

# AN STRATEGIC APPROACH TO HUMAN RESOURCE MANAGEMENT; ISSUES AND CHALLENGES

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## **ABSTRACT**

*Human Resource Management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the Organization. An organization's employees enable an organization to achieve its goals. Human resource is a new approach which considers employees as an important resource for the success of business.*

*This paper discusses the framework of HRM and the current issues and challenges and how they should be tackle by HR. I have also put some light upon the necessity of HR in India, and the role of H.R.M in the development, success and the prosperity of the business. I have also discuss in this article impact of training and development upon human resource and business. Techniques through which H.R.M could face the challenges of changes.*

**Keywords:** HRM; Training, Productivity, Profit Maximization, Diversity, Organization.

**1.1) Introduction:** Personnel of an organization is known as H.R.M. The Personnel or H.R of an organization consist of all individual who are engaged in any of the organizational activities.

The management of human resources is viewed as a system in which participants seeks to attain both individuals of group goals. If an analysis is made of this definition it will be seen that personnel management involves procedures and practices through which human resources are managed (i.e. organized and directed) towards the attainment of the individual, social and organizational goals. By controlling and effectively using manpower resources, management tries to produce goods and services for the society.

HRM can be a challenge for small businesses especially, which typically don't have an HR department to rely on. They may be limited to one HR person, or this responsibility may still belong to the CEO. Regardless, small business owners need to understand the challenges facing them so they're prepared to tackle HR issues as their company, and workforce, grows.

Human Resource Management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the Organization. An organization's employees enable an Organization to achieve its goals, and the management of these human resources is critical to an organization's success.

The rapidly transforming business landscape means that there are currently many human resource management challenges which will continue to evolve for years to come. Tom Marsden, Director of Professional Services at Alexander Mann Solutions said that HR departments really need to be adding real business value to their organizations. "Although the restrictions of the recession aren't over yet, companies are recognizing that they will need to take steps to retain their workforce. This could be through an increased emphasis on training and engagement programs or by investing in areas that will optimize expenditure, such as integrated technology systems or improved candidate attraction schemes. The signs are that HR departments are preparing to maximize their resources and staff as organizations look to grow."

Human resource management (HRM) is adopted by many companies because of its benefits. But at the same time, various challenges and issues may emerge in front of managers of human resource department while performing their duties.

Any capable HR manager would work on these issues and challenges to prevent the organizational activities from being obstructed. But they must first identify these issues.

## **1.2) OBJECTIVES OF THE STUDY**

This paper is based upon on the recent progress made in the field of human resource management in India by examining the following questions.

- To analyze the function of Human resource Management.
- To identify the Role of H.R.M
- What are the Issues/challenges of H.R.M

- To Analyze the impact of training and development on human resources and helps in their development

**1.3) METHODOLOGY:** A brief history of the HUMAN RESOURCE MANAGEMENT, using document analysis has revealed Issues, Challenges, Essentials, aspect, evolution, competitive forces, barriers, It is a systematic analysis of a particular topic, using newspapers, Magazines, articles, papers report etc. Besides those sources internet is used extensively as a source of information. This article is based upon the information through secondary data.

**1.4) HYPOTHESIS.**

1. H0 Training and development has no impact upon HR.
2. H1. Training and development has a positive impact upon HR.

**1.5) EVALUATION OF HUMAN RESOURCE PROFESSIONALS**

Human Resource Management in its simplest definition means management of organization’s manpower or workforce or human resources.

The evolution of the concept of Human Resource Management is presented below

**1.5.1) Period before industrial revolution** – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

**1.5.2) Period of industrial revolution (1750 to 1850)** – Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means if communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as

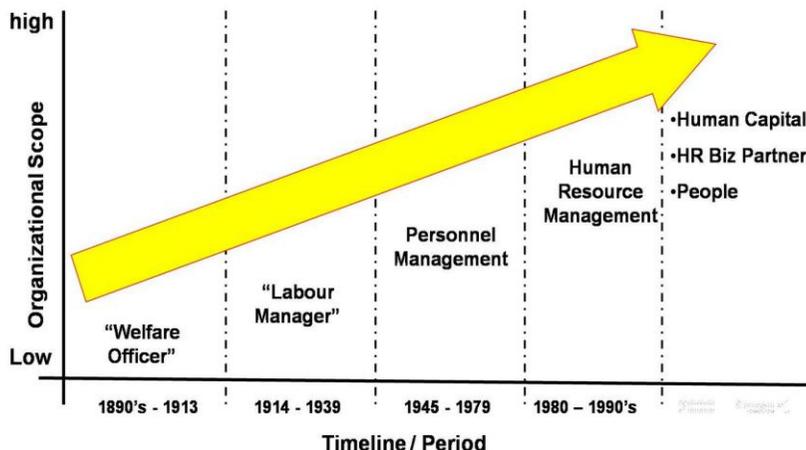
- Worker’s wages and salaries
- Worker’s record maintenance
- Worker’s housing facilities and health care

An important event in industrial revolution was growth of Labor Union (1790) – The works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labor unions. To deal with labor issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

**1.5.3) Post Industrial revolution** – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

Evolution of HRM ...



