

Challenges for HR

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Abstract

Human resource management (HRM or HR) is the management of human resources. Human resource means managing capital of an organization. It is designed to maximize employee performance in service of an employer's strategic objectives. HR is primarily concerned with the management of people within organizations, focusing on policies and on systems. HR departments are responsible for overseeing employee benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR also concerns itself with organizational change and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws.

Human Resource Management used to be considered as other conventional administrative jobs. But over a period of time, it has evolved as a strategic function to improve working environment, plan out human resources needs and strike a balance between the organization and employers in order to increase organizational productivity and meet organizational goals. Not to exaggerate but in today's highly competitive world it has gradually become one of the most important functions of an organization. HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions,

talent management, succession planning, industrial and labor relations, and diversity and inclusion. This paper considers some of the key issues and challenges in human resource management in the Indian Context.

Keywords: Human Resource Management, Globalization, Challenges

Introduction:

It is strange that the HR function is not much appreciated in our country. For decades, the HR activity has remained a staff function (advisory) as opposed to a line (decision making) function. To be specific the HR department does not enjoy the status of wield power equal to that of a production department or a finance department. The trend was to changing now; the organisations are putting more power and responsibilities on HR department.

The world of HRM is changing more rapidly than we can imagine. Constant environmental changes mean that HR managers face constant challenges. They must respond by taking advantage of gradual yet reflective changes in the nature of the field, current practices, and overall human resource management policies, mission and vision.

As companies move around the world setting up offices, service delivery centres and manufacturing hubs, there will be an even greater movement of people and that is the big challenge while moving forward.

In case of India, IT industry alone has a potential to create about 5 million jobs and by 2015, it will account for about 50 percent of the total outsourcing pie of about \$300 billion. Recent study by Times group figure

out 49000 vacancies in retailing, 112000 in manufacturing sector 51000 in service sector by this year. To achieve this, India needs to tackle its biggest challenge of ensuring steady flow of employable workforce.

The HR managers have to adopt proactive strategy which helps them to foresee events and take appropriate actions before the events occur. Proactive strategies call for awareness about the likely challenges the HR managers will face in the days to come.

Challenges ahead:

1. Rework the vision and mission of the company

HRM is becoming increasingly involved with strategic planning and the development of means by which people can work proactively toward the achievement of organizational objectives. This means a broader perspective focused on objectives and results. It implies personal commitment by each worker to the company's goals. The need for this personal commitment means that employee education, communication, and involvement now become fundamental. This being the case, companies develop and emphasize an HRM philosophy to which top management is deeply committed, and which is clearly articulated and practiced by all employees. HR planning is closely linked with strategic planning, so as to support the company mission and give incentives to support its achievement.

2. Information & Knowledge age

Information and knowledge have replaced manufacturing as the source of most new jobs. Work performed in factories by machines is being replaced by work in offices or at computer terminals. And instead of working with things, people increasingly work with ideas and concepts. The information age made knowledge the most important organizational resource. The traditional factors of production - nature, capital, and labour - have already exhausted their contributions. Now the important activities are the generation, structure, development, spreading, sharing and

application of knowledge; belongs to the people, the human capital.

Successful companies are becoming learning organizations. Organizational effectiveness will increasingly depend on attracting, utilizing and retaining people who can use their knowledge to solve problems, create services, develop new work processes and satisfy customer needs.

3. Attracting and Retaining Talent

One of the greatest challenges of human resource management today is to create HR Capabilities that increase and sustain organizational performance. The ability to attract and retain talent is a core HR capability that is critical to achieving sustainable business performance. Retaining the employees has become more crucial. One can retain the employees in current situation only when a company creates a good employer brand, internally as well as externally, by ensuring that people have good jobs which make them feel proud of working for the organization. Employees can be given opportunities to make presentations at international forums, or made members of academic institutes or industry associations. Today, IT companies are facing a shortage of knowledge workers because the rate at which they lose employees is almost double the rate at which they hire. A major proportion of the turnover issue is attributed to the movement of manpower to the 'land of opportunities' - USA. The average stay of a software consultant of IT Company has dropped to one year. Compensation has been, and will continue to be, the big driver in retaining people so organization need to re-evaluate the pattern of compensation time to time, This will increase retention.

4. Empowering Employees

Empowering is mutual influence; it is the creative distribution of power; it is shared responsibility; it is vital and energetic, and it is inclusive, democratic, and long-lasting. Empowering enables people to use their talents and capabilities, fosters accomplishment, invests in learning, finds the spirit in an organization and builds

effective relationships, informs, leads, coaches, serves, creates, and liberates. Becoming an empowering manager, therefore, involves both who you are and what you do.

In an empowering organization, managers should believe leadership derives from all its employees not a select few. Managers of an empowering organization should know that the company is most likely to succeed when employees have the tools, training, and authority to do their best & understand that information is power and they share it with all employees. Managers of an empowering organization should value employees enough to build a culture that values and supports individuals. They crave to make sure that everyone feels an ownership of that culture and a responsibility for its perpetuation to create opportunities for finding solutions and for designing what can be not searching for problems and what should have been. Lastly the managers understand that fostering empowerment is a continuing effort not an endpoint to be checked off a list of objectives.

