain pace with all the changes and innovations approaching towards their way. Now a days the training must not be only restricted to make employees learn any definite skill or knowledge, instead it must focus on overall progress and career development of workers. The training shouldn't conduct just for the sake of it; one has to be extremely conscious about the content of the training program too.

6. Management of Conflict and its Resolution

Conflict has two sides' one positive which is termed constructive conflict and another negative that is recognized to be destructive conflict. Today's managers need to be well skilled to deal with both kinds of struggles.

It is impossible for organization to be without conflict situations. It is identified that more than 80% of conflict condition occur independently of human will. Its reasons are people's individual features, as well as structure of the organization, trained by the culture established in the organization. Work-Life-conflict is a present and clear danger to the company and denial of this fact would be at the peril of selecting suboptimal worker performance. HR managers must know how to deal with employee-employee and employee-employer conflicts without hurting their sentiments and feelings.

The HR managers need to find methods for coping up with conflict timely. They must act as an intermediary and should rapidly respond to the conflict before its outcomes into a drastic damage to a company. The HR

manager has to be a trained communicator, as transparent and clear communication plays an important role in conflict resolution. Occasionally HR managers are expected to explain the code of conducts to worker to handle worker complaints and sometimes they act as a liaison between employers and labor unions to resolve the conflict among parties.

7. Strategies for Motivation and Retainment of Employees

In the recent scenario, when there is no dearth of chances, it has become a great challenge to stop individuals from looking for new place to work. It has been observed that the organizations have unlocked doors to make worldwide recruitment; hence it is essential for HR managers to design better policies for retention.

Working professionals to work anywhere in the world as globalization has given them freedom. Now that workers have limitless lucrative opportunities to work, recruitment and retaining the best industry talents is no joke. Providing outstanding work environment and presenting more remuneration and perks than your competitors can motivate and retain them. In order to retain these people, organizations will require to rise flexible work arrangements, allow part-time work, offer a supportive environment, and employ recognition systems to encourage them to stay with the organization.

8. Flexible Work Hours

Time has become more flexible as shifted into 21st century, which is a great challenge for HR managers. Due to the advancement of technologies and many other reasons, people now-a-days prefer to work from home. The internet has given rise to virtual world and 24/7 market. Although flexible work measures have great benefits but at the same time it is going to enhance the level of stress on workforce and management that has to be dealt well by 21st century managers. With the flexible work measures, the HR professionals require to regularly monitor the successes in several projects and challenges faced during the period. This can help to take better procedures regarding flexible work arrangements in future.

9. Maintaining Work-Life Balance

This concept is gathering a lot of attention these days. Due to hard competition in the market, the workload is growing day by day and this leads to several problems of health and high stress among employees. It is a duty of the manager to make a separating line between work and leisure activities. Individuals often quit jobs if they do not find suitable balance between professional obligations and personal lives.

The challenge however is in knowing and performing



things that support and facilitate work-life balance without interfering into the personal lives of personnel. The HR department of such organization is often overextended for creative solutions that are practical to implement yet have an effective impact. Successful organizations in this time have taken work-life-balance to even advanced levels by not merely constraining themselves to addressing domestic pressures on their workforces but facilitating self-actualization of these people.

10. Compliance with Laws and Regulation

Keeping up the pace with changing employment laws is a fight for business holders. Many select to ignore employment laws, believing these laws do not apply to their business. These doings can lead to mean audits, lawsuits, and it is even possible that the demise of a company happens. Being HR manager, he will be accountable in hiring workers it is their duty to take care of laws and regulations concerning employment, thus it will be very challenging for them to select a worker with taking into consideration of all laws and regulations. They must get updated about the latest changing rules and regulations regarding employment.

11. Business Ethics and Values

Paying keen attention to business values and ethics is significant to any manager's job. With the recent changes in workplace culture, strategies, and organizational structure, it has become more imperative to have ethic and values in place which will decides organizational sustainability in global marketplace for a longer period. The HR department is bound to deal with an array of ethical challenges or issues as this unit directly deals with workers of a company. HR department comes across many ethical hazards that may damage the reputation of a company and its financial sustainability in a long run.

MEASURES TO OVERCOME THE HRM CHALLENGES

The following are the measures to overcome the Human Resource Management challenges:

- **Proper HR planning:** To deal with the above challenges a HR manager should do a proper planning before starting the process for recruitment or selection with regard to how many openings are there, these jobs are of what kind and for these jobs from where recruitment should take place and what should be the qualification of an applicant and how to conduct interviews and what are all the problems, influencing factor may rise in selection process of a candidate.
- **Ethical Behavior:** A HR manager must adopt

ethical behavior to have cordial relationship with workers and to dodge conflicts and handle with care diverse workforce.

