

A Study on Importance and Challenges of Human Resource Management

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ABSTRACT

In order to achieve progress, Human resources are crucial. A company's first priority is Human quality. Formal systems designed to manage people inside an organization are referred to as human resource management, or HRM. Because they usually lack an HR staff to rely on, small businesses may find human resource management particularly difficult. They might only be handled by one HR representative, or the CEO may still be in charge of this duty. In any case, small business owners must be aware of the difficulties in order to overcome them and be ready to handle human resources concerns as their organization and personnel expand. This paper aims to understand the importance of human resource management in a company and study the challenges in HRM, to suggest measures to overcome the challenges.

INTRODUCTION

Importance of HRM

Since human resource management (HRM) is concerned with luring, nurturing, and keeping talent, it is essential to the success of any firm. Long-term company success is facilitated by ensuring that workers' abilities and output match company objectives. In addition to improving performance and fostering employee engagement, effective HRM also influences workplace culture and controls risks through compliance.

Challenges of HRM

The globe is becoming borderless and nations are quickly merging into a genuinely global economy because to improved communication, innovative technologies, and the removal of social and economic obstacles. In this situation, the HR manager's job has taken on much more importance since he is supposed to establish an environment where workers from different backgrounds, cultures, and countries may coexist peacefully and thrive.

Put another way, we can argue that HRM is going through a significant transition that will alter a career path in a number of unpredictable ways. Many administrative tasks are being automated and outsourced, and employees are placing more value on business acumen. As a result, many HR professionals will need to prove their abilities and compete for new, sometimes unfamiliar positions.

SCOPE & NEED OF THE STUDY

It is now difficult for HR managers to compete with competitors around the world and to survive in the diverse economy because of their HR responsibilities and tasks. Making the best use of the workforce is

a difficult challenge for any HR manager in this competitive age, since human resources are necessary and crucial for all businesses, regardless of their size and type. This is why we have picked this subject and have tried to examine its significance, new problems, and potential answers in HRM.

OBJECTIVE OF THE STUDY

1. To study the importance of challenges in HRM.
2. To study the challenges in HRM.
3. To provide suggestions to overcome challenges.

RESEARCH METHODOLOGY

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

REVIEW OF LITERATURE

Over the past century, human resource management (HRM) has seen significant change and redefinition in its theory, research, and practices. In the recent two decades, it has primarily undergone a significant process of transition in terms of form and function. Significant pressure from both internal and external environmental variables has forced HRM to shift from its primary administrative responsibilities to serving as a source of long-term competitive advantages for businesses operating in global economies. (G. Ferris, Hochwarter, Buckley, Harrell-Cook, & Frink, 1999).

Becker and Gerhart (1996) have classified these components into three levels: the system architecture (guiding principles), policy alternatives and processes and practices.

Universalistic, contingency, and configurational approaches are some of the methods used to examine HRM practices in connection to organizational performance (Delery & Doty, 1996; Youndt, Snell, Dean Jr, & Lepak, 1996). In HRM literature, the universal, or "best practices," perspective is the most basic type of theoretical model, and its researchers are micro-analytical by nature. According to this viewpoint, there is a direct correlation between HRM practices and performance (Youndt et al., 1996), and all organizations should use these best practices since they are consistently thought to be superior to others (Delery & Doty, 1996).

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

1. **Strategic Alignment:** HRM makes sure that everyone is working toward the same goal by assisting in coordinating team and individual goals with the overarching company objectives.
2. **Talent Management:** In order to get a competitive edge, HRM concentrates on luring, employing, nurturing, and keeping talent.
3. **Performance and Employee Engagement:** HRM is essential to employee engagement, which boosts output and raises employee satisfaction. Organizations may evaluate and enhance employee performance with the use of efficient performance management systems, which eventually increases overall productivity.
4. **Workplace Culture and Retention:** HRM influences the culture of the workplace, creating a welcoming atmosphere where staff members feel appreciated and involved. HRM helps firms keep valued staff by putting efficient retention measures into place, which lowers hiring costs and preserves stability.
5. **Compliance and Risk Management:** with ensuring that businesses abide with labor laws and

regulations, HRM reduces legal risks and encourages moral behavior.

6. **Cost Management:** By streamlining hiring procedures, lowering attrition, and boosting general productivity, effective HRM can result in considerable cost savings.
7. **Innovation and Competitiveness:** HRM supports innovation and keeps businesses competitive in the market by cultivating a knowledgeable and motivated staff.
8. **Organizational Agility:** In a changing corporate environment, HRM assists firms in being flexible and adapting to change.
9. **Employee Well-Being:** HRM prioritizes the welfare of workers by offering them resources and assistance to enable them to succeed on both a personal and professional level.