Coach. Counselor. Employee advocate. Business strategist. As the business world changes, so does the role of HR professionals. Since human resources is a business-driven function, effectiveness depends on a thorough understanding of the strategic corporate direction, as well as the ability to influence key policies and decisions. In addition, human resource management challenges must be defined and solutions determined in order to succeed. Due to the fluctuating economy as well as local and global advancements, there are many changes occurring rapidly that affect HR in a wide range of issues. In the Survey of Global HR Challenges: Yesterday, Today and tomorrow, conducted by PricewaterhouseCoopers on behalf of the World Federation of Personnel Management Associations (WFPMA), several challenges for human resource management were revealed. This survey, which concluded that "despite national and regional differences, there was remarkable unanimity," disclosed the following top 10 human resource management challenges:

Challenges	% of Companies
1. Change management	48%
2. Leadership development	35%
3. HR effectiveness measurement	27%
4. Organizational effectiveness	25%
5. Compensation	24%
6. Staffing: Recruitment and availability of skilled local labor	24%
7. Succession planning	20%
8. Learning and development	19%
9. Staffing: Retention	16%
10. Benefits costs: Health & welfare	13%

### **1.6) THREE IMPORTANT ASPECTS OF HUMAN RESOURCE MANAGEMENT:**

**1.6.1 Welfare Aspect:** concerned with working conditions and amenities such as canteens, crèches, housing, personal problems of workers, schools and recreations;

**1.6.2 Labor or Personnel Aspect:** concerned with recruitment, placement of employees, remuneration, promotion, incentives, productivity etc.;

**1.6.3) Industrial Relations Aspect:** concerned with trade union negotiations, settlement of industrial disputes, joint consultation and collective bargaining;

### **1.7) ISSUES AND CHALLENGES**

**1.7.1) Obeying the norms and laws:** To sustain with the changing employment laws is extremely a difficult task for business owners indeed. On the other side many business owner use to ignore choose employment laws, believing they don't apply to their business. But doing so could mean audits, lawsuits, and possibly even the demise of your company. Business owners find out difficult to continue with these laws that is why they follow the easier side that rules does not apply in their business type. But actually they find it difficult to follow the employment laws so they avoid it.

**1.7.2) Acceptance of Challenges of changes:** As a business grows, its strategies, structure, and internal processes also develop with it. Some employees take it as a hard time coping with these changes. A lot of companies experience decreased productivity and morale during periods of change. Some companies does not have the expert technical staff to face the advance change and the result in the reduction of profit. They are not in the position to face the challenges of changes.

**1.7.3) Leadership development:** It has been observed that more than a third of companies are doing an average job, at best, at implementing leadership development programs. Thirty-six percent of companies

surveyed in Brandon Hall Group's State of Leadership Development Study admitted that their leadership development practices are below average.

**1.7.4) Workforce Training and Development:** Of course for overall development of the company, training play a crucial role and this is a issue for the company to impart the required training to the workforce. Investing in the training and development of lower-level employees is another common HR problem. Some businesses have trouble finding the resources to do so. Employees on the front lines are some of your hardest workers, and may not have the time to take a training course.

**1.7.5) Adapting to Innovation:** In this changing technology advance world owner of the company find it difficult to keep up. It is to be consider a very big issue. Technology is constantly changing. Businesses must be quick to adapt, or risk being left in the dust by their competitors. The challenge for small business owners is getting employees to embrace innovation and learn new technology.

**1.7.6) Compensation:** Many companies are struggling with how best to structure employee compensation. Small businesses have to compete not only with businesses of a similar size, but also with corporations with big payroll budgets. Plus, we have to factor in the cost of benefits, training, taxes, and other expenses, which can range from 1.5 to 3 times the employee's salary.

#### **1.7.7) Benefits Packages**

The Affordable Care Act has been a pain point for many small businesses in the past few years. Rising healthcare costs mean companies must either pass these costs on to employees, or take a hit to their bottom line. Since good benefits packages can be a deciding factor for potential hires, understanding them is key.

