

Emerging Trends and Challenges in Human Resource Management: A Review

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Abstract

HRM operates in the dynamic environment. Any change in the external environment will bring along opportunities and threats for the organisation creating challenges for HR managers. This paper evaluates the various challenges and the most recent trends that have emerged in the Human Resource department in the past few years. The functionality of HR managers has transformed from recruitment process to a whole new significant role, which includes recruiting, selecting, retaining, training, compensation and of employees. Along with this a HR manager is supposed to deal with motivation, welfare, perks, remuneration, infringements, incentives and promotion of employees. This paradigm shift can be attributed to globalization that brought goals to be achieved by the HR department.. One more factor that revolutionized the HR department is technology which brought a positive impact. This radical change due to technology in HR department includes outsourcing, long-distance working model, overseas recruitment, flexible timing, and work from home option and so on. Globalization changed the scope of HRM and technology changed the functionality and approach of HRM. Because of the influence of globalization and technology HR department had to adapt to the changing times and so the scope of HRM has increased.

Keywords: Human Resource Management, Globalisation, Technology

Introduction

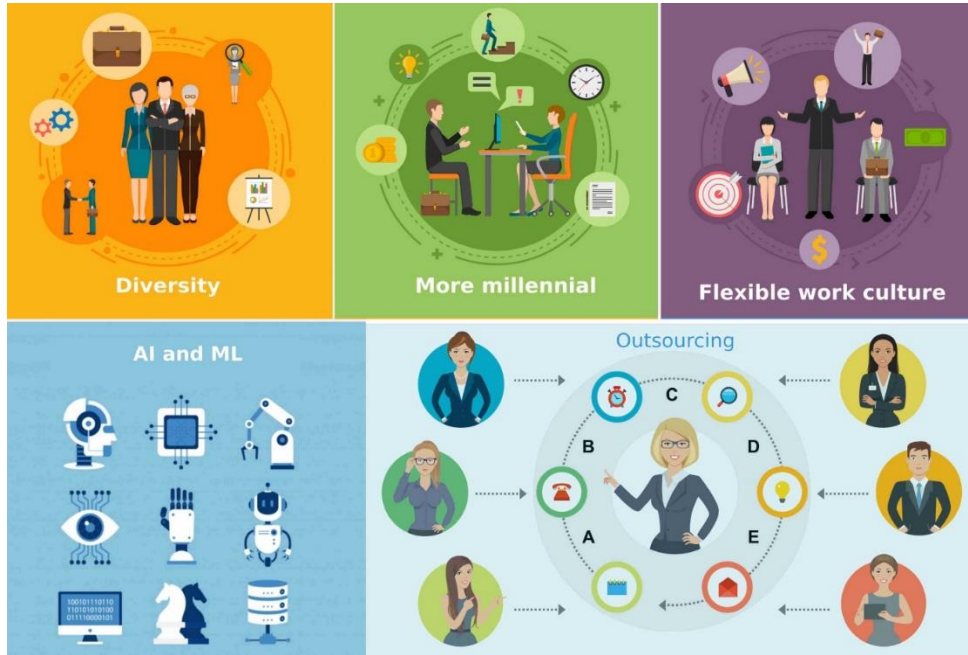
An organization may be in possession of the best material, the latest equipment and a pretty large amount of finance, but it is lifeless without human factor. Human resources can provide magical spark to organizations enabling them to transform their scarce resources into most profitable outputs. The people at work' in any organization constitutes its human resources. Human resources are considered as one of the crucial and demanding resources in business nowadays. All the activities to manage human resources are considered as human resource practices.[Wong.et al(2013)] A well-defined and managed HRM program expected to the flourishing of innovations is much sought after by the manufacturing firms. HRM is frequently experienced in business organisations to act as activator as well as driver for formation of human capital which will lead to competitive organizational performance. Organizational performance is the overall growth of an organization [Drucker. et al (2002)]. Human resource is the most valuable and premium asset in any organization. It is necessary for the organizations to manage their employees effectively and efficiently. Human resources play a vital role in any organization. It, thus, requires the considerable attention of the management so that employees can work up to their full potential [Ahmad & Schroeder. et al (2003)]. Human Resource means individuals or staff or workforce within the boundary of

an organization they are responsible for performing the tasks assigned to them and they aim to meet the organization objectives and make the profit. Human resource can provide a sustainable competitive advantage by giving them different practices [Huselid. et al (1995)]. A company's success depends purely on the efficiency and working of human resources . Human resource is reflected to be most vital asset in any business firm [Vlachos, Tsamakos, Vrechopoulos, & Avramidis. et al(2009)]. In this era of competitive global environment, the success of any organization depends upon the abilities, capabilities and the caliber of their Human Resource, HR policies and HR practices [Rehman. et al(2011)]. Without HR policies and practices, company will face the various hurdles and will not be able to compete in this global environment. Company's current and potential human resources are essential considerations in the development and for the execution of its strategic business plan. The main aim of an organization's human resource team is to help the organization in achieving its objectives. Human resource helps the organization in making sustainable competitive advantage [Huselid. et al (1995)]. Human capital is enestimable.[Awan & Sarfraz. et al (2013)]. Despite the immense significance of human capital, business concerns are not paying proper attention to their employees. An organization should consider employees' valuable asset as employees contribution to the organization will help the organization in achieving its vision and mission. The abilities, aptitude, attitudes, capabilities and skills of human resources help the business firms to survive in the competitive environment [Rehman. et al (2011)]. The effectiveness of even highly skilled employees will purely depend on the practices, training and policies of human resources. HRM practices can affect employee motivation by encouraging them to work both harder and smarter [Huselid. et al(1995)]. Human Resource Management (HRM) is concerned with the efficient and effective utilization of human capital of the organization. HRM policies and practices may either help or constrain employees in performing their roles [Ngo, Foley, Loi, & Zhang. et al(2011)]. This paper aims to evaluate the recent trends and challenges in human resource Management. The purpose of this study is to explore and identify innovative ways and trends, global, economic and technological shifts in human resource management.

