HRM IN DYNAMIC ENVIRONMENT: ISSUE, CHALLENGES AND POSSIBLE SOLUTION TO ATTAIN COMPETITIVENESS

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ABSTRACT
This paper analyzes the various challenges which are emerging in the field of HRM. Organizations are greatly influenced by changes taking place in internal and external environment. This paper report on the Human Resource Management in 21st century: issues and challenges and its solution to accomplish competitiveness. Technology includes tools, machinery, equipment, employee knowledge & skills work procedures and. In the present competitive world, technological breakthroughs can radically influence an organization’s service markets, suppliers, distributors, competitors, customers, marketing practices and competitive position. To overcome these issues & challenges, the HR managers will set a standard structure that allows managing all dissimilar personnel alternatives. These issue will offer the organization a powerful competitive edge because it stimulates creativity, improve problem solving by offering broader perspectives and infuses flexibility into the firm. Recommendations & conclusion are given at the last of this paper.

Keywords: Issues, Challenges, Competitiveness, HRM, IHRM SHRM, SIHRM

INTRODUCTION
There are numbers of vital trends affecting the employment relationship that further affect how organization needs to manage their employees. Some of these trends pertain to change taking place in the external environment of the organization. The term environment refers to the aggregate of the conditions, events, and influences that surround and affect it. Likewise the internal environment also affects the job of HR manager. HR manager facing a variety of challenges to meet these challenges for the future, tomorrow. HR manager or department must be such sophisticated predecessors (Byers and Rue, 2006). Because international or multinational organization cannot perform their activities in a well manner, when their HR manager knows the diversity of techniques to hack it with these issues and how they will prepare a unquestionable force for the organization to face the rapid competitive business world and to operate in the situation. All the organization should prepare their human resources people keeping in view global environment or market place to ensure competitive advantage. Human Resource managers will have to build or developed such a frame work that allows flexibility to develop such a workforce for tomorrow. As we enter into the new millennium, more & more companies are recognizing the importance of managing their human resources as effectively as possible. The importance of the managing people effectively in the global context is so great many companies are devoting a great deal more time attention, skill & efforts into doing it well. As the globalization is increasing Human Resource Management (HRM) has to face so many challenges. The main aim of this paper is to address the HR issues & challenges in the light of range of journalism work by diverse authors.
LITERATURE REVIEW

The priorities of human resources in the future what should be? The answer to this question is very different but there are many factors causative to HR manager’s functions and the activities are varying constantly. By keeping in view these whole situations the organization HR department is constantly being revolutionized also C Marshal and Paalvast (2008).

Liz Weber (2009) has pointed out that the most imperative challenges of the HR business are layoffs. Most of the owners and managers face this rigid issue. This laid off may be due to several reasons which include the economic uncertainty, the employee’s job volatility and HR less effectiveness.

In the viewpoint of Decenzo and Robins (2001) and Gary Dessler (2000), Main important challenges of HRM, are technology, E-Commerce, and work force diversity, and Globalization, ethical consideration of the organization which may directly or indirectly affect the organization competitive advantages especially with technological advancement with great extent can be study in organization. We can sum up these from the following points as the foremost challenge faced by HRM is the globalization. Globalization means the present flow of goods, services, capital, ideas, information & people. It means the movement of these things without using any human resource. In this contemporary business world, markets have become battlegrounds for both the domestic & foreign competitions try to detain as maximum market shares as possible. Such globalization is a challenge for HRM. However without human resource they have no worth, because a workforce is knowledgeable and skilled, who facilitates a company in going competitive advantage over other foreign market and to make investment in not only in domestic market but also in foreign markets.

At the micro, the key challenges include operative functions of human resource management. For example, the major micro level challenges includes the selection of an appropriate staff, consideration of staffing issues, provision of cross cultural training and development smart compensation, performance appraisal and management, productive labor relations, talent management & productive labor relations, talent management & effective staff (Bolino & Feldman,2000;Brewster & scullion,1997;Shapiro et al.2008).Some of the researchers also point out that the most of the challenges which facing by the HR in 21st century are also retention of employees, multicultural work force, women work force, retrenchment of the employees, change in the demand of the government, technology, globalization and initiating the process of change.

Due to the fluctuating the economy as well as local and global advancement there are many changes occurring rapidly that affect HR in a wide range of issues. In the survey of global HR challenges, a survey conducted by world federation of personnel management Association (WFPMA) may challenges which are faced by various companies in all over the world revealed in this survey.

Table 1: Challenges Faced by the Company

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>COMPANIES</th>
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<tr>
<td>Change management</td>
<td>48%</td>
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<tr>
<td>Leadership development</td>
<td>35%</td>
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<tr>
<td>HR effectiveness management</td>
<td>27%</td>
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<tr>
<td>Organizational effectiveness</td>
<td>25%</td>
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<tr>
<td>Compensation</td>
<td>24%</td>
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<tr>
<td>Staffing, recruitment and availability of skilled local labour</td>
<td>24%</td>
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<tr>
<td>Succession planning</td>
<td>20%</td>
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<tr>
<td>Learning &amp; development</td>
<td>19%</td>
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The world federation of personnel management association (WFPMA, 2009). Survey pointed out the most important top ten HR challenges are leadership development, organizational effectiveness, change management compensation, health and safety, staff retention learning and development, succession planning, staffing, recruitment and skill labor. Before discussing the challenges we need to know, what HRM, SHRM, IHRM & SIHRM actually is.

**HUMAN RESOURCE MANAGEMENT (HRM)**

HRM is a critical role in organization. It engages everyone & it take time. Managing human resources effecting requires that the special expertise of professionals in the HR development be used by & in partnership with line manager & other employees. It involves attending to the terms perspective in mind. It also involves continuously improving & changing activities that take time to put in place & produce results.