#### **1.7.8) Recruiting New and Talented Employees**

To attract the talent is a huge investment of time and money. It's difficult for entrepreneurs to balance between keeping a business running, and hiring the right people at the right time. In addition, it's impossible to know whether a candidate will actually be a good fit until they've worked for you for a period of time. Companies sometimes need to recruit new talent for various reasons such as an increase in project scope, operations. While recruiting, HRM faces major challenges i.e. selecting the best candidate and making the hired candidate familiar with the environment and culture. HRM has to select such candidates which are not only technically expert but socially too because the company cannot receive expected output from employees who are unable to socialize. This affects the productivity of the company also.

**1.7.9) Retention;** Competition for talented employees is fierce. Startups and small companies don't have big budgets for retirement plans, expensive insurance plans, and other costly items that their larger competitors do—at least, not yet. Employee turnover is expensive and can negatively impact business growth. Hiring employees is not only the challenge that HRM faces; retaining them is also one. Retention of employees is essential to minimize employee turnover rate. This is a major challenge for HRM.

**1.7.10. Workplace Diversity;** Multiple generations. Ethnic and cultural differences. These are just a few of the many factors that make workplace diversity a continual challenge for small businesses. The risk of lawsuits for failing to protect employees from harassment is real.

**1.7.11) Workforce Diversity:** The composition of the workforce is getting diverse at present situation. Here diversity is not only created by age, gender, educational background and religion but also by the nature, personality and background of workers. With more diversification of workforce, issues related to bullying, harassment, discrimination, etc may arise, to control which HRM should formulate and implement strict rules and regulations.

### **1.8) CURRENT ISSUE UPON HRM**

Now I want to discuss those issues upon which we should concentrate then we can win the confidence of our workers and can convince them to work hard for the success of business and the very first is;

**1.8.1) Training:** Skilled workers are the core reason and the key to the smooth functioning of the organization and the business. Therefore, HRM should manage on-site (within the workplace) as well as off-site (outside the workplace) job training for employees. No doubt training has it's own issues but we cannot discuss it in this article but a little bit Idea I have given, So how is training a challenge to HRM? Before organizing training programs, HRM should answer following questions:

- What kind of training programs are currently required?
- What is the objective of the training?
- How to make them effective?
- Who are the target groups?
- How much do the programs cost the company?

Not always, are these questions easy to answer. Finding out all the factors affecting the training like time, location, cost, etc. and making a clear roadmap in establishing an impactful event can be a big issue and

working it out, a big challenge. Off course a very good training gives the fruitful result in the form of Productivity.

**1.8.2) Productivity:** Well a good productivity is the result of imparting the perfect training to the employees but everything has it's positive and the negative points. Maximizing profit and minimizing cost is the essence of productivity. Higher the productivity level, more successful will be the company. HRM should always focus on maintaining high productivity level.

Despite HRM's continuous effort, the company might sometimes get an unsatisfactory result. In such case, it should thoroughly analyze the situation and make a proper conclusion i.e. whether it is the result of inefficient employee or inadequate resources. If an inefficient employee is the case, HRM should look forward to train employee, or even recruiting new staffs while it should find alternative resources for sufficient input if inadequate resources are the case.

**1.8.3) Health and Safety:** It is one of the essential functions of HRM to collect its staff's complete information, including health information. It is necessary for employee's personal safety. Keeping health information about employees help the company in knowing what kind of tasks or activities are safe for their employees to participate in.

Maintaining health information is also necessary to avoid the risk of legal complications. Several companies at present provide health insurance to its employees as a fringe benefit. In lack of proper health information about employees, various legal issues may arise when such insurance is claimed.



**1.8.4) Payroll:** It also play a very important role to improve the efficiency of the workers to work efficiently in the organization, It is a written document which provides information about the company's employees along with the amount of remuneration paid. According to my opinion this remuneration should be according to work and time which they are devoting at the workplace and should be fair according to the efforts which they are putting into the work then they will have a feeling of satisfaction. HRM should concentrate upon this aspect also.

HRM has to conduct a number of tasks every day. In this process, HR manager might forget to pay its employees, if not then he can forget the amount to be paid to the individual employee.

With proper maintenance of payroll, HR manager will be able to pay right amount to right employee at right time, which is essential for extracting satisfactory output from employees.

**1.8.5) Globalization;** Globalization means to connect one country economically or in trading with the rest of the world that means in all sense globalization promote our business and it is is a process by which a business firm or organization can starts working at international level, creating international influence.

