Emerging Trends and Challenges in Human Resource Management

Dr. Gandham Sri Rama Krishna, M.A(IRPM)., M.B.A., B.L., D.C.P., Ph.D., Associate Prof., Dept. of Management Studies, Sri Y.N. College, Narsapur.

Dr. N.G.S. Prasad., M.B.A., Ph.D., Professor & HOD., Dept. of Mgt. Studies. Swarnandhra Institute of Engineering and Technology, Seetharamapuram.

Dr. Tholada V.S. Prasad, M.A. (Economics), M.A.(Pub.Admn.)., Ph.D. Hyderabad.

Abstract

In today's competitive and turbulent environment, it is imperative for organizations to build employee commitment to spur growth. Nowadays employees are exhibiting certain behaviour by going beyond the normal requirements of the role. Employees are very much interested in earning more income by doing some work. It is the duty of the employer to create healthy environment, so that the employees can perform their duties in an innovative way. In India HR and the industrial climate are both continuously changes. Thus at this juncture it is very vital to understand the changing trends of the most valuable asset of an organisation that is human capital or human resource asset. The human resource management may develop strategies, policies, standards, systems and processes to implement these HR strategies in a whole range of areas. Changes in the economic, business, social, and cultural environment have brought about a transformation in the HR function and the roles and responsibilities of HR professionals. In today's business, employees are the key differentiator and getting the right type of talent, in time and retaining them has become the primary focus of almost all organisations.

Key Words: Crisis Management, Risk Management, Kaizen, Diversity Management, Green HRM, E-HRM,

Introduction

Today, Indian companies have spread themselves across the globe and are moving to a borderless world. Similarly post liberalization, privatisation and globalisation (LPG) policies have become a part of the multinational and foreign companies. Therefore, India HR and the industrial climate are both continuously changes. Thus at this juncture it is very vital to understand the changing trends of the most valuable asset of an organisation i.e., human capital or human resource asset. There is constant need to develop capabilities, leverage them to ensure the growth and success of an organisation.

The human resource management may develop strategies, policies, standards, systems and processes to implement these HR strategies in a whole range of areas for which the following would be typical of a wide range of organisations.

From the industrial era or the machine age to the information age – the evolution of the business environment

has been phenomenally fast. Organisations in the services era, such as software, financial services, and biotechnology firms, depend on intellectual capital. More jobs are being created in the services sector than in the manufacturing sector. Changes in the economic, business, social, and cultural environment have brought about a transformation in the HR function and the roles and responsibilities of HR professionals.

The present study also focussed on identifying key employees and organisational outcomes that were likely influenced by innovative HR practices.

a). Stress Management

Stress as most people know is pressure, tension, hyper-tension, strain etc. Stress is a state of mental strain. Stress can be physical, mental or emotional. It is required when an individual is unable to cope with demanding environment. This inability generates anxiety and produces defensive behaviour and stress symptoms. Today's organizational life is characterized by stress and strain. The common practice is to focus on individual stress management programmes. An array of stress reduction techniques are used by organizations depending on personality types of individual employees.

b). Talent Management

In a competitive environment, organisations need people possessing requisite skills, capabilities, expertise and knowledge. They require talent in order to deliver excellent results. Talent means people with exceptional abilities. Someone who is talented has a natural ability to do something well.

Talent management refers to the skills of attracting highly skilled employees, of integrating new recruits and developing and retaining current employees to meet present and future organization goals. This process covers all important aspects of an employee's life cycle – selection, training and development, succession planning and performance management.

c). Change Management

Organizations are changing not for the sake of change but to fight the intense global competition and fast-changing business environment. Change is inevitable for every organization to be healthy and productive. The change initiatives undertaken by the organizations are planned. The planned changes are implemented by the managers often with the help of an organization development consultant preferably from outside the organization. These changes are systematically initiated to increase organizational effectiveness. Change management is an approach to moving organizations and their stakeholders, in an organized manner, from their current state to a desired future state.

