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Emerging challenges and opportunities in future of human resource management

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Abstract

Human Resource Management needs to be changed as per the need and time of Business Environment in which business is operated. Technology has revolutionized the way of accessing information. To be global, each and every company needs to be digitalized. The structure of workforce and organization needs to be changed fundamentally. The organization needs to rethink about the way of hiring its personnel, engaging, rewarding and developing them. These changes will create great impact on workplace. As the global economy is affecting, both social and professional life, continually by disruptive forces.

In this paper, we are going to look at the state of Human Resource Management, over the next coming years, and the impact of technology on HR professionals. We will also look for the challenges the organization, needs to be faced and the opportunities which can be availed. Findings of this study helps in revealing the importance of Human Resource Management, that will continue in order to fulfill the needs of business, and changing environmental nature, such as technological advancements and global outsourcing.

Keywords: Opportunities, human resource

Introduction

‘Human’ represents the main dimension of HRM, which is related to the softer aspect of organization, such as commitment of employees by participation and they are the most important asset for any organization. ‘Resource’ represents the harder dimension, as the best strategy and proper utilization of its employees is included in it, which is very necessary for effective management. ‘Management’ represents the role of HRM as a part of management, representing that it is not only administrative function that carried out organizational policies but also a managerial function that contributes in strategy formulation.

As per Ivancevich and Glueck, “Human Resource Management is the function which is performed in organizations facilitating the most effective use of its people to achieve organizational as well as individual roles”. Since every organization is made up of people, services provided by them, motivating them to achieve higher level of their performance, developing their existing skills, and ensuring that they will continue to maintain their commitment towards organization and organizational goals. HRM is made up of Planning, Staffing, Organizing, Directing and Controlling to meet the individual, organizational and societal objectives. It is concerned with recruitment of people by employing right person at right place and retaining them to get the best optimum use of them and their efficiency. The main part is HR Planning, here Job design and strategic HR Planning takes place; then employees are attracted by recruitment process and selecting the best among them; after then development of employees takes place where training and development is provided to the personnel and their performance appraisal is made; and at the last, employees needs to be retained by giving them proper compensation, proper maintenance.

Main elements of HRM are: People, Organization and Management. Here people, are the most important assets for any organization which can be used for benefit of organization and society. It is the process of managing people in organization in a proper manner and a structural way. It deals in attaining the objectives of a company in a most efficient and economical way. All the objectives of personnel are served at the best. The objectives of community and society are served duly.

Objectives of HRM: HRM is not only useful for the organization but also for the employees

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working in the organization and also for the society. The primary objective of HRM is to ensure availability of appropriate personnel for appropriate jobs, so that organizational goals can be achieved effectively also to ensure the effective utilization of resources. It teaches how to utilize the organizational resources, so that the goals can be achieved. It includes both personnel and payroll function. HRM means to engage, preserve and improve the employees, by implementing the activities which are helpful in attaining organizational goals. The main objectives of HRM are:

- Utilization of the available human resources efficiently.
 - Increasing job satisfaction of employees and their self-actualization.
 - Developing and maintaining work life's quality which makes organizational employment a desirable and personal achievement.
 - Helpful for maintaining policies made for inside and both outside the organization.
 - Establishing and maintaining better relationship between management and its employees
 - Inter-linking organizational goals with individual goals.
1. Organizational Objectives: HRM is a tool to achieve efficiency and effectiveness in business. It also serves other functional areas to help them in achieving their objectives. Succession planning is, no doubt, a very important issue as an organizational objective.
 2. Employee Satisfaction: It is very necessary to provide satisfaction to employees and gratify individual's objectives. There is a need to create an environment of respect among people in the organization.
 3. Functional Objectives: HRM also helps other departments to perform their functions in a smoother and easier way to achieve optimization.
 4. Societal Objectives: It is the duty of any business to perform its social obligations. Equal pay and equal opportunity for equal work should be there. Society can be served by providing employment opportunities, opening new schools, and other social issues.

What is the need for change in HRM Policies? : It is an important study as it is helpful to create knowledge about the HRM to various service oriented businesses. It also provides a clear view about the future of HRM. It shows the guidelines towards the services and to control and manage the guidelines to meet the future needs of HRM. This study will also be helpful to guide the industry about the management. Many organizations are struggling with various HR challenges, but various types of coaching and consulting is there to help. Coaching and consulting owners, leaders and HR managers of small and medium scale industries, helps in seeking the great potential for the company. Need of HRM is there because:

- 81% of the HR is more tired than any other
- Around 80% of expenses are spending on stress related problems.
- 60% increase in inactive jobs
- 25% workers sleep at work
- Around 35% of the workers are overworking

In a survey, fewer than 30% of the employees are found to be fully engaged in their work and remaining is not fully dedicated to their work. Around 70% of the employee leaves their jobs in current year.

