Contemporary Challenges of Human Resource Management

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Abstract

The whole world is very dynamic and challenging in all aspects. The challenges of the HRM also evolving with the change in competitive business market environments. The lifestyles, mentality and requirements of masses are changing rapidly. Now the employees want a balance between work and family life. They want to be valued and accepted by the society and top management. Both employees and employers are concerned about the quality of work life. Management styles are changing too which represent a particular challenge for HRM. HR managers must have a clear knowledge of the ongoing international operations of the companies, the business and economic situation of the countries where the companies operate. HR executives can't ignore the present challenges rather they should design and execute innovative mechanisms for developing skills and competencies of human resources to accept the emerging new challenges.

Key words: HRM, recruitment and selection, environmental challenges, pay systems, leadership styles, HR professional, work force diversity.

1. Introduction

It is true that without human being all the resources are valueless. So, in an organization the most important resource is employees, popularly known as human resource. Even if all of the required factors of an organization are available without appropriate human resource, the organizational goal cannot be achieved. In every country, there are so many people but all of them are not used as resources. They will be treated as resources when their skills, abilities,

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knowledge, qualifications, etc. will be increased and used in the productive sector and which will have economic values. So, managing human resource properly is one of the most important functions of an organization. Actually human resource management is the utilization of human resources to achieve organizational objectives. Human resource management is the term increasingly used to refer to the philosophy, policies, procedures, and practices related to the management of people within an organization (French, 1997). It is the policies and practices involved in carrying out the people for human resource aspects of a management position, including recruiting, screening, training, rewarding and appraising (Dessler, 2005). Consequently, all managers at every level must concern themselves with human resource management. Basically, managers get things done through the efforts of others: this requires effective human resource management (Mondy, Noe, & Premeaux, 1999). Basically it is the function that deals with employee related issues such as human resource planning, recruitment, selection, training, compensation, performance management, safety, wellness benefits, employee motivation, communication, administration etc.

2. Rationale and Scope of the study

The modern HR managers are facing various types of challenges. But it is true that, with the passes of time, the overall management systems, leadership styles, HR policies, productivity of the organizations are getting new ways to develop respective sides. Since HRM is a vital part of today's organizations, and the success and failure largely dependent on HRD, so it cannot be ignored by the HR managers. The areas of human resource management deal with creating pays systems, rewarding employee contributions, providing employees with benefits (Noe, Hollenbeck, Gerhart, & Wright, 1996). These things are getting more crucial in many countries of the world; especially in developed nations employees are highly conscious about these matters. Now HRD and HR mangers of all the organizations are considering the challenges very especial view point. The central government of the country and Public Administration Ministry also has given special attention about the contemporary challenges of HRM.

3. Objectives of the study

This study is an attempt for achievement of two main objectives about contemporary challenges of human resource management.

3.1. General Objective

The main objective of the study is to get a clear scenario about the contemporary challenges of HRM and HR managers and how can face the challenges effectively and efficiently to achieve the goal of the organizations.

3.2. Specific Objectives

- To recognize the reasons of changing the mentality and expectations of employees.
- To analyze the ways of managing the changes of our surroundings.
- To know the impact of globalization, leadership and culture on HRM challenges.
- To be acquainted with the ways of facing the challenges of environment.

4. Literature Review

Today's competitive market is changing day by day. To cope in this market, human resource management must play a strategic role to sustain and to achieve organizational goals. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. The central challenge is to assist the organization in improving its effectiveness and efficiency in an ethical and socially responsible way. Other challenges arise from the environment from which organizations operate; changing demands of workers, international and domestic competitors, pressure groups, professional ethics, and government are just a few. Challenges also come from within the organization. For example, managers and other departments compete with the HR department for large budgets, for a large share of the organization's resources (Davis, 1996). With the ongoing changes in Human Resources Management (HRM), it's important that managers, executives and HR employees, specifically, be aware of the challenges that today's HRM team may face. Generally the challenges that HRM team may face are-

Work force Diversity: Basically now-a-day the workforce is changed in comparison to last ten to fifteen years. Some of the changes have been occurred in the recent past years and some are still in process (French, 1997). Today the lifestyles and the requirements are changing day by day. Now the employees want a balance between work life and family life. The traditional employees wanted to earn more money by working hard even by overtime. But now employees are less willing to work for a long period of time, or on overtime or on weekend days. In this case, the more concerned factors are female employees, minorities, retention of employees, old workers, cultural diversity, etc.

