Study of Challenges Faced and Its Solutions in Human Resource Management

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Abstract

Human Resource Management describes "how to formally arrange human beings in the organization". There are 3 foremost challenges which HR manager faces- firstly fostering a nurturing company culture, Secondly effective process of recruitment, selection, tackling employee burnout and thirdly retaining talent in the competitive world. Due to lack of HR Department in many small business houses make it difficult for them to tackle with the growing demand and diversity of HRM as these businesses mostly rely on either just one person or sometimes that too is handled by CEO. So they must be prepared to tackle above challenges. This paper aims at study of the current challenges faced by HRM, how to overcome these challenges and also about the emerging trends and challenges to HRM.

Keywords: Human Resource Management, Globalization, Diversity, Training and development.

Introduction

With the advancement of technology, with better means of communication making the world a global village, the role of HR manager has increased for creating healthy working conditions for the employees who come from diverse backgrounds, cultures and nationality to work together and make headways. With these changing scenarios HRM has undergone massive transformation which forces many HR professionals to demonstrate new skills to compete with new and unfamiliar roles.

Statement of the problem

Now a days the duties and responsibilities of HR Manager has become a challenge to be faced with the global competitors and diverse world economy. Human resources are required in every organization irrespective of their size so it is a challenge for HR manager to ensure optimum utilization of the available human resources. For all these reasons, we have chosen this topic to analyse the emerging challenges in HRM and make an attempt to overcome these.

Objectives

1. To study the challenges faced in HRM.
2. To provide suggestions to overcome these challenges.
3. To highlight the future trend and challenges in HRM.

Research Methodology-

For this study, secondary data has been used. The data has been collected from internet, websites etc.

Findings

Challenges faced while doing Human Resource Management are-

1. Diversity in Workforce-

The one thing that management should always keep in mind is that no two persons are alike. The diversity among workforce is quite normal to be found. Diversification may be in the form of caste, colour, culture, language, age, region, religion, sexual orientation. This diversity in workforce is also faced by LGBT community. As per the reports-

- 47% of the Trans genders face worst outcomes regarding their job terms like they were being fired and about 42% of the gay workers suffered from the job discrimination. All these reports provide us the data regarding the severity of workforce diversity regarding sexual orientation prevailing in the corporate sectors widely.

- Caste and religion have also been the point of diversity among workforce. As per the reports, over 1200 deals in the last 7 years most of the mergers and acquisitions in India are between those business houses whose directors belong to same caste groups.

- Statistically reports from 2007 states that this diversity is also present in interview as well as application sorting stage. The candidate having high caste, Hindu names are more likely to get favourable jobs as contrast from Dalit and Muslim names. The odds in favour of Hindu name candidates selecting for interview is about 2/3rd and in favour of Dalit and Muslim candidates are 1/3rd.

- The other diversity is on the basis of colour and region also. The underrepresented groups get fewer opportunities. For instance, As of March 4, 2024 there are total of 8 black CEOs that lead 500 Fortune Companies. Also 1 in every 4 Black and Hispanic employees reported about the workplace discrimination on the basis of their colour and region.

- Talking about age based diversity the major issue that younger generation is facing is they feel like their ideas are overshadowed by their most experienced co-workers. Millennial want flexibility in their working style and micromanagement while gen X focuses on traditional styles, values and stability in their work

  India being a diverse country having 28 states and 8 union territories so it is quite obvious that culture based differences exist here. This cultural diversity is also known as Multiculturalism. Cultural diversity also results in stereotyping towards women workers. For instance, most of the senior executives are against hiring women engineers due to their maternity breaks. Management needs to create such an environment where the positive impacts of diversity are harnessed and the negatives are minimised effectively.

2. Training and Development-

Training is all about knowing where you are in present and where you will reach in the future. As per a recent survey, 40%of the fresher leave the organization when they don't receive good training skills. But what if this 40% includes the top talent of the organization, so the management should handle all the issues carefully and up skill them. The major challenges faced are Inappropriate training programs, cost of training, different learning habits, geographical limitations, lack of employee engagement, lack of time and budget constraints, changing business demands and many more.