The nature of jobs is constantly changing due to changes in the environment, organizational goals, priorities, strategies, customer expectation, technology, new opportunities, new challenges and new knowledge-base. Such a change in the nature of jobs requires continuous development of employee's competencies to perform the job well.

d). Knowledge Management

Knowledge has great economic value in current scenario. In an era

where competitive advantage is perceived to be linked to knowledge. Knowledge management means the ability to manage knowledge. Knowledge Management is defined as the systematic process of finding, selecting, organizing, and resenting information in a way that improves employees' comprehension in a specific area of interest. Knowledge is described as the "capacity for effective action" or "capacity to act". A simple definition of knowledge management is that it is 'about connecting people to people and people to information to create competitive advantage'.

e). Human Capital Management (HCM)

Human capital that which is in the minds of individuals: knowledge, competencies, experience, know-how etc. The collective knowledge, skills and abilities of an organization's employees. The collective skills, knowledge and competencies of an organisation's people that enables them to create economic value. The major functions of human capital management include recruitment, compensation, benefits and training. Knowledge that is of value to an organization – made up of human capital, structural capital, and customer capital.

f). People Management

People management is to getting work done through the people. People management means management of people that is nothing but employees. People management practices influence employee behaviours like performance, retention, and involvement etc., which in turn influence indicates of organizational effectiveness like employee satisfaction, customer satisfaction and profitability etc.

g). Crisis Management:

Crisis management is the process by which an organisation deals with a major event that threatens to harm the organisation, its stakeholders, or the general public. Actions taken by an organisation to protect itself when unexpected events or situations occur that could threaten its success or continued operation. Three elements are common to a crisis (a) a threat to the organisation (b) the element of surprise and (c) a short decision time.

Crisis management involves dealing with threats before, during and after they have occurred. Crisis management is occasionally referred to as incident management. It is necessary to maintain a list of contingency plans and to be always on alert. Crisis can occur at anytime and HR has to take the lead in protecting the welfare and safety of affected employees.

h). Diversity Management

Workplaces in MNCs today are highly diversified with the employees of different countries, different age groups, religious, races, ethnic groups, colour and gender. People from various countries and societies bring varied cultures to the workplace in addition to the best talent. Diversified cultures bring multi-approach to decision-making and thereby enhance decision-making abilities of MNCs. A glass ceiling represents inequality. Therefore, MNCs should manage diversity in order to maximize the positive aspects and minimize the negative aspects of diversity.

i). Performance Management

Performance management defined as a systematic approach to improving individual and team performance in order to achieve

organizational goals. Performance management are setting performance goals, developing strategies and translating them into concrete guidelines for action. Performance management is also about creating commitment and motivation to realize the proposed goals. Performance management is the process of planning performance, appraising performance, giving its feedback, and counselling an employee to improve his performance.

j). Risk Management

Risk can be defined as the combination of the probability of an event and its consequences. In simple terms risk can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur. Life is full of risks from womb to tomb. Every individual faced biological contingencies and economic contingencies in his life time. Therefore, build up risk taking abilities and face the risks. When faced the risks, it leads to success in career. Risk management is a process for identifying, assessing, and prioritizing risks of different kinds. Once the risks are identified, the risk manager will create a plan to minimize or eliminate the impact of negative events. There are three types of risks. They are; business risk, regulatory risk, and personal risk.

k). Whistle Blowing

It is raising the voices usually by the members of the organisations, who are presently serving or who had served earlier against the illegal, immoral or illegitimate practices, detrimental to the interests of the organization in the long run.

Whistle blowing is raising concerns over wrong doing by the organisation or by another employee of the organisation may take several forms like violation of rules, regulations, procedures, working against a group of employees, public interest, customers or fraud, health or safety violations, environmental issues, customers' interest, corruption, physical and psychological harassments, unethical practice and anti-social norms. Whistle blower may take the issues either internally and externally. Whistle blowers normally face reprisal from the management of the organisation or the group of person or the individual against whom the whistle was blower. Whistle blower normally complain about the misconduct, absenteeism, or irregularities, harassments, violation of rules etc., to his/her superior and trade union leader. Therefore, the organisations should encourage their employees to blow the whistle within the organisation in order to find the mistakes and set them activities right.

