



## THE EMERGING ISSUES IN HUMAN RESOURCE MANAGEMENT

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*“I never predict. I just look out the window and see what is visible – but not yet seen” (Peter Drucker)*

### **Abstract**

*The management of Human Resources has now assumed strategic importance in the achievement of organizational growth and excellence. As globalization advances and we move into the information age, organizations need to adapt to the changes in technology and the changing issues in management of people.*

*Some critical issues have clearly emerged - planning, acquisition and development of human resources, responding to the demands of the work place and, above all, evolving a strategy of dealing with industrial conflict. As a management practice, it covers all the conventional areas of personnel management and industrial relations, as well as the relatively new areas such as communication, counseling, training and development, and job enrichment.*

*An attempt has been made in this paper to point out the experiences on the emerging issues in managing human resources.*

*More recently HRM has also become involved in succession planning, business continuity planning, workforce diversity, labor relations and some aspects of mergers and acquisitions.*

*The role of HR is changing fast as technology and the global marketplace. The positive result of these changes is that HR professionals have the opportunity to play a more strategic role in the business. The challenge for HR managers is to keep with the latest HR innovations-technical and legal. How HR manager can anticipate and address some of the most challenging issues.*

*There are many issues in HRM like Outsourcing activities, BPO & Call-center's, HR Professionals as change agents, HR Manager as Strategist, Balancing work life, HRM in M&A's, Attitude towards Unions, Globalization, Managing Diversity etc*

*This paper analysis the various issues which are emerging in the field of HRM. It also prominence on how can HRM emphases on these emerging issues and which method does it adopt to overcome the issues in day to day life of an organization.*

**Key Words:** Human Resource, Globalization, Acquisition, Emerging, Personnel management.

**Abbreviation:** HRM- Human Resource Management, BPO-Business Process Outsourcing, M&A: Mergers & Acquisitions.

### **I. INTRODUCTION**

The management has to recognize the important role of Human Resource Department in order to successfully steer organizations towards profitability. It is necessary for the management to invest considerable time and amount, to learn the changing scenario of the HR department in the 21st century. In order to survive the competition and be in the race, HR department should consciously update itself with the transformation in HR and be aware of the HR issues cropping up. With high attrition rates, poaching strategies of competitors, there is a huge shortage of skilled employees and hence, a company's HR activities play a vital role in combating this crisis. Suitable HR policies that would lead to the achievement of the Organization as well as the individual's goals should be formulated.

Historically HRM has been described as being responsible for the attracting, recruiting, selecting, training, assessment and compensation of employees while ensuring compliance with employment and labor laws.

Most problems, challenges, opportunities and frustrations in an organization are people related. Human resources are the life blood of an organization. Despite the application of technology in modern business management, human resources are still relevant and most adaptive resources of the organization. The strategic values of HR stem from the fact that apart from other resources employed in the course of production (land, capital, technology etc) which are passive, human resources are endowed with discretionary decision-making power and thus have competitive advantage over the other resources.



The management of HR is complex and problematic because the individuals as workers hardly adapt or voluntarily embrace the objectives of the organization. As individuals, the employees have needs, aspirations, motivations, desires and interests which influence their behavior at work but unfortunately these objectives are sometimes in conflict with the corporate objectives of the enterprise.

## RESEARCH METHODOLOGY

### II. OBJECTIVES OF THE STUDY

1. To study the details of emerging issues in the HRM
2. To treasure out the emerging issues in the field of HRM
3. To suggest the various methods through which HR can overcome the issues

### III. METHODOLOGY

For this study the researcher collected information from various published sources such as annual reports, relevant books, peer journals, and also current electronic publications (Valid Websites), the analysis of this paper is totally depends upon secondary data and involves an extensive literature review.

The suggestions were also been provided based on extensive the literature review and the researcher tried to draw a conclusion based on discussion in the literature

### IV. SCOPE OF THE STUDY

The study focuses on the initiative taken up by different organization for understanding and analyzing the emerging issues in HRM. The study is conducted to distinguish the extent to which different industries are initiating to overcome the emerging issues in HRM.