In essence, HRM is the backbone of any successful organization, ensuring that its human capital is effectively managed and utilized to achieve its strategic objectives.

CHALLENGES OF HUMAN RESOURCE MANAGEMENT

1. **Globalization in HRM :** Every successful businessman has heard the phrase "globalization," and the idea of a "global village" is a prevalent problem in the contemporary business world. People from all over the world are coming together as part of the globalization process to form a single community connected by a huge network of communication technology. The modern corporate world has also been impacted by this facet of globalization. Today's HR managers can hire people from all over the world, so they don't have to rely on a tiny, limited market to locate the proper people to tackle global issues.
2. **Handling multicultural/Diverse Workforce :** Men and women from a wide range of racial and cultural origins make up a multicultural workforce. Despite occasional distortions brought about by discrimination or cultural bias in hiring, the work force in any nation is a reflection of the population from which it is drawn. HR managers may find it difficult to deal with individuals who differ in "age," "gender," "racial," "educational background," "location," "income," "parental status," "religious beliefs," "marriage status," "ancestry," and "job experience." When people with different expectations and habits interact, cultural differences can frequently cause communication problems and increase friction. Diversity in the workforce is growing as a result. For an HR manager, managing individuals with diverse religious, cultural, and moral backgrounds is a difficult assignment. As a result, it is critical for an HR manager to establish an atmosphere that maximizes the benefits of diversity while minimizing its drawbacks.
3. **Employee Selection :** The process of choosing staff is crucial for every firm, but it's especially crucial for small businesses that may find it difficult to compete with larger workforces. Small businesses require skilled workers to assist them in creating and providing high-quality goods and services. In addition to these challenges, there are a few more elements that affect the choice of employees. Therefore, when choosing the ideal candidate for his company, an HR manager must take all of these aspects into account.

The following are some of the elements that influence the hiring process:

External factors:

- **Recommendations :** Current workers may suggest friends or family to fill open positions, regardless of whether the candidate is qualified or not.
- **Influence of politicians :** We may have to choose some individuals if they show up for the interview

under the influence of politicians who the HR manager knows and who have a positive relationship with the business.

- Individual prejudice
- Bribery : Some applicants might bribe someone to get a section.

Internal factors:

- Cost of recruitment
- Cost incurred for the process of recruitment may also effect the selection process.
- Job analysis
- Human resource planning
- A plan for employee selection may already exist before the personnel are chosen, and an HR manager may need to adhere to that plan in order to be able to make decisions on his own that go beyond what has already been decided.

1. Compliance with Laws and Regulation :

It can be difficult for business owners to stay on top of evolving employment legislation. Because they think they don't apply to their company, many companies decide to disregard employment laws. However, doing so may result in audits, legal action, and possibly a company's demise. It will be quite difficult for the HR manager to choose an employee while taking all employment laws and regulations into account because he will be in charge of employing staff and it is his responsibility to be aware of them. He needs to educate himself on the latest changes to employment laws and regulations.

2. Training and development :

“Training is expensive. Without training it is more expensive.” –Nehru. Training is about understanding where you are right now and, occasionally, where your abilities will take you. People can learn new information, new techniques, and refresh their existing knowledge and abilities through training; as a result, there are significant changes and increased effectiveness at work.

3. The goal of training is to make an impression that lasts after the training is over and to keep staff members informed about emerging trends. Both individuals and groups can benefit from training as a means of developing their skills. The process of "building the capacity to achieve and sustain a new want state that benefits the company or community and the world around them" is known as organizational development. Assuring the stability of the top performers who propel the business and encouraging success from both underachievers and untapped potential employees are just two of the numerous issues the human resources department encounters when it comes to workforce training and development. Another frequent HR issue is funding lower level employees' training and development. Some companies struggle to locate the necessary resources. Frontline workers are among the hardest workers, and they might not have the time for training.

4. Balance with work life: When both spouses are working, juggling work and life becomes important. Working women now make up 15% of India's 150 million urban female population. Any company that wants to be known as "a fantastic place to work" must make a special effort to reduce and make it easier for its employees to resolve work-life conflicts. The difficulty, however, lies in understanding and taking actions that promote and support work-life balance without interfering with employees' personal lives. Such an organization's HR staff frequently struggles to come up with innovative solutions that are both impactful and feasible to implement. Successful businesses in this field have elevated work-life balance even further by helping their employees reach their full potential rather than just focusing on the

demands of their homes.