l). Work-Life Balance

Work-life balance is balancing the priorities of career goals and family goals. In this turbulent environment work-life balance can't maintain equal balance. Work-life balance means "maintaining a balance between work and personal life". Work-life balance is a concept that supports the efforts of employees to split their time and energy between work and the other important aspects of their lives. This concept reduces the gap between work and family in the process of balancing the demands of both.

m). Employee Engagement

Employee engagement is the willingness and involvement of the employees to work for the success of an organisation by devoting most of their focus and abilities. When the employees are positively engaged with their organisation they form the emotional connection with the company. Researchers have describes that 'high levels of employee engagement' leads to a positive impact on the company's fortunes. 'Not engaged employees' are essentially those who have 'checked-out' from the organisation. 'Actively disengaged employees' are unhappy at work and busy exhibiting their unhappiness.

Engaged employees lead to increase productivity, retention, customer loyalty and profitability. Employee engagement is critical for organisations to attain and maintain excellent levels of performance. The organisations with engaged human resource experience low employee turnover, low employee absenteeism, high quality and other benefits. Effective leadership is the key to developing and maintaining employee engagement.

n). Organisational Citizenship Behaviour (OCB)

Every person must be a responsible citizen in the society for development in this competitive world. In the same way employees in the organisations must be citizen of the organisation for its growth and development. Employees must also exhibit their dormant by their behaviour in going beyond the normal requirements in his role this behaviour is termed as Organizational Citizenship Behaviours (OCB). It is a workplace behaviour that exceeds one's basic job requirements.

Employees exhibit certain behaviours by going beyond the normal call of duty. Unless and until employees engage in the positive way and their behaviour will contributes to the organizational success. Organizational citizenship behaviour is employees' extra efforts in the organization and it is discretionary acts by the employees. Organizational citizenship behaviours may come in the forms of loyalty, organizational compliance and organizations benefits. Job satisfaction, and organizational commitment are some of the organizational citizenship behaviours.

o). Employer Brand Management

In a competitive world, not everyone would be interested in stepping into organisations without an image. If the intention is to hire the best, then organisations need to build brand, guard their image and do everything possible to enhance their reputation in the market place. By doing so, it supports both external recruitment of the right kind of talent sought by an organization to achieve its goals, and the subsequent desire for effective employee engagement and employee retention.

p). Quality of Work Life (QWL)

Quality of work life denotes all the organisational inputs, which aim at the employee's satisfaction and enhancing organisational effectiveness. Employees seek a supportive work environment that will enable them to balance work with personal interest. Quality of work life provides a more humanized work environment.

The concept of quality of working life thus includes – emphasis on extrinsic and intrinsic job factors and other aspects like better health and greater safety on the

job, good working conditions, other benefits included improved employee satisfaction, morale, job interest, fair pay, employee empowerment, employee involvement and employee participation commitment and involvement, increased opportunity for individual growth, greater sense of ownership and control of work environment, development of managerial abilities and leadership skills, improved communication in the organisation, greater understanding and respect between management and workers and a supervisor who treats him/her with dignity. The concept of quality of working life manifests itself. It tries to balance both the work-life and family life. The underlying assumption is that the work-life balance will ultimately ensure quality of work life.

q). Human Resource Accounting

Human resource accounting is the process of identifying and measuring data about human resource. It is the process of developing financial assessments for people within organisation and society and the monitoring of these assessments through time. Human resource accounting is a sophisticated method which deals with the cost and contribution of human resources to the organization. Cost of employee includes cost of human resource planning, recruitment, selection, induction, placement, training, salary payments and benefits, etc. Employee performance is positive if the employee contribution is more than his / her cost to the company. HR accounting system is useful for greater accountability on the part of management for its human resources.

r). Changing Nature of Employment Relationship

The successful management of the new employment relationship will require. The HR managers also will face the challenge of maintaining human relations and interpersonal relations.