- Most of the training programs are inappropriate like general training which is not even relevant to the jobs of the employees. These kinds of trainings focus most over the jobs and not on the skills enhancement of the employees.

- Besides this management sometimes feel reluctant in training and development sessions because there is loss in productivity while the employees get trained. On an average companies spend 2% of employees cost to the company on their trainings. But if the cost of training is going to be greater than their productivity then it's not worth it.

- According to the 2023, Training Industry Report the average company spends $954 per learner for their training purposes and 41% of the employees who receive training consider these programs hinder their performances. Also less than 35% of US workforce feels engaged at their work. This shows the lack of employee engagement in training and development process.

- The changing business demands also create a problem for management. For instance- Post Covid Pandemic most of the employees are working remotely, so this is a problem for HRM as no training and up skilling is provided to these employee's which results in poor performance or losses to the organization.

- Providing training to the lower level employees is also a problem as some of the organizations don't have resources to fund it and some front line workers don't even have the time to take a training course.

3. Globalization

Globalization has made the world a global village. With the integration of world's economy the problems of human resources management has risen to its peak. The globalization has brought forward challenges related to talent acquisition, skill deployment, and information dissemination on global basis.

- Management faces the issues related to talent acquisition as the scope of human biasness is much more while recruiting the candidates. This makes the hiring process very longer which in result proves to be a hindrance in finding right.

- According to Gartner 59% of the HR leaders consider building skills and competencies a top priority in the organization but 40% of HR leader says with globalization it is not possible to compete with the required skill sets.

- With globalization, innovation flourishes because employees are developed on global basis. It will provide management the creativity breakthroughs but on the other hand management need to compliance with international labour laws, tax regulations, and employment standards. Management need to sharpen technical and behavioural skills of employee's up to global standards.

4. Compliance with laws and regulations-

There are some laws and regulations which management has to follows. Failure to compliance with such laws results in lawsuit as adherence requires correct interpretation. Some of the employment related laws are framed, the non-compliance of which would cause a problem to the management.

- Pay Transparency and equity- New York being the first city which made it mandatory for employees to mention their salaries for advertisements and now many other cities like California, Washington has also made it mandatory. As per Equity Pay Act 1963, it is mandatory to provide equal wages to employees to reduce workforce diversity.

5. Retaining Employees -

Employee retention is the ability of the company to retain its employee's .There is number of reasons why the management finds it difficult to retain its employees. Lack of Recognition to the work of employees, no opportunity given to employees and lack of work life balance.

- Management is not providing the same compensations as demanded by the employees.

- Due to globalization there are enormous amount of opportunities available to the employees and they grab it.
- Employees may also leave if they don't get attached to the company's culture and they feel being not recognised for their works.

6. Selection of Employees-

The success of the organization depends on the kind of the employees they hire. Especially for the small business houses the selection of the competent employees helps in delivering high quality products which in return makes organization grow tremendously. Thus HR Manager needs to consider some factors while selecting the employees. Some of these factors are-

INTERNAL FACTORS-	EXTERNAL FACTORS-
• Recruitment policies • Cost of recruitment • Human resource planning	• New technologies • Recommendations • Political influence • Personal biasness • Bribe

INTERNAL FACTORS-
- Recruitment policies- The recruitment policies like the channels used for recruitment, candidate evaluation methods also affect the selection process.
- Cost of recruitment- Medium and small scale companies need to be cautious while spending on recruitment.
- Human Resource Planning- Every HR Department has made some planning regarding human resources. According to these plans the right persons should be placed at right place at right time.