### V. LITERATURE REVIEW

The concept of HRM, as a new strategic approach to the management of people, evolved in the early 1980s. Its evolution was influenced by a range of factors, including increased competitive pressures caused by deregulation and globalization, and the influence of notable academics in the US and the UK. Although it has been suggested that HRM may be no more than 'old style personnel management with a new name' (Lawton and Rose 1994, p.114; Legge, 1995 and Gunnigle and Flood, 1990), Storey (1989) identifies four features of HRM which distinguish it from traditional personnel management:

- It Is Explicitly Linked With Corporate Strategy;
- It Seeks to obtain the commitment of employees rather than their compliance;
- Employee commitment is obtained through an integrated approach to human resource policies (for example, reward, appraisal, selection, training); and
- Unlike personnel management, which is primarily the domain of specialists, HRM is owned by line managers as a means of fostering integration.

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:

Sl.No	Challenges	% of Companies
1	Staffing: Retention	16%
2	Staffing: Recruitment and availability of skilled local labor	24%
3	HR Effectiveness measurement	27%
4	Organizational effectiveness	25%
5	Compensation	24%
6	Leadership development	35%
7	Succession planning	20%
8	Learning and development	19%



9	Change Management	48%
10	Benefits costs: Health & welfare	13%

HR professionals say that the three biggest challenges facing HR executives over the next 10 years are retaining and rewarding the best employees (59%), developing the next generation of corporate leaders (52%), and creating a corporate culture that attracts the best employees to organizations (36%). This research also explores investment challenges, talent management tactics, evolution of the workforce, and critical HR competencies and knowledge.

Now-a-days, information system has become a tool for more HR professionals, and often, these systems are provided through the Internet. The widespread usage of the Internet also includes HRM applications. Organizations search for talents, and screening candidates online. Employees may receive training online. The employment relationship takes the form of a psychological contract that describes what employers and employees expect from the employment relationship. The employees are looking for flexible work schedules, comfortable working conditions, greater autonomy, opportunities for training and development, and performance-related financial incentives. For HRM, the changes require planning for flexible staffing levels.

Liz Weber (2009) has pointed out that the most important challenges of the HR in business are layoffs. The most of the owners and managers are facing this hard issue.

This laid off may be due to several reasons which include the economic uncertainty, the employee's job instability and HR less Effectiveness. In the view point of Decenzo and Robins (2001) and Gary Dessler (2000) the most important challenges of HRM, are technology, E commerce, and work force diversity, and globalization, ethical consideration of the organization which may directly or indirectly affect the organization competitive advantages, especially with technological advancement the effect on recruitment, training and development and job performance with great extent can be study in organization.

#### **THE CHANGING NATURE OF HRM FUNCTION**

Today, competitive advantage is based on the successful application of knowledge. Managing people, as an HRM function, has broadened, to include managing organizational capabilities, relationships, learning and knowledge. These functions include four generic areas, i.e.,

- (i) Roles,
- (ii) Relationships,
- (iii) Strategic focus, and
- (iv) Learning focus.

These areas are different from each of the economy functions, like traditional, transitional and knowledge.

- Innovate HRM
- Crafting creative business strategies
- Organizational restructuring
- Creating social networks
- Invoking new challenges
- Shifting approach
- Enabling companies to go global
- Leading to superior performance
- Creating knowledge work force

In today's competitive business environment, the cutting edge for any organization is given by the speed with which it takes decisions to respond to changes in the environment, internal or external. Significant research in domain of human resource management focuses on attracting, motivating, and retaining the knowledge worker (see: Horwitz et al., 2003; Horwitz et al., 2006; Baron et al., 2001; Evans et al., 2002). So-called best practices of attractive job design, high pay-offs, paid holidays, skill enhancement programs, increased autonomy, and flexible work hours are used by the employers to attract the experienced as well as young professionals to work for them (Olson, 2003; Stovel and Bontis, 2002). Every firm wants the best people to work for it and makes every effort to maximize their performance. To get the best people, organizations often pull staff from their competitors by offering them better monetary packages.