In this changing world, work is also changing because of rise in working in remote areas, lancing big economic projects and switching generations are also changing their way of looking towards role of work at society as a whole. But HR professionals keep trying to manage the efficiency and wellbeing of their workforce continuously. They are attracting the best talents for the industry and they keep developing the personnel with high performance with better learning systems and various employee development programs. With the help of technology, a revolution has been made in the way of accessing the information. Every company in the industry is now becoming digitalized so that they can compete in global trade. Such changes create a great impact in the organization. Structure of workforce needs to be organized and changed accordingly, which will effect human capital management. Therefore, there is a need to change the way of recruiting, engaging, developing, rewarding and leading the workforce for the organization.

Future of HRM: Future of HRM is very bright of an organization moves hand in hand with the technology and other changes occurring in the competitive global market environment. Some of them are:

1. The competitive environment for HRM
2. HRM occurs in a dynamic and complex environment of forces within organizational forces.
3. There will be a strategic objective with the perspective that important links between organizational strategy and HR strategy will be created.
4. Outsourcing employee's relations and creating a trend in market where any dispute in organization will be managed by highly qualified external intermediaries and industrial relations specialists, which would maximize objectivity and equality in a vast organization.
5. HR has to become more adaptive at forecasting upcoming business needs as well as increasing ROI (Return on Investment). By outsourcing administrative tasks, HR can invest significant value in various activities which helps in being an effective management.
6. Future HR Professionals will be able to play various roles, at the same time. Change will then become constant and there will be very less need to worry about business model.
7. HR can also use lesson learned by other professionals which helps in avoiding mistakes and more optimism for business.
8. By infusing talents from other functional departments like marketing, finance, and bringing their disciplines and by leading transformational change as a constant not a periodic term.
9. The team has to spend more time on development of management, helping the managers to deal with relational issues with employees more effectively. This will provide more future benefits to business, which in result; will help in employee's engagement and retention. These special issues will increase the fundamental research of HRM and which helps in better understanding of the field.

Future of Human Resource Management (HRM) in SMEs: In past years, only the big firms were investing in HRM, but with the time, even the SMEs are taking HR functions very seriously. The need for HR practices is well taken by most

of SMEs today and they are ready to implement HRM in their business. But the problem which they are facing is related to shortage of funds and expertise in its knowledge is required to implement HRM into organization. The solution can be drawn in two forms: (a) By outsourcing HRM function for short time, to gain expertise (b) or by managing the available resources to implement HRM. If HRM is outsourced, it requires large monetary investment; the entrepreneurs will get enough time to concentrate on these issues rather than looking at routine HR policies. But if the firm is unable to adopt this option, the SMEs can:

- Recognizing the appropriate talent for the business which best suits the need of the job and the business.
- Following employee engagement practices, so that retention of employees can be improved.
- To develop a culture to accept the challenges and to offer career growth for the organization.
- Minimizing the management levels so that workforce can feel themselves as a part of the business.
- Designing practices like flexible working hours and work from home to help the employees manage their work and time.

Challenges in Future of HRM

Before the 20th century, HR system was not even in existence. In the 21st century, the HR function has gone through various changes due to coming of Internet-related technologies and the increase in the global economy. For instance, online job portals give an access to various multi-talented employees, so this emerges as a challenge to HR professional, because they have only limited position to fill; so for that they have to go a long process of recruitment. Especially for small business, HRM is a big challenge, because technically they don't have a HR department. They may have one or two HR persons, but they are not authorized to take any decisions. So their owner, have to face challenges, so that they can resolve their HR related problems so that its workforce can grow. It can be done by:

1. Rewarding and Retaining Talented Candidates: Around 60% of HR professionals believe that in the upcoming years, major issue will be of retaining the talented and well-performing employees. Although, it's going to be more difficult when they have to reward its best performers so that the market can grow in competition which requires more joint efforts for establishing loyalty between employees.
2. Developing Future Leaders: By giving the employees, opportunity to grow, future pillars of organization can be build. Rate of turnover of employees can be reduced if employee engagement practices are involved and their skills can be developed with the help of business. More than 50% of HR professionals are taking it seriously to get more concerned towards next generation business leaders.
3. Social Media: Social media websites, such as Facebook and LinkedIn, can also be used to get better job candidates. HR needs to use social media as a benefit for the organization in an extremely competitive way by creating job market for both candidates and hiring institutions. HR professionals should be able to get the best talent before the competitor gets it, in other means, hiring the employee, even before a candidate applies for it. At social media profiles, candidates have their information regarding their studies, for that HR

professionals need to have in-depth knowledge of social media too.