- **Human Relations:** The term "Human Relations" applies broadly to the interaction of people. Human relations are integration of people into work situation that motivate them to work together productively, co-operatively to provide economic psychological and social satisfaction. Human relations are motivating people in organizations to develop team work spirit in order to fulfil their needs and to achieve organizational goals efficiently and economically. Human relations in industry imply that relationship between employer and employees as human beings but not in the capacity of employment relations.

- **Interpersonal Relations:** Relationship is normally viewed as a connection between two individuals, such as an intimate relationship. Every person in this universe will need the help of someone else one-day or other. All of us are interdependent and need one another for help. Interpersonal skills are behaviours, used face to face, that succeed in helping progress towards a useful outcome. It also involves in one's behaviour with colleagues, business partners and clients.

- **Employee Empowerment**: The new employment relationship has made employee commitment more important and central, because employers want to be assured that empowered employees use their autonomy and discretion to further the interest of the organization.

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs.

t). Human Engineering

Human Engineering is the study of people at work and of work methods it includes the study of equipment design, pacing of work, hours of work and environmental conditions of work etc. In this age of machines, the question is how to fit the man to the machine. The real problem is rather how to fit the machine to man. The purpose of human engineering is to improve productivity, job satisfaction and quality of working life. Time and motion study represented a particular of how to study people at work with a class-cut objective of improving work proficiency utilizing time and motion methodology. The main objective of human engineering has been to increase production and profits.

u). HR Outsourcing

HR outsourcing is the new name in the industry to replace the redundant traditional HR department. A type of flexible staffing option; an independent company with expertise in operating a specific function contracts with a company to assume full operational responsibility for the function. The move towards the flexible firm has seen a trend towards the outsourcing of activities outside the core. This may take the form of outsourcing to new suppliers or changing employment contracts to hire individuals as consultants rather than employees. A contractual agreement between an employer and an external third-party provider whereby the employer transfers responsibility and management for certain HR, benefit or training-related functions or services to the external provider.

v). Strategic HRM

Strategy is a process of basic long-term goals and objectives of an organisation. Strategic HRM is concerned with the relationship between HRM and strategic management in an organisation. SHRM is an approach which relates to decisions about the nature of employment relationship, recruitment, training, development, performance management, reward, and employee relations. Strategic Human resource management means an integrated strategy and planned development process for effective utilization of human resources for the achievement of organisational mission and objectives. HRM comprises the process of developing, applying and evaluating policies, procedures, methods and programmes relating to business objectives and corporate strategy.

w). Green HRM

Green HR is the use of HRM policies to promote the sustainable use of resource within business organisations and more generally, promotes the course of environmental sustainability. The HR function will become the driver of environmental sustainability within the organisation by aligning its practices and policies with sustainability goals reflecting an eco-focus.

Green HR involves two essential elements:

- Environmentally – friendly HR practices

- The preservation of knowledge capital.

Some Examples of Green HRM Practices

- Announcing rewards for employees for green ideas.

- Discouraging the use of paper in filing and office work by making use of technology like adopting digital filing.

- Switching off lights and using sun light during day time wherever possible. Some corporate may adopt green architecture in building their offices that allows bright sun light into workplace.

- Pooling of cars for transporting executives to minimise fuel consumption and carbon emissions or even encouraging cycling among employees to commute to office, wherever possible.

- Conducting tree planting camps for employees.

x). Human Resource Information System (HRIS)

HRIS is an integration of HRM and information systems. HRIS helps HR Professionals to perform HR functions in a more effective and systematic way using technology. HRIS is a system used to acquire, store, manipulate, analyse, retrieve and distribute pertinent information about an organisation's human resources. HR professionals require right information to facilitate decision-making. A software application combining various human resource functions, such as benefits, payroll, recruiting, training, etc., into one package.