These factors have resulted in unprecedented job uncertainty. Necessary lay-offs have exacerbated the situation by reducing the organizational loyalty to new lows. Several scholars describe this situation as “war-for-talent” (Hargie, 2004; Michaels et al., 2001).

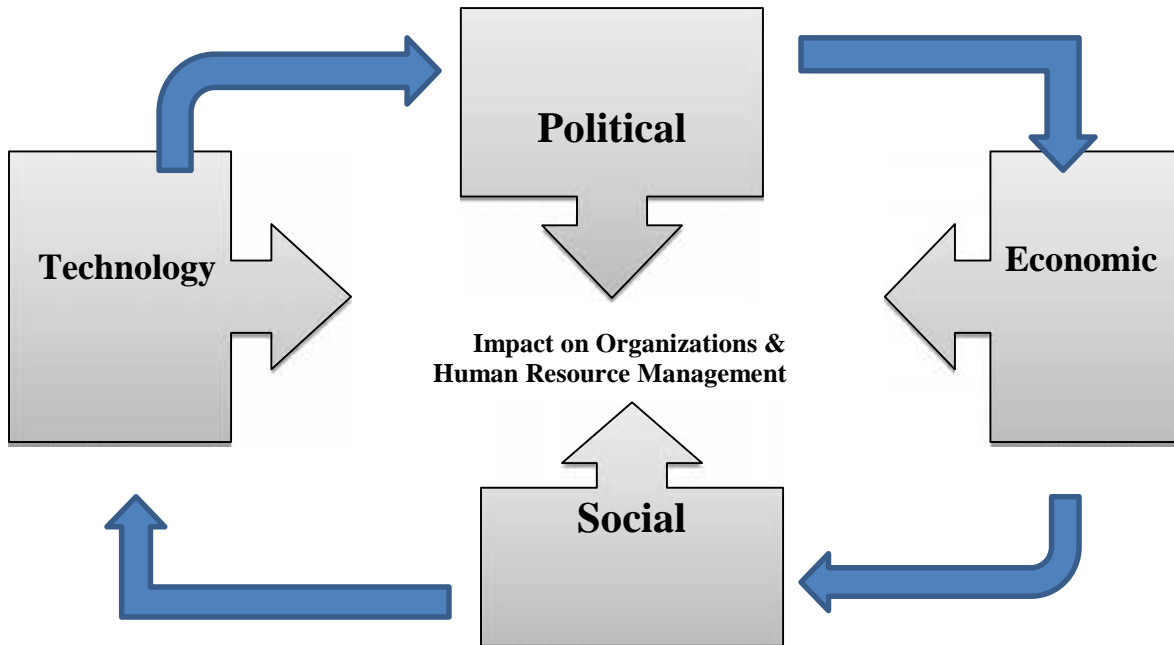
The innovation of HRM happens to be the most striking part of the latest emerging issues in the world of human resources. Crafting of new business strategies in the light of human resource is a major emergence in this particular field. Organizational restructuring is just another important and notable aspect of emerging human resource management issues. Creation of social networking in support of business is a notable aspect of the new trends. Enabling companies to global, leading to superior performance and creating knowledge workforce are other notable part of these emerging issues.

Emerging issues in recruitment are extremely relevant. Recruitment has become a twofold approach now. This is the reason that today both the organization and the employee has become a lot more expecting of each other than they were before .The first approach is using resume data base for recruitment .The other trend that has gained prominence and utility is corporate poaching. Corporate poaching is the trend to recruit key employees of the other organization.