4. Globalization: In the globe, a talent pool has been opened up in the job market by internet. In the 21st century, HR are recruiting candidates from all over the world, who speaks various languages and practice different customs so that, they will be more beneficial to the company. They also try to behave alike company's local employees. It brings changes in different HR strategies, so that existing staff can also address such concerns. HR needs to pay more attention towards wage difference between local employees and the employees from other countries.
5. Staff Turnover: The main issue for HR is staff turnover always. Employees keep on moving after 3-4 years. Therefore, recruiting and retaining new talents has become the top priority for the HR staff. Large and global companies offer high salaries to experienced employees and also give extensive benefit packages, so it becomes difficult to recruit and retain best staff for small business. With new learning and developing environment, new opportunities can be created within the organization, so that employees tempt to be a part of the organization.
6. Accelerating Human Capital Investments: Around half of the HR people indicate that in upcoming years there will be need to acquire human capital and optimizing human capital investments. It seems to be a big challenge, because it needs recruiting best employees and retaining them. It implies that HR people needs to develop talent management practices in organization for rewarding attracting, retaining and developing the employees of the organization.
7. Flexible Work Arrangements: The new generation of employees focuses on working in flexible time and it is the major concern for them. They do not want to work in traditional 9 to 6 timings. So the flexible work timings needs to be there, by allowing workers to work the way they want and their desirable time to give maximum productivity. More than 50% of modern HR professionals think that this can be proved as a winning factor for the organization.

Opportunities for better future of HRM: There can be various ways which can help in making the future of HRM better in various ways. By grabbing some opportunities, an organization can have better future for its Human Resource Management which in turn will help in making better optimization of resources for attaining the goals of the business efficiently and effectively.

1. Submission with Laws and Regulation: Change in employment laws is a big problem for business owners. They select to ignore laws of employment, with the belief that it is not applicable to their business. But it could possibly ends in doing lawsuits and demise to the company. No matter how small or large the business is, it is necessary to make sure that an organization is in compliance with local, state, and federal labor laws. There are continuous regulations on hiring practices, wage payments and workplace safety.
2. Change in Management: With the growth of business, its strategy and internal process grows with it. For some employees it is hard coping up with changes. Companies experienced reduce in productivity and

morale during the change. Owner of business should focus on communicating the perks of change to its workforce. Regular meetings can be done. Once the team, comes to understand the reason of the change, they will be more comfortable with the change.

3. **Adaptation to Innovation:** Technology is changing constantly. It is necessary for business to be quick in adapting changes. The small business employees resist to change and new technology, it is the biggest challenge for them. Communication is necessary. With changes, make sure that the employees know the need for change and the effects of change on them and provide them necessary training.
4. **Leadership Development:** More than one-third of the companies are doing average on work and at implementing leadership programs. A recent study states that leadership development program of around 40% of the companies is below average. Leadership development is very important to keep the management and team busy and motivated, to prepare them to take more responsibilities in the future. By creating opportunities for employees to use their strengths in business
5. **Employees Training and Development:** Low investment for training and development of employees of small scale business is also a major HR problem. Some organizations don't have enough resources to fulfill the need. Training and development don't take lot of money and time. Good HR policies should be made and recruiting managers and senior leaders can help in mentoring the employees. By investing in workforce, organization will get more loyal and productive team.
6. **Compensation:** Employee compensation needs to be structured in the best way. Small business have to struggle with payroll budgets and they have to cut down the benefits, training, taxes, and other expenses from the budget. As salary, is the important factor, it is not the most important factor. Employees seek job recognition, rewards for excellent performance and other incentives such as profit sharing, which can be beneficial for the employees and the organization.
7. **Recruitment of Talented Employees:** Attracting best talent for the company takes a large investment for both money and time. It is sometimes impossible to know that candidate will actually fit the job position or not until he/she don't have experience. With the help of staffing companies, this problem can be minimized. They help in hiring employees which involves a little or no risk. It also helps in saving money and time.

Conclusion

The trends and challenges creating in the business environment needs to give more attention to HR factors of the organization. It can be strategic as well as operational. It helps in making policies for partnering. It also helps in getting short term and long term objectives. HRM can be administrative or consultative and can be both internally and externally focused. Its activities are more focused towards solutions. In conclusion, it can be said that HR practice has become more challenging. HR professionals have to face many problems like retention, attraction, managing workforce diversity. Technological and Informational changes have helped in overcoming these challenges. Providing training to all the levels of management is

necessary for the development of organization to achieve its short term and long term goals. To reduce turnover of employees, HR people need to motivate, employees by providing them monetary and non- monetary benefits. Best performance evaluation system should be used to access the performance of employees. Innovative HRM practices are considered as best practices for HR department. All the above findings are found to be general in nature, which helps in reflection of the progressive outlook for the company.

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