- **HR Trends in IT**: The simple ability to send information anywhere immediate, at minimal cost and so many ramifications. In this scenario-role of HRM in integrating employees

into the organisation with speed ensuring high levels of performance becomes more critical than ever. And it is IT in the form of HR systems that is aiding the HR department in doing this today; keeping pace with the growing needs of Indian business. Teleworking is one of the emerging trend. HRM practitioners need to develop skills appropriate to the recruitment, selection and motivation of the workforce of a 'virtual office'

y). e-HRM

e-HRM (Electronic Human Resource Management) is the use of web-based technologies to provide HRM services and practice within employing organisations. From this base e-HRM has expanded to embrace the delivery of virtually all HR policies and strategies. Within a system of e-HRM, it is possible for line managers to use computers to arrange and conduct appraisals, training and development programmes, evaluate labour costs, and examine indicators for employee turnover and absenteeism. E-HRM is not the same as HRIS (human resource information system) which refers to ICT systems used within HR departments. E-HRM is in essence the devolution of HR functions to management and employees. They access these functions typically via internet and intranet other web technology channels.

There are three tiers of e-HRM. These are described respectively as operational, relational and transformational. Operational e-HRM is concerned with administrative functions – payroll and employee personal data. Relational e-HRM is concerned with supporting business processes by means of training, recruitment, performance management and so forth.

Transformational e-HRM is concerned with strategic HR activities such as knowledge management, strategic re-orientation. An organisation may choose to pursue e-HRM policies from any number of these tiers to achieve their HR goals. E-HRM is a way of carrying out and implementing HRM strategies, policies and practices, e-recruitment, e-selection, and e-learning.

z).Changing Trends in Work Environment and Culture

The overview of HRM within different cultures has sought to bring out the main trends and the principal tasks facing HRM professionals in the foreign countries. Diversity culture involves a wide range of group and individual characteristics.

- **Work Culture**: Different organisations have various work cultures that reflects efficiency and effectiveness in an organization.

- **Organisational Culture**: A pattern of shared values and beliefs giving members of an organization meaning and providing them with rules for behaviour.

- **Flexible Work Arrangements**: Flexible work hours provide employees with greater control over their personal lives.

- **Variable Compensation:** Multinational corporations are moving toward pay systems that are flexible. Examples include the increasing use of competency based pay, in which pay is geared more to individual skills and abilities that contribute to company success then the job individuals perform and broad banding.

- **Job Market**: The present scenario HR professionals estimate the demand and supply of workforce in the employment market and take decisions relating to pay fixation and take the strategic recruitment and strategic selection.

- **Contingent Workforce**: Contingent workers are individuals who are typically hired for shorter periods of time. They perform specific tasks that often require special job skills and are employed when an organization is experiencing significant deviations in its workflow. These include being able to have these virtual employees available when needed, providing scheduling options that meet their needs and making decisions about whether or not benefits will be offered to the contingent work force.

- **Employee Involvement**: HRM has a significant role to play in employee involvement. These are delegation, participative management, work teams, goal setting, employee training and empowering of employees. Employees expected to delegate, to have decisions participative handled, to work in teams, or to set goals cannot do so unless they know and understand what it is that they are to do. Empowering employees requires extensive training in all aspects of the job. Workers may need to understand how new job design processes.

- **Re-engineering Work Processes**: Rethinking and redesigning work to improve cost, service, and speed. Although continuous improvement initiatives are positive starts in many of organizations, they typically focus

on ongoing incremental change. For re-engineering to generate its benefits HRM needs to offer skill training to its employees. Whether it's a new process, a technology enhancement, working in teams, having more decision making authority, or the like, employees would need new skills as a result of the re-engineering process.

Emerging Challenges in HRM in Modern Management

HR professionals are facing many challenges in present business scenario. The challenges increase in pressure on HR Professionals to attract, retain and nurture talented employees.

- **Globalisation:** It entails free trade, free mobility of financial resource and products, technologies, information, markets and human resources aspects. It means operating and planning to expand business throughout the world. Globalization also has a deep impact on the way companies manage their employees. Understanding the effects of globalization on human relations can help managers to better equip their organizations for the increasingly global business environment.

- **Mergers & Acquisitions & Take-over:** It is difficult to imagine circumstances that pose a greater challenge for HRM than reorganization resulting from acquisition, merger, divestiture or a take-over threat. The reorganizations will have impact on organizational levels and employees. Employee's experiences anxiety and uncertainty about the places in a new organization.