### Shifts in HRM

Traditional HR Practice	Emerging HR Practice
<ul style="list-style-type: none"> <li>✓ Functional organization</li> <li>✓ Administrative role</li> <li>✓ Reactive</li> <li>✓ Separate, isolated form company mission</li> <li>✓ Production focus</li> <li>✓ People as expenses</li> <li>✓ Individuals encouraged, singled out for praise, rewards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Process-based organization</li> <li>✓ Strategic role</li> <li>✓ Proactive</li> <li>✓ Key part of organizational mission</li> <li>✓ Service focus</li> <li>✓ People as key investments/assets</li> <li>✓ Cross-functional teams, teamwork most important</li> </ul>

### Emerging Trends in Human Resources Management





**Emerging Trends in Human Resources Management**

Political	Economic	Social	Technological
*Increased demands for transparency in government and organizations *Increasing dispersal of national power *Narrowing of gaps in national power between developed and developing nations *Increase in the power of non-state actors (businesses, organizations such as the World Bank	*Increased government involvement in economic growth *Increasing gap between rich and poor individuals *Rapidly increasing national debt to GDP ratios *Growth and increasing instability of sovereign wealth funds *Increase in state capitalism	*International and internal migrations *Increased interconnectivity of people, organizations and societies *Changing family Structure *Increasing power of women *Aging population Population Growth *Increasing social freedom *Accelerated pace of life *Urbanization	*Pace of technological innovation is increasing *Genomics *"Digitization" of lifestyles and work life *Breakthrough or transformative technologies *Social, economic and cultural connectivity.

Source: Robert c. myrtle

The following are some of the major issues, these are common to most any type business or size of company and having policies in place to ensure these challenges are met head-on can make the workplace more settled and peaceful for everyone.

- Manage the Changing Workforce a) Increased diversity in the workforce b) Creating workplace that respects and includes differences c) Recognizing unique contributions individuals with differences can make creating work environment that maximizes potential of all employees d) Work-life balance Employees experiencing burnout due to overwork and increased stress – in nearly all occupations e) Rise in workplace violence, increase in levels of absenteeism as well as rising workers’ compensation claims causes range from personal ambition and the pressure of family obligations to the accelerating pace of technology.

According to study by Center for Work-Life Policy, 1.7 million people consider their jobs and work hours excessive. 50% of top corporate executives leaving current positions. 64% of workers feel work pressures are “self-inflicted”, and taking a toll. In the US, 70%, and globally, 81%, say jobs are affecting their health. Between 46% and 59% of workers feel stress is affecting their interpersonal and sexual relationships.

- Workplace diversity: Workplace diversity refers to the variety of differences between people in an organization. That sounds simple, but diversity encompasses race, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, education, background and more. Diversity not only involves how people perceive themselves, but how they perceive others. This may consist of issues involving age, education, ethnicity, gender, income, marital status, physical limitations, religion, sexual orientation, or any number of other things. Understanding the challenges that may be faced by the interaction of any of these diverse groups, as well as the required openness of the company toward such groups, will help HR personnel provide assistance in training employees to work with those they may consider “different,” accept that such workers may be present in the business, and agree to treat each other respectfully, even if they never come to agree with each other over various issues.
- Change management. This is another challenge that more and more HR departments are facing. Being able to deal with their own changing roles in corporate society, in addition to the changes to other jobs, the overlapping responsibilities, and more. Understanding that change is required is the first step toward accepting the change.
- Compensation and benefits. With a slow economy and tightening corporate purse-strings, the issue of compensation and employee benefits is one that almost every business must deal with. The key is to present mandatory changes in such a way that employees can accept, if not necessarily agree with them while providing non-monetary morale boosting incentives whenever possible to make the changes less traumatic.
- Recruiting skilled employees. In an era of rising unemployment, it would seem that finding qualified workers would be easier than ever. But that’s seldom the case. Many industries are facing dire needs for employees with acceptable skills and the required training or degree. This applies not only to health care, but also to technology and other fields as well, causing many employers to search outside their local marketplace for workers who can do the jobs they need filled.
- Training and development. This is another challenge that HR managers and personnel must deal with more frequently. With the need to cut training costs, training itself often suffers. Yet the skills an employee needs must still be taught.