Changing Market: Changes in the purchasing pattern of consumers may affect the demand for labor. Changes in the economy can also affect human resource planning. In a recession, a business is likely to reduce its workforce as demand for its products falls (Akkas & Badiruzzaman, 2015).

The Quality of Work Life: Now employees and managers are more concerned about the quality of work life where they are performing every day. Actually it means the total

organizational life of the human resource. Richard E. Walton provided eight criteria for analyzing the quality of work life in an organization. These are adequate and fair compensation, safe and healthy working conditions, opportunities to use and develop human capacities, opportunity for continued growth and security, social integration in the work organization, constitutionalism, balanced role of work, and socially beneficial and responsible work (Walton, 1975).

Management System: A management system is the framework of processes and procedures used to ensure that an organization can fulfill all tasks required to achieve its objectives. The benefits of an effective management system include more efficient use of resources, run the organization in a cost effective way, improved risk management, and increased customer satisfaction as services and products consistently deliver what they promise.

Organizational Culture: Organizational culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. It is the collection of values, beliefs, assumptions, myths, norms, goals, mission, vision etc. Basically the unique personality of an organization is referred to as its culture. When groups of people work together, organizational culture is an invisible but powerful force that influences the behavior of the members of that group. Organizational culture is composed of seven characteristics that range in priority from high to low. These characteristics are innovation (risk orientation), attention to detail (precision orientation), emphasis on outcome (achievement orientation), emphasis on people (fairness orientation), teamwork (collaboration orientation), aggressiveness (competitive orientation), and stability (rule orientation).

Leadership Development: As one of the biggest challenges for human resource management, leadership development needs to be a critical strategic initiative. HR professionals are faced with being expected to provide the essential structures, processes, tools, and points of view to make the best selection and develop the future leaders of the organization. The World Federation of Personnel Management Associations (WFPMA) reports that, "Across the globe leadership development has been identified as a critical strategic initiative in ensuring that the right employees are retained, that the culture of the organization supports performance from within to gain market position, and that managers are equipped to take on leadership roles of the future so that the organization is viable in the long term (www.villanovau.com).

Managing Change: In the past decade, there have been rapid, turbulent, and often strained developments in the relationship between employers and employees. New trends and changes have occurred in telecommunicating, outsourcing HRM practices, family medical leave, child care, QWL programs, spouse-relocation assistance, pay for skills, benefit cost-sharing, union management negotiations, testing, and many other HRM areas of interest. Nearly all of these

trends and changes can be traced to the emergence of new lifestyles and an aging population (Peters, 1992). Change management represents a particular challenge for HRM. An intensified focus on training may be needed to develop added competencies to deal with change management. Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer-centered. Within this environment, the HR professional must learn how to manage effectively through planning, organizing, leading and controlling the human resource and be knowledgeable of emerging trends in training and employee development (Akkas & Badiruzzaman, 2015). Actually change is the only constant in today's business environment, to exploit new opportunities. This challenge is facing more and more HR departments. It helps to deal with the changing roles in corporate society, changes to other jobs, responsibilities, and more.

Decentralized Work-sites: Organizations use decentralized work sites because telecommunicating arrangements enable organizations to find and use qualified employees without having to relocate business facilities. Decentralized work sites also provide cash savings to the organization, as well as fulfilling some special needs of a diversified work force. For HRM decentralized work sites will require training for managers in managing and controlling work, and establishing pay systems to reflect this work arrangement (Khan & Taher, 2011).

Environmental Challenges: Environment is the sum total of conditions that surrounds us at a given point of time and space. It is comprised of the interacting systems of physical, biological and cultural elements which are interlinked both individually and collectively. It influences the growth and development of this specific organization. Managers or HR professionals of any organization cannot meet the objectives without understanding and being aware of environmental challenges. Pervasive environmental challenges faced by the manager and HR departments are governmental challenges, organizational challenges, international human resource management, etc.

Social Issues: In some companies, employees are represented by a labor union. Managing human resources in a union management requires knowledge of specific laws, contract administration, and the collective bargaining process. Human resource management practices must contribute to organizational effectiveness. Thus, it is important to understand the types of approaches used to determine the effectiveness of HRM. Effective HRM are based on external standards (benchmarked) and include only the necessary procedures, steps, processes, and people (reengineered processes) (Noe, Hollenbeck, Gerhart, & Wright, 1996).