Internationalization of firms is obviously a **Sign of Success** but it is a challenge at the same time because globalization invites issues related to unknown language, laws, work ethics, attitudes, management approach, culture and tradition.

A human resource manager will need to deal with more heterogeneous functions such as scheduling meetings, holiday management, human resource outsourcing, etc to overcome the challenge.

**1.8.6) Discipline;** Discipline is one of the important issues that HRM needs to handle at present days. Lack of discipline causes various problems which ultimately affect the productivity of the company. For an instance, when discipline is not maintained, employees neglect their responsibilities and duties. They may procrastinate their tasks and may misbehave with co-workers, leading to a conflict that consumes time as well as energy to resolve. The ultimate result of these activities is decreased productivity of the company.

**1.8.7) Advancement in technology;** With rapid advancement in technology, companies nowadays require such human force that has the ability to learn and cope with the changes at an opportune moment. Technological changes must be taken into consideration by any kind of company. It is because the present world demands every firm to move along with the change, or else be left behind and get extinct. Technological changes influence overall nature of work and the company will need to find out employees that are capable to adjust with the change. During this process, unemployment, as well as employment opportunities, arise, creating new challenges for HRM.



**1.8.8) Management of information:** Up-to-date information is essential for the operation of any company. Information may be collected internally as well as externally. Once collected, all the information should be safely maintained so that they would be readily available when needed in future. On the other hand, information is also essential to clear queries of employees. HRM should be able to present relevant facts and data while clearing such queries. Managing any kind of information is a challenge to HRM because it should know which information are actually useful and which are not. After distinguishing this information, it should select such method of storing information which is safe as well as reliable. These are those points which I have highlighted in this article just to show that for the successful running of the business we have to up-to-date all these information. Training, productivity, discipline, advance technology are keys of a successful business. HRM has to keep a strict eye upon it otherwise lack of it will ruined the business.

### **1.9) ESSENTIALS OF EFFECTIVE MANAGEMENT**

We have no doubt to say this, that Employees are a company's best asset. Small businesses that invest in their teams will enjoy faster growth and outpace their competition.

Here are just a few more reasons to focus on effective HRM:

- Creates a unique workplace culture and a healthy atmosphere
- Emphasizes the rules, expectations, and standards for the workplace
- Helps everyone understand workplace diversity
- Facilitates communication between HR and employees
- Strengthens the importance of training and development
- Provide full safety to female employees
- Eliminates employee uncertainty

It's important to know common HR issues so you can put the right policies and procedures in place now. Understanding the complexities of employee benefits, employment laws, leadership development, and other areas will help you stay ahead of the competition and meet your business goals this year, and in the years to come.

Many businesses struggle with human resource challenges, but Culturra coaching and consulting services is here to help. We coach and consult with business owners, C-suite teams, leadership staff and HR managers of small to medium-sized businesses seeking to reach their highest potential. If you're ready to take your business and leadership team to the next level

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- Eliminates employee uncertainty
- Provide them a better environment at workplace.

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### **1.10 CONCLUSION/SUGGESTION/SOLUTION**

As I have discussed in my Article number of issues and challenges regarding HRM for which I have taken help from number of paper articles newspapers websites and many more but morale of the story is this whether we are getting the core reason of these issue why these issues are emerging? How they could be resolved? Are we capable enough or technical enough to handle or tackle the challenges of changes?

So these are the question for which we are searching the answer or we have to work on it. According to my opinion our training and development field need to be much more sharper as actually it is , If we want to sustain in this stiff business competition because technically advance staff is very much essential to tackle capital intensive technique and as far as the question of overall development of the country that is also depend upon up to some extent upon the technically advance human resource that is extremely possible when we have a very fine and updated training and development section full with all kinds of facilities and equipment required to make the training effective and no doubt for this a healthy financial Assistance is required.

I have also discussed in this article training issues in connection with HRM also that Should also be resolved because it directly make an impact upon our productivity. As a very good training give a correct move to the work force and they can work with their full efficiency and effectiveness and can give their 100 percent to their work.

Off course if we want to convince our employee that we are there with you then we must provide them medical facility and health and safety measures then they will work with full enthusiasm.

Finally Hypothesis Ho is accepted that Training and development have a positive impact upon the Human Resource Management.

Current Issue Faced by HR Manager

1. Lack of support from top Management.

2. High Expectation from the employees.
3. Elimination of low level jobs.
4. Lack of training
5. Layoffs
6. Outsource of works
7. Inadequate human resource information system
8. Managing human resource and industrial relation.

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