Work-life balance initiatives include:

- Child care at or close to the workplace
- Job sharing
- sick leave regulations
- flexible scheduling
- employee and child care

5. Retaining employee :

Professionals can now work anywhere in the globe because to globalization. Employing and keeping the top industry talent is no joke now that they have so many attractive job options. You may motivate and keep employees by creating a great work environment and paying them more than your rivals.

6. Conflict Managing :

Conflict situations are a part of every organization. Eighty percent of conflict situations are known to occur without human intervention. Individual traits and organizational structure, which are influenced by the culture that has been developed within the organization, are its causes. Organizations are clearly at risk from work-life conflict, and denying this fact would put them at risk of putting up with less than ideal employee performance. HR managers should be able to resolve disputes between employees and between employers without offending anyone. Conflicts between people are nearly impossible to prevent, but HR managers can still handle them diplomatically. In order to prevent future disputes, they should be able to listen to each party, make a decision, and persuade them.

FINDINGS OF THE STUDY

Following are identified as the importance of HRM in a company

Building a healthy work culture	▼	Compensation and benefits	▼	Performance management	▼
Talent Acquisition	▼	Occupational safety and health	▼	Compliance and risk management	▼
Conflict resolution	▼	Training and development	▼	Employee Relations	▼
Increasing productivity	▼	Compliance	▼	Employee development	▼
Employee engagement	▼	Employee retention	▼	Onboarding	▼
Retaining talent	▼	Anticipating hr needs	▼	Career planning	▼
Developing workplace policies	▼	Employee satisfaction	▼	Protect employees	▼
Staffing	▼	Strategy management	▼	Training	▼

Following are the some of the challenges being faced by HR Manager which is

Identified:

1. Recruitment and selection

2. Career development and growth
3. Promoting organization culture and heterogeneous workforce
4. Conflict management and resolution
5. Business ethics and values
6. Managing Multi-Generational Workforce
7. Strategies for motivation and retention
8. Flexible work hours
9. Striking work life balance
10. Managing 5 R's
11. Industrial relations

RECOMMENDATIONS

Proper HR planning : To overcome the aforementioned difficulties, an HR manager must properly plan before beginning the recruitment or selection process. This includes determining the number of open positions, the type of job, from which he must hire, the qualifications required of candidates, the interview process, and any obstacles or influencing factors that may come up during the candidate selection process.

Facilitation : Facilitation for both new hires and current employees must be handled by an HR manager. In order to prevent employee retention, he should consider what will inspire employees to provide their best effort and pay particular attention to women and the most skilled and brilliant workers.

Ethical Behavior : An HR manager should act morally in order to maintain friendly connections with staff, prevent disputes, and treat a varied workforce with consideration.

Coordination : An HR manager must inspire his staff to take action and deal with a diverse workforce. He must therefore cultivate a coordinated mentality both inside himself and in the workplace.

Sympathy and Consideration : Humans are social creatures that require the attention and compassion of others, whether at work or elsewhere. An HR manager must therefore have empathy and take into account someone's difficulty because he works with people.

Knowledge of Labor : An HR manager should be well-versed in labor, which means he should understand how employees think. A manager needs to have a lot of experience working with a diverse staff. In addition, he needs to be aware of how the labor market is evolving and how employment laws are changing. He needs to be aware of the usual working hours as well as the minimum and maximum wage rates.

Academic Qualifications : High academic credentials, along with the necessary expertise and experience, are prerequisites for becoming an HR manager.

Fairness : When dealing with his employees, an HR manager shouldn't be extremely harsh and unforgiving.

Communication : The HR manager or department managers must communicate with employees in a straightforward and intelligible manner.

To help employees quickly and easily adapt to changes, business leaders should concentrate on explaining the advantages of the change to all parties.

Companies should give their staff members daily chances to put their abilities and qualities to use. Reaching objectives will inspire them and provide an opportunity for skill development.

CONCLUSION

According to the aforementioned explanations, globalization has a lot of effects on businesses, including the potential for cultural diversity. Today's HR managers must possess the knowledge, attitude, and skills necessary to obtain a competitive advantage on a worldwide basis. Since creativity and innovation are believed to be the keys to success, HR managers need to be always on the lookout for them. HR plays a critical role in addressing the difficulties posed by globalization, which has given firms a completely different perspective.

Since the company has become more adept at using technology, it is crucial to implement all changes. When hiring and choosing the best employee, an HR manager must consider a number of difficult factors, including the effects of globalization, technological advancements, the competency of current employees, the younger generation's advanced skills and knowledge, laws and regulations pertaining to employee benefits, and the growing competition in the business environment.

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