Innovations in Technology: The world has never before seen technological changes appear as rapidly as they are presently occurring in the computer and telecommunications industries. One estimate is that technological changes are coming so fast that a person may have to

change his entire skill repertoire three or four times in a career (Snyder, 1996). Technological innovations that can either benefit or hurt the business. Some technological innovations can increase the productivity and profit margins. On the other hand, if the organization cannot cope with the technological changes, then the performance will be decreased. In this case the more concerned factors are nature of products, production methods, cost of adopting new technology, quality control, organizational ability, etc.

Ethics: Ethics is the branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct. In practice, ethics seeks to resolve questions of human morality, by defining concepts such as good and evil, right and wrong, virtue and vice, justice and crime. Professionalization of human resource management created the need for a uniform code of ethics. Today more and more companies are concerned with values and ethics (Bankowski, 1997). Basically an ethical workplace is important not only for the owner's satisfaction but for employee satisfaction as well. Many decisions related to the management of human resources are characterized by uncertainty. Ethics can be considered the fundamental principles by which employees and companies interact (Pastin, 1986). HRM is dealing with the value of implementing ethical codes within the business. Generally it includes obey the applicable laws and regulations, be honest, fair, and trustworthy in all activities and relationships.

Different Objectives of HRD: Managers and HR Departments achieve their purpose by meeting objectives. Objectives are benchmarks against which actions are evaluated. Sometimes they are carefully thought out and expressed in writing. More often objectives are not formally stated (Davis, 1996). It is very challenging for the HR Managers and HR Departments to achieve these objectives. These objectives are organizational objectives (Tsui, 1987), functional objectives, societal objectives and personal objectives (Kiechel, 1990).

Economic and Political Conditions: The economic and political condition, both at home and abroad has a major impact on human resource management. In a strong, highly productive economy, organizations have greater financial resources for attracting workers with higher pay, for implementing training and development programs, and for funding other personnel programs. In contrast, a struggling economy plagued by high inflation and lower productivity intensifies the need for more cost effective management of human resources (French, 1997). There are some of the factors which can be predicted and some are unpredicted. But in reality, these factors are more or less uncontrollable in nature.

Different Laws of the Country: Actually all of the business organizations conduct their business activities by following some rules and regulations which are formulated by the Government. If the organization fails to follow these then the Government may give

punishment to that organization and may impose a fine over the organization. As new employment legislation created the potential for discrimination related lawsuits and penalties, personnel's advice and oversights became even more indispensable. (Geert Hofstede) Here the concerned factors are labor laws, women's rights, rights of the disable persons, laws for tax administration, labor relations, etc.

HRM Activities: HRM is planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished. HR actions contribute to improve productivity directly by finding better and more efficient ways to meet objectives and indirectly by improving the quality of work life for employees (Hansson, 1990). Basically, organizations are human associations in which two or more people seek to achieve a common goal or set of goals. It is very challenging job for HR professionals to select best employees for the organization, retain and control them. Generally the activities of HRM are human resource planning, job analysis, recruitment and selection, orientation and placement, training and development, performance and reward management, compensation and benefits, health and safety etc.

Globalization: In the prevailing Globalization era, where the world turns into a village, we have to turn our attention to the global business environment. This environment has had a major impact on human resources, especially during 1980s and 1990s. The global business environment has changed dramatically since the end of Second World War in 1945. Global business environment can be defined as the societal and task environment of an organization which is influenced by the global forces. These global forces include global labor market, economic, technological force, and global competition, legal and political forces etc. (Rahman, Hasan, & Islam, 2011). To administer global human resource functions properly and successfully, HR executives must have a thorough knowledge of the ongoing international operations of the company, the business and economic situation in each of the countries where the company operates, and the types of skills required of employees for international assignments (Molnar & Loewe, 1997).

Changes in the Nature of Work: Now-a-days the nature of work is changing day-by-day, especially last ten to fifteen years. To gain the maximum benefit from the introduction of new technology in the workplace, managers must be able to move away from the "military model" of management, which emphasizes controlling, planning and coordinating activities, and instead focus on creating work conditions that facilitate employee creativity and innovation (Noe, Hollenbeck, Gerhart, & Wright, 1996). Factory jobs are more technologically demanding. For example, "knowledge-intensive high tech manufacturing in such industries as

aerospace, computers, telecommunications, home electronics, pharmaceuticals, and medical instruments" are replacing factory jobs in steel, auto, rubber, and textile (Moncarz & Reasor, 2002).