5. Managing Global Workforce

The biggest challenge the organization around the globe facing is to know the social classes and categories from which the new global workers are recruited, and to understand the systems of education and training that shape them so that they can be made socially and culturally fit to serve customers. Educational institutes are particularly crucial in this context, not only in providing the raw material for the virtual service economy, but also in producing social networks (such as old boys' networks) that form an important basis for sociality and upward mobility among the new professional classes. For this we require to redefine the employee status. Talented people will be unwilling to sign on as employees hence companies will have to maintain a fine balance between career planning and free agent ship.

“Go global” seems to be a mantra embedded deep in the Indian business mind. IT companies going global in the

inorganic way. Indian business has spread its roots to countries as diverse as USA, and Mexico among others. India, too, has seen its share of MNC's coming strategy to set up shop. One of the fallouts of this expansion has been a clash of cultural mindsets and behaviours.

6. Enhancing the supplementary Services

In today's competitive world the workforce are heavily loaded with work and stress associated with it i.e. mental stress as well as physical stress. To have a sound body and sound mind it is necessary to develop certain competencies to survive with the stressful situations. The growth of an supplementary industry like computer training institutes, manpower consultants, „soft skills“ and „cultural training“ consultants, psychological counsellors, spiritual guides, stress and time management trainers, gyms, recreational facilities and health-related services, yoga teachers, suggest that new forms of subjectivity are being produced not only through the work itself, but also through the deliberate shaping of personalities and bodies to be „fit“ for the global Challenges.

7. Managing Workplace Diversity

The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global arena, which must be one of the important organisational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors.

This is especially true for multinational companies (MNCs) who have operations on a global scale and employ people of different countries, ethical and cultural backgrounds. Thus, a HR manager needs to be

mindful and may employ a 'Think Global, Act Local' approach in most circumstances. Thus, many local HR managers have to undergo cultural-based Human

Resource Management training to further their abilities to motivate a group of professional that are highly qualified but culturally diverse. Furthermore, the HR professional must assure the local professionals that these foreign talents are not a threat to their career advancement. In many ways, the effectiveness of workplace diversity management is dependent on the skilful balancing act of the HR manager.

One of the main reasons for ineffective workplace diversity management is the predisposition to pigeonhole employees, placing them in a different silo based on their diversity profile. In the real world, diversity cannot be easily categorized and those organizations that respond to human complexity by leveraging the talents of a broad workforce will be the most effective in growing their businesses and their customer base.

8. Challenges of Mergers & Acquisitions

Liberalisation, Privatisation and Globalisation (LPG), is as dangerous as beneficial. Increasing competition has forced the organisations to device ways and means to grow, perform and achieve excellence. Mergers and acquisition are being accepted as one of the most effective techniques to strengthen a company's market position and adopt a new technology to gain competitive advantage over other organisations. The business situation alters day by day. Before one know the ownership of company's changes hands, starting off a wave of uncertainty of acquired company, suddenly the employees starts feeling that their bosses are changed, if not physically, at least attitudinally. Some of them find themselves grave danger of losing their jobs.

A general de-motivating feeling perpetrate organisation. The HR professionals have to perform certain activities with set of skills and competencies.

These include:

1. Creating transition teams, especially those that will:
 - Develop infrastructure for new organization
 - Process and design systems
 - Address cultural issues
 - Provide training
 - Managing the activities associated with staffing, in particular, developing and overseeing
 - Selection processes
 - Retention strategies
 - Separation strategies
2. Managing the learning processes, e.g.,
 - Building learning into the partnership agreement
 - Setting up learning-driven career plans
 - Using training to stimulate the learning process
3. Re-casting the HR department itself:
 - Develop new policies and practices consistent with vision of new organization
 - Develop HR structure and staffing
4. Identifying and embracing new roles for the HR leader, namely,
 - Partnership
 - Change Facilitator
 - Strategy Implementer
 - Strategy Formulator
 - Innovator
 - Collaborator
 - Counselor
5. Identifying and developing new competencies,
6. Providing input into managing the process of change - HR managers are the change champions providing the change management skills to align the right people with the appropriate knowledge and skills base to meet the shared goals of the enterprise

9. Managing Cross Cultural Communication -

"There are hundreds of languages in the world, but a smile speaks them all." – Anonymous

Culture is "Software of mind", it is concerned with beliefs and values on the basis of which people interpret experiences and behave, individually and in groups. Cultural statements become operationalised when executives articulate and publish the values of their firm which provide patterns for how employees should behave. Firms with strong cultures achieve higher results because employees sustain focus both on what to do and how to do it

Cross-cultural communication is becoming increasingly important as organizations expand their business operations beyond their national boundaries. Cross-cultural factors like connotations, semantics, tone difference & difference in perceptions create potential for increased communication problems. Managers doing business in other countries should sensitize themselves to the cultures of those nations and avoid making mistakes while performing their work or interacting with customers. This is possible by nurturing the corporate culture. For this, greater interdependence in work processes and less stand-alone work should be assigned, since work force today demands greater autonomy in their own work and greater inter-linkage and inter-dependence with the work of others.

The above mentioned factors are going to change the face of HR functions in the coming years. Therefore the HR managers need to be well acquainted & well equipped to face these challenges

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