Many companies are meeting this challenge by providing eLearning opportunities that allow employees to receive the training they need without the expenses associated with travel, on-site trainers, hours away from their jobs and high-priced materials.

- **Managing Talent:** Managing talent is also a critical issue to address at international level due to high competition. Cultural change at global level create complication to manage skills and talent of diversify workforce to implement the strategies and plans in order to achieve organizational goals and objectives. It also affects the training and development programs of organization (Schweyer, Newman & DeVries, 2009).
- **Managing Globalization:** Presently, managing globalization is also a critical issue for HR manager. Due to globalization and regular changes in technological and social environment, liberalization of trade policies and regulations, etc. it has become critical for HR managers to cope with the competitive environment that affects the performance of organization at domestic as well as global platform (Griffin & Moorhead, 2009).
- **Managing Demographic Workforce:** Managing demographic workforce is also an emerging issue for the organization and HR department. At domestic and global level, there are many policies and regulation that affects the recruitment policy of an organization to manage people specially, aging workforce. Company's pension plan, retirement benefits for aging people are affected by the governmental policies (Vernez, 2007). This is a very important and difficult challenge for HR managers in recent times.
- **Managing Changes and Cultural Transformation:** Managing organizational changes and culture at global level also creates the issues for organization and HR department. In most of the time, organizational changes create conflicts between employees and management team that affects the culture of the organization (Schweyer, Newman & DeVries, 2009). So change management is an important emerging issues for the HR managers.
- **Open Communication:** In order to assess these issues open communication with employees is helpful to HR manager. By an effective communication process, HR manager can identify basic problems and issues of employees and try to solve in right time with effective rules and policies (Buchanan & Bryman, 2009).
- **Internal Assessment:** HR manager needs to communicate with management team of the organization to become aware of what issues they have and how to address them. Manager can use objectives and mission as guidelines to identify problems. HR manager can create effective communication with colleagues to communicate problems and issues with the management team. This helps the manager to identify problems and issues within the organization (Griffin & Moorhead, 2009).
- **External Assessment:** Federal and state government, partnerships, marketing teams; organizations are also helpful to HR manager to assess problems and issues. Personal relationship with other organizational members and employees can also helpful to manager to assess the critical issues in domestic and international market. Newsletters and records of government and private organization are also helpful to HR manager to assess the critical issues (Schweyer, Newman & DeVries, 2009).
- **Projections:** Economic development, demographic and trends of biological and physical resources are also helpful to HR manager to identify problems and issues within the organization. By economic development and change in demographic environment helps HR manager to think about organization policies and emerging issues (Buchanan & Bryman, 2009).
- **Performance Parameters:** Performance parameters also support the HR manager to assess these issues. By using performance parameters and establishing performance indicators in an organization, HR manager can assess the issues and problems and manage diversified workforce (Schweyer, Newman & DeVries, 2009).
- **Adopting HR Technology** It is important to look forward for the changing trends in technology which can have an impact on the HR practices. Understanding these changes will help the mangers to adapt and flourish.

The wide range of impact of technology on HR can be clearly viewed on the HR functions: a) Recruitment b) Training & Development c) Performance Appraisal d) Payroll & Attendance Record e) Employee Benefits

a) **In case of Recruitment:** IT has a highly positive impact. E- Recruitment is the use of technology or web based tools to support the recruitment process. It provides a economic way to publish job openings with greater reach and speeds up the recruitment process and provides a 24\*7 access to online resumes.

b) **In case of Training & Development:** E-learning is an intense opportunity provided by the companies for their employees, which help them to increase their knowledge level. The training materials are provided online; employees can utilize these materials and get trained. In this case of e-learning, employees have an advantage that they can learn at their own pace.



c) **In case of Performance Management:** payroll and attendance maintenance: These functions have become a part of the customized software package like ERP solutions. CPM (Computerized Performance Monitoring), system used by companies help in data collection by counting the number of work units covered by each one per time period. At a time, it helps in calculating the performance of approximately ten million people.

d) **In case of Employee Benefits:** The use of ESS (Employee Self Service) has helped the HR managers to dedicate more time on strategic issues like workforce management. It helps in succession planning, compensation planning etc. and ensuring that the employee's data are accurate and updated. Through this solution, employees get access to their data, pay roll information, training materials etc. online which allow them to keep their data updated.