Other Challenges: HRM is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. It can also be described as the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer-centered. Within this environment, the HR professional must learn how to manage effectively through planning, organizing, leading and controlling the human resource and be knowledgeable of emerging trends in training and employee development. In addition to the above challenges, the HR managers need to consider some other things that may affect the respective organization. These may have a positive or negative impact on human resources. The other challenges may include the following:

- Changing demographics of the workforce
- Layoffs and downsizing
- Information and communication system
- Increased use of social networking to distribute information to employees

5. Methodology of the Study

For conducting a complete research study, various types and sources of data and information are essential. In order to conduct this study we have used only secondary and qualitative data. The secondary sources of data are: books, articles, manuals, websites etc.

6. Limitations of the study

In order to prepare this article, there were some limitations. The most important limitation is the lack of primary data. Another is lack of specific organization which has specific challenge. Some confidential matters like compensation or promotion or demotion criteria etc. were required but some organizations are not at all interested to expose these information. International and local HRM challenges and their impacts are not same in all aspects. But it is very difficult to differentiate them and finding their solution. Lack of available data about Bangladeshi employees, employers and organizations also hindered to prepare this paper properly.

7. Findings and Recommendations

In the view point of Gary Dessler, the most important challenges of HRM are technology, e-commerce, and workforce diversity, and globalization, ethical consideration of the organization which may directly or indirectly affect the organizations' competitive advantages, especially with technological advancement the affect on recruitment, training and development and job performance with great extent can be study in organization. The late 20th and early 21st century saw a number of shifts that suggested changes in the nature of work in the future. These include the growing use of contingent workers (people who are hired, as needed, to perform specific tasks, but are not employed by the company), the use of virtual workers (those who may or may not work for the company, but who are not physically located on the company's premises), and the growing impact of technology on the need for certain types of employees, which causes increased need in some areas and declined need in others (Akkas & Badiruzzaman, 2015). The challenges of the HRM are evolving with the change in competitive market environment. With the increase in competition, locally or globally, organizations must become more adaptable, flexible, and customer-focused to succeed. At present HR professionals are facing different types of challenges. As a result, it is very difficult for them to retain, attract and take care of valued employee. If the organization wants to get better output from the employees, firstly it should overcome the challenges. The study suggests the following recommendations to face the HRM challenges effectively and efficiently:

- Proper performance evaluation system should be used in the organization to reduce professional mobility.
- Encourage open communication among employees and respecting everybody's opinions.
- Involve as many employees as possible in the formulation and execution of organizational plans. Because if the employees involved in making plans, they will be motivated and determined to implement those plans.
- Take different kinds of plan for increasing quality and productivity of the product and service.
- The HR manager must take different steps to increase job satisfaction among employees.
- Arrange effective training and development program for the employees. In the case of foreign assignment, cross cultural training should be given so that they can understand the culture of other countries.

- Design a handsome compensation package for the employees.

- Identify appropriate source of recruiting and selecting employees.

- Develop financial management and budgetary skills so that organization can reduce extra cost of managing the organization.

- Assess and interpret costs or benefits of HRM issues like- productivity, salaries and benefits, recruitment, training, absenteeism, overseas relocation, layoffs etc.

- The HR managers must be updated with the new technologies. Hence they must be adopted as and when required and employees should be motivated to adopt these.

8. Conclusion

Now the members of today's workforce have more education, higher aspirations about participation, and more expectations about due process in the work situation. Some segments of the work force are more likely to find collective action such as unionization acceptable than in the past. The large increase in the number of women in the work force, including mothers, has given rise to expectations and pressures about work schedules and day-care centers and has intensified concerns about male-female differentials. Influences on human resources management from the external environment are many. Some of the more salient external influences, which tend to be interrelated, are the high cost of energy, inflation, differential industry growth, intense national and international competition, successful management practices in other countries, government deregulation of several industries, technological innovations, and widespread concerns about productivity and product quality. Different legislation and presidential executive orders have had, and continue to have, a profound effect on human resources management (French, 1997). Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer-centered. Within this environment, the HR professional must learn how to manage effectively through acquiring, developing, motivating and maintaining the human resources. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges. All-time HR manager should be prepared for facing the challenges when these will be arisen and all of the required mechanisms should be adopted for reducing the effects of these challenges. After all, it's always best to hope for the best, but to be prepared for the worst.

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Abbreviations:

HRM: Human Resource Management

HRD: Human Resource Department/Division

HR: Human Resource

QWL: Quality Work Life

WFPMA: World Federation of Personnel Management Associations