- **Facilitation:** A HR manager should care of facilitation to be ensured to the existing workers or for new workers. They should look to that what will be the motivators for worker will be and to get stimulated to have their best and they should care particularly about women workers and most talented and competent employees to dodge recalling of workers.
- **Sympathy and Consideration:** As human is a social being, they require care and sympathy from others in this working place or anyplace. Thus, as an HR manager works with people, they should have sympathy and should consider someone's issues.
- **Coordination:** An HR manager should work in diverse workforce and they should stimulate their subordinates to do action. Thus, they should create coordinating attitude in them as well as in the working atmosphere.
- **Knowledge of Labor:** An HR manager must have full knowledge of labor that is, they should know the mindset of workers. A manager should have long and great experience with diverse workforce and not only this but also, they should know about changing trend in work sector as well as changing rules and regulation of employment. They should know about what the minimum and maximum salary rate and average working hours is.
- **Fairness:** A HR manager should not be very rough and hard while they deal with their employees.
- **Communication:** There should be right communication among HR or departmental managers and employees, and it should be understandable and clear. Business owners must emphasize on communicating the aids of the change for everyone so that workers can adjust to changes very quickly and easily.
- **Academic Qualifications:** To be HR manager one must have high academic qualifications with suitable knowledge and experience.
- **Opportunity to Develop:** Business must make opportunities for its workers to use their skills and strengths every day. Completing goals will inspire them, give them an opportunity to develop and hone their skills.
- **Managing 5 R's:** In today's century with the varying role of HR managers, the 5 R's are



becoming critical in the success of every company. Today the managers have to take extra care of all these R's namely Resourcing, Recruiting the right talent, Retaining the talent, Retraining and Restructuring.

RECOMMANDATION AND CONCLUSION

The Human Resource responsibility and role has been changing for some time. The shifting from human resources from personnel was a step to acknowledge the worth of workers as company asset. In addition, this change was intended to call for HR to show up as a strategic partner to advice on serious matters and to participate in major business decisions.

- It is proposed that HR managers must keep in mind that they are needed to adopt proactive rather than reactive method. It is the necessity of time that HR managers should be responsive to the flexible environment facing organizations. It is not a good idea to stick to traditional methods to fulfill unique requirements instead new processes must be adopted to accomplish effective and efficient outcomes.
- The HR managers must travel an extra mile to cover the challenges of global environment; they should make a cluster of strategies for both creativity and flexibility that may aid to compete well in international market and succeed in new territory, with new workers and clients. It is extremely essential for HR function to stay consistent with other organizational units or functions.
- The HR managers have to become the pioneer of change by displaying the attitude of a change agent of the business who counsel workers to improve their abilities and reshape their expectations concerning the role of HR and what it delivers for organization.
- They should be involved in effective talent acquisition by investing in modern ways to attract and retain the best people as this will incur them a competitive edge over others. The HR managers must be able to anticipate that how certain changes are going to influence corporate and business.
- In this transition period, the HR managers are required to develop competency framework that outlines the skills and expertise needed for performing job effectively and efficiently. These frameworks will assist to revitalize the workforce and lead towards excellence.
- As the trend has moved from industry-based

economy to knowledge-based economy, thus it is required to diversify HRM strategies to endow with value to both customers and employees.

- Work life balance is a recent phenomenon that must be embraced by HR professionals as a positive drift. They should see ways that can use work life balance as a tool to attract and retain qualified workers. The HR manager as a strategic partner requires to know that work life balance trend is equally good for worker and bosses that can lead to improved productivity and lower cost.
- In today's competitive world the requirement is to invest in the right technology and be prepared with the right expertise to utilize that technology. Technology has fetched great changes in almost everything; from the techniques of production to the process of hiring and then training.
- It is the duty of HR to enhance organizational effectiveness and efficiency by adding value and gaining competitive edge over competitors for a long-term survival in complex and highly uncertain marketplace. It is clearly the time for a quantum leap in the field of HR.
- HR professional can conduct significant research related to human resource and their performance in future organizations.

Organizational life is full of both external and internal challenges and the wisdom lies in choosing an appropriate strategy to encounter those challenges and converting them into opportunities. HRM is the key factor in enhancing the capabilities of an organization to deal with all the emerging challenges and thereby helping the organization to survive and have a competitive edge in the market.

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