## RESOLVING EMERGING ISSUES

- **Training and Development Program:** In order to resolve emerging issues, HR manager should provide training and development programs to the employees. These programs would help the manager to polish the hidden skills and talent of employees and improve their abilities to cope with change (Griffin & Moorhead, 2009).
- **Compensation and Benefits Practices:** HR manager should also offer compensation and benefits to all employees specially aging employees of organization. It is helpful to motivate employees towards work or some specific assignment in the organization. These practices assist the HR manager to retain key employees and reduce employee turnover in organization (Brown, 2006).
- **Communication and feedback System:** To resolve critical issues at domestic and international level, HR manager should develop the open communication and feedback system in the organization. By an effective communication channel, employees and management can share these problems and experiences with other employees and executives. In order to know about the resolution success, HR manager should collect the feedback from his colleagues, employees and workers of an organization. Feedback system would allow manager to review employee perception that can help manager to manage diverse workforce at global level (Goldsmith, 2007).
- **Involvement:** To assess the critical issues in effective manner, HR manager should involve at every steps such as selection, performance management and measurement, training and development, setting up of clear and specific set of goals, designing teams, designing new HR policies etc. Involvement in these steps helps the HR manager to assess organizational issues at domestic as well as global level (Brown, 2006).

## IMPACT OF GLOBAL TRENDS

- Organizations have become more global in markets and operations,
- Organizations will experience higher levels of risk and uncertainty,
- The disruptive nature of globalization will increase the need for organizations to be more flexible and agile,
- There will be increased political and social pressures for ecological and societal responsibility,
- Organizations will be facing and challenged by economic and demographic imbalances.
- The use of technology will increase at a rapid pace,
- Work will become more complex and interdependent,
- Work and thus people will be more mobile and global in orientation leading to increased workforce migration,
- There is likely to be a growing mismatch between skills needed and talent available,
- There will be an increased need for demographic and cultural sensitivity,
- More work will be done by diverse work teams often at a distance from one another,
- Declining loyalty between organizations and employees,
- The traditional definition of family is undergoing transformation.

## VI. SUGGESTIONS

- The HR managers must be familiar with the new trends and techniques so as to do their job in a better way. In case the company or the HR manager recruits people on the basis of caste or any religion then this policy must be abolished.
- HR manager must re-decide and re-arrange the staffing functions, for recruitment selection, training and transfer, promotion, dismissals, placement, demotion and layoffs of the employees separate strategies should be developed and implemented.
- The HR manager must have a better understanding in the sense that the workers must feel free to tell or ask him in case of any problem. Attrition is the gradual reduction in workforce by employees and not being replaced. This challenge may be reduced by giving proper training to the workers.



- The HR manager must take steps so as to avoid employees leaving their jobs
- The HR Manager has to clearly defined performance metrics in conducting employee appraisals should be ensured.
- Manager feedback should also be taken where the subordinates provide feedback on their managers.
- Human resource manager should develop such a HR system which consistent with other organization elements such as organization strategies, goals and organization style, and organization planning.

## VII. CONCLUSION

In this competitive world every organization has to keep their own bench mark for their survival HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labour legislations and technology. The trends have taken place in the organization, human resource planning, job design, motivation, recruitment, skill development and employee relations. The challenges can be faced by HRM effectively, if proper strategies are implemented. Hence, the role of HRM will be more significant in future due to the emerging scenario.

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