EXTERNAL FACTORS-
- New technologies- The use of the latest technology like AI affects the selection of the employees.
- Recommendations- Sometimes existing employees recommend some of their relatives, friend to fill the vacancies, which maybe better or worse.
- Political Influence- Sometimes candidates come to the interview with the influence of politicians due to which HR Managers have to select those candidates.
- Personal Biasness
- Bribe- Some of the candidates even offer bribe for selection.

7. Work life balance-

With diversification both men and women are employed in the organizations. Sometimes work responsibilities interfere with the personal life of the employees. With lack of balanced work life, the employee's suffer mental fatigue which reduces their productivity rates. Even for companies it results in loss as they pay for sick days and also lack productivity.

The following programs aimed at maintain work life balance-
- Training to employees to maintain true balance between personal and professional life.
- Child care facilities available near workplace.
- Sick leave policies

- Paid menstrual leaves to women workers are offered.

8. Conflict Managing-

It is quite obvious that every organization suffers with conflicting situations. Diversified workforce and culture established in the organization present danger to organizations. So HR Manager should know how to handle employer-employee conflicts without hurting their feelings.

Effective conflict managing involves-

- Active listening
- Problem solving approach
- Negotiation

Although it is impossible for the HR Managers to avoid conflict among the people and resolve their issues. They should try and communicate with each party in a convincing manner to avoid conflicts in the future.

Overcoming HR Challenges-

- **Tap to employee's emotions**- HR Manager must tap to the employee's emotional attachment towards the work. For instance- Gen X has been in favour of developing their structural roles and Gen Y is more interested in having roles that fill in their emotional needs first.
- **Training and development**– HR should identify the gap of skills on early stage and provide with the training and development opportunities to equip employees with the competencies to deal with modern day business changes. Some of the common tools used by HR for training and development includes- classroom training, webinars, quizzes, e-learning, feedback, performance management system etc. Even recognition, incentives and support is provided to encourage employees for completing training and development and apply them on their work.
- **Maintaining healthy relations with employees**- To provide congenial environment for work, there is a need to maintain healthy relations with employees. Effective relations with employees help in understanding your people and also in meeting their needs.
- **HR Planning-** HR Manager needs to do proper planning about the recruitment and selection process. Some other factors for which planning is required like, how many vacancies are there, what is the kind of job available, from where to recruit right candidates , what is the qualification requirement , how to conduct interviews and some other hurdles in this process.
- **Equipping future leaders-** In a recent survey conducted, about 368 CEOs and 2102 HR professionals are ready to take more responsibilities in future as they are currently not satisfied with their jobs. So HR leaders must work on the strategies that will help mid-level managers and up skill them for better future opportunities.
- **Automate Routine tasks-** According to a survey conducted; there is a technology available which can automate about 56% of human functions. This automation helps in providing solutions to issues like face recognition attendance system and software based time tracking. Installing all these systems helps HR leaders to increase productivity by reducing human errors.
- **Fairness-** HR Manager must be fair while dealing with the employees in the organization.
- **Positive changes-** As per a survey, about 54% of HR Managers reported anxiety due to the adjustments to be made on daily basis. Adjustment to revolutionary changes results in 2.5 times

more exhaustion to the employees. Accepting change is not easy for the employees and for that proper communication should be made so that employees can make the adjustments easily.

Emerging HR Challenges-

In 21st century, after globalisation HR Manager undergoes many new dimensions. Some special skills are required as handling manpower is such an exasperating job. Following emerging challenges faced by HR Manager are identified-

- Maintaining work life balance
- Recruitment and selection factors
- Managing conflicts
- Providing flexible work hours
- Career growth and development
- Managing multi-generational workforce
- Providing specialised skills
- Motivation and retention strategies

Conclusion

From above points it is clear that globalization affects HRM a lot due to huge diversity in the workforce. HR Managers must know that the key to success of the organization is innovation. HR faces many challenges like change in the technology, diversity in the workforce, giving knowledge about new skills to the younger generations, new rules and regulations. All these challenges must be kept in the mind of HR Manager while recruiting and selecting the best employee for the organization.

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