- **Attracting HR:** Attracting HR has become difficult as loyalty factor is losing its share, today, HR Professionals have to motivate and design healthy career road map to make them stay in the company.

- **Retaining HR:** Organisations are also required to work out a retention strategy for the existing skilled human resource.

- **Downsizing:** Downsizing is the elimination of jobs in a planned manner. A major HR challenges resulting from downsizing is to manage the organizational relationship with the survivors.

- **Attrition:** Attrition may be defined as gradual reduction in membership or personnel as through retirement, VRS, resignation or death. In other words attrition can be defined as the number of employees leaving the organization which includes both voluntary and involuntary separation.

- **Changing Workforce Profile**: Over the period of time, there has been a tremendous change in India workforce profile. Earlier workforce was considered to be illiterate and all HR activities used to be geared to meet job demand and expectations based on that illiteracy. Now the situation has completely transformed. Today, they are more educated, skill-oriented, comparatively younger, and have high expectations. With the changing profile of people, their expectations have also changed, both in terms of salaries and working conditions. HRM point of view, knowledge workers are those individuals whose jobs are designed around the acquisition and

application of information, for instance, jobs in IT or IT enabled services organizations. Because of unique characteristics of knowledge workers, managing them effectively poses serious challenges before HR professionals.

- **Hire & Fire**: Hire means to get a person in employment of a company or establishment. Fire means to get the job of the employee terminates. Every company and organization has a hire and fire policy.

- **Newer Organizational Designs**: To cope up with the requirements of fast-changing environment, newer organizational designs have emerged. Because of the fast changing technology, the nature of job profile and dynamic organizational designs. These IT organizations will be essentially made up of hired contingent employees (temporary, part-time, consultants and contract employees) who join project teams created to complete a specific task. Many of these changes (employees outsourcing) have already taken place in the form of virtual organizations which have created lot of challenges to HR professionals.

- **Increasing Quality Consciousness**: With the increasing competition at the global level organizations are becoming conscious about the quality of their products and services. Increasing quality awareness has generated the adoption of the following practices.

- ✓ **Emphasis Kaizen**: Kaizen means continuous improvement or improvement over important.

- ✓ **Six Sigma:** It is a project driven management approach improve the organisational products services and processes by continually reducing defects in the organisation. Six Sigma is defined as having less than 3.4 defects per million opportunities or a success rate of 99.9997%. Six Sigma is a systematic data driven approach using the Define, Measure, Analysis, Improve and Control (DMAIC).

- ✓ **Emphasis on Total Quality Management (TQM):** Total Quality Management program aimed at maximizing customer satisfaction through continuous improvements. A management style which demands-commitment to maintain and improve quality throughout the workforce.

- **Socialization System**: Management would be required to evolve appropriate techniques of motivating the employees and getting work from them. The biggest challenge to an HR manager is to make all employees contribute to the success of the organization in an ethical and socially responsible way. During the current decade the main challenge before organization is to create an enabling culture and climate. Reward management will be another challenging area, since this potential tool of socialization and motivation in Indian context remains relatively unexplored.

- **Women in Workforce**: More women are entering the workforce today than they did earlier. This has challenged HR to develop strategies to attract and retain educated and skilled women workers.

Conclusion

Emerging trends in HRM have changed the path we work, as organisations are more depended on HRM to increase the success ratio in today's competitive and turbulent environment. HR practice is becoming more challenging day by day practice; they have to face lot of problems like retention, attrition of employee, dealing with different cultural people, managing HR diversity, technology and informational changes to overcome with these challenges – cross culture training, technological training is necessary for human resource excellence.

In the present scenario the problem arises in recruiting talents and retaining them. Now is the era where it is a high time that the all organisations start thinking on creating a well developed organizational culture and this is because talents are attracted to talent magnets. The challenge of recruiting and retaining qualified candidates and helping new employees fit into an organization. The goal is to keep employees contributing to the organizations intellectual capital by offering competition salary, benefits and development opportunities. There is great pressure now on keeping human resource motivation high and talent retention.

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