Literature Review

According to advocates, scarce human resource is as valuable as other tangible assets of organizations. Hence, top management of various organizations have paid much attention to managing human resource. In organizations, human resource management (HRM) is essentially one of the areas of management concerning the productive utilization of the firm's workforce in attaining its business objectives[Raymond. et al(2009)]. HR practices being deploy consist of hiring, training and development, performance management, rewards and compensation, safety and health, etc. [Mondy et al.(2010)]. HRM practices were valued for facilitating the integration of employee activities in intellectual capital formation, leading to the attainment of competitive advantages in business firms [Patrick et al.(2001)]. The desired knowledge , skills, abilities, values and attitudes of employees are moulded through HRM practices. Human Resource Management is marked with the radical change, transforming from its traditional administrative role to playing a pivotal role as strategic partners in driving organizational success. This shift is influenced by recent trends. It is really a huge challenge to understand the psychology of workforce, retain the best talents of the industry, motivate them to perform better and handle diversity while maintaining unity simultaneously.[kaur, Simran et al.(2014)]). It is not an easy task to tackle problems of a diverse workforce; there is always delay in the completion of work given to a group of employees from different backgrounds. [Bernard,, Anandan, , Ravikumar et al (2019)]

Emerging trends and challenges in Human Resource Management



Emerging trends in HRM

Diverse Work Force

In today’s competitive organizational set up, employees belong to different cultural backgrounds, castes, religion, gender, language and ages which put the obligation on the HR department to encourage and inculcate confidence in the employees, and provide an atmosphere of equity and togetherness. This has a positive impact on the overall growth of the organization. [Duvvuri et al (2021)] Globalisation has paved way for easy mobilization of workforce across the globe. The recent trends in diversity includes the changing composition of workforce, increasing number of women at workplace, increased level of education and awareness, Cross Cultural Diversity. Companies are implementing strategies to attract diverse talent, such as partnering with diverse job boards, using blind recruitment techniques, and setting diversity targets. These practices help in building a workforce that reflects the diversity of the broader population. .[Parvathi, Inampudi,et al(2024)]. The human resources department needs an integrated human capital management system to support different national/regional regulations.



Work Force Diversity

Work from Home

A recent trend that gained immense popularity and attention is work from home. After the great pandemic COVID19, organizations had a unique approach of remote work to provide flexibility in working hours. [Duvvuri et al (2021)] Organizations are revising their policies to fit hybrid work models, aiming to blend productivity and employee preferences effectively.. The role of HR executive in remote working is to keep track of the employee performance and involvement. Post pandemic almost all organizations are offering work from home option as a full-time basis.HR departments are creating policies that emphasize work-life balance and mental well-being in hybrid scenarios.

Implementing Artificial Intelligence (AI)

Artificial Intelligence is a recent trend that gained a lot of momentum to improve efficiency and objectivity, Personalize the employee experience and help HR teams make data driven decisions. It helps HR executive to use cloud computing in the recruitment process. With this technology HR executive can manage different functions easily and effectively. HR activities like payroll, employee training, managing performance of employees, verify employees resumes, reply to employees HR questions and so on data dissemination is well managed by AI. [Duvvuri et al (2021)]. Artificial intelligence has streamlined the recruitment process and can predict the future HR needs based on the data patterns.For instance, AI-powered tools can sift through thousands of resumes to identify the best candidates, while ML algorithms can predict employee turnover and help in devising retention strategies. These technologies not only enhance productivity but also enable HR professionals to focus on more strategic initiatives.[Parvathi, Inampudi,et al(2024)]



Artificial Intelligence

Challenges Faced by Human resource Managers

1. Managing Work force diversity
2. Talent acquisition and employee engagement
3. Retaining talent in employees
4. Competitive Challenges comprising of hard competition, globalization, and changes in technology.

CONCLUSION

Recent trends in HRM underscore the importance of adapting to technological advancements, continuous learning and development, prioritizing employee well-being, implementing AI, fostering diversity, and navigating the challenges of remote work. These trends are reshaping organizational practices and HRM strategies, requiring HR professionals to embrace innovation, agility, and empathy in managing diverse and distributed workforces. As organizations continue to evolve in response to global trends, HRM will play a pivotal role in driving sustainable growth, fostering organizational resilience, and maximizing human potential in the digital age. [Parvathi, Inampudi, et al(2024)]

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