Consequently, HRM includes (a) the people managing activities, policies & practices that firm can use to compete effectively now and (b) the many changing forces (e.g.- new competitors, new technology, business restructuring, legal & social concern) that organization need to understand & respond to in order to ensure they are situated to compete effectively over the longer term.

**Personnel vs. Human Resource Management**

While expectations can certainly be found, HRM has moved from a domestic focus to a more multinational & global focus. There is more alarm now for the environment, including ecological issues & for healthcare & illiteracy. Organizationally, HRM has gone from being concerned only with the operational issues of personnel to include the more strategic business level concern of the organizational itself. Human resource departments might also be concerned about the operations of the key suppliers & customs. Managerially, human resource professionals are working more closely with the line managers, to some extent a customer of the human resource department. As the human resource profession has become more involved in the global, external & strategic issues of the organization. So has its critical goals changed whereas the goals in “professional management” were attracting retaining & motivating workers, the goals of the HRM are concerned with the bottom line Competitiveness, profitability, survival, competitive advantage, the workforce flexibility. While the goals are attracting, retaining & motivating are still importance they are critical primarily as a means by which to reach & improve the bottom-line goals.

Concurrently, human resource professionals have become more generalists. This trend is articulated at the individual level (each human resource professions becoming more intelligent & more skilled ) & at the departmental level (teams of different specialists work together to serve the customer). In relation to the employees, the human resource department & the professional have moved from a philosophical orientation of conflicts & differentiation to one of harmony & egalitarianism. In the area of human resource practices whereas personnel management is associated with practices that are more broadly conceived & team focused.

**Strategic Human Resource Management (SHRM)**

SHRM is largely about integration & adaptation & (Schuler & Jackson, 1999). Its concern is to ensure that

1. HRM is fully integrated with the organization as articulated through its strategy & the strategic needs of the firm,

2. Human resource practices are consistent both across policy areas & across policy areas & across hierarchies
(3) Human Resource Practices are adjusted accepted & used by line managers & employees as a part of their everyday work. Together these view-points suggest that SHRM has many different components, including activities, policies & practices. The various statements imply what SHRM does, it links, it integrates & it connects across levels in organization.

The main challenge before the Human Resource-

**International Human Resource Management**

The world has become more competitive, dynamic, uncertain & volatile than ever before (Kanter,1991; Dowling et al,1999). To be successful, many firms have to compete on the global playing field because the costs associated with the development & marketing of new products are too great to be amortized only over one market, even a large one such as the USA or Europe (Bartlett & Ghoshal,1991). Yet there are some products & services that demand accommodation to location customs, tasks, habits & regulations. Thus for many (MNCs) the likelihood of operating in diverse environments has never been greater.

To Trigger, specific actions the business needs are generally translated into more actionable statements, which be called “strategic business objectives. For other organization these might be called “Business vision statements.” By calling then strategic business objectives, firms believe that the statement conveys a more specific action element, starting with effect on a variety of human resource activities (Schuler et al,2000).

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**Strategic International Human Resource Management (SIHRM)**

SIHRM is defined as "Human Resource Management issues, functions & policies & practices that result from strategic activities of MNCs & that impact the international concerns & goals of those enterprise”(Schuler et al. 1993).

Table 2: HR Issues and challenges:-

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<td>1.</td>
<td>Technology</td>
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<td>2.</td>
<td>E-Commerce</td>
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<td>3.</td>
<td>Work-force diversity</td>
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<td>4.</td>
<td>Economic challenges</td>
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<td>5.</td>
<td>Globalization</td>
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<td>6.</td>
<td>Mobility of professional personnel</td>
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<td>7.</td>
<td>Revolution in Information Technology</td>
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<td>8.</td>
<td>Changes in Political &amp; legal environment</td>
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Technology

An organization’s technology is the process by which inputs from an organization’s environment are transformed into outputs. Technology includes tools, machinery, equipment, work procedures and employee knowledge and skills. Technological advancements can create new competitive advantages that are more powerful than existing ones. Recent technological advances, as we all know, in computers, lasers, robots, satellite networks, fiber optics, biometrics, cloning and other related areas have paved the way for significant operational improvement. The only way to develop and retain such human resources is create such environment which compete them to stay in the organization and it is main challenge for HRM.

Impact of Technology on HRM

a. New skill required- As new technologies are developed and implemented, there is an urgent need to upgrade existing employee skills and knowledge. If the organization wants to survive and flourish in a competitive world. Additionally, there will be growing demand for workers with more sophisticated training and skills especially in emerging hot sectors like telecommunications, hospitality, retailing, banking, insurance, biotechnology and financial services.

b. Downsizing- New technologies have decimated many lower-end jobs with frustrating regularity. Increased automation has reduced employee head counts everywhere. The pressure to remain cost effective has also compelled many firms to go to lean, cutting down extra fat at each managerial level. Managing the expectations of knowledge workers is going be a major area of concern for all HR managers in the years ahead.

c. Telecommunicating- The rapid advances in technology have led to the relocation of work from the office to the home. Telecommunicating has become the order of the day where employee work at home, usually with computers and use phones and internet to transmit letters, data, completed work to the home office.

Technological advances

There is a challenging task of adapting at workplace to rapid technological chances which influences the nature of work and generate obsolescence advanced technology has tended to reduce the number of jobs that require considerable skill, a shift we refers to skill, a shift we refers to as moving from touch labor to knowledge work. There is new-new working technology. New technology creates unemployment and in other hand, there comes scarcity of skilled manpower. Like this technology change brings difficulties and challenges in organization.

E-Commerce

Electronic commerce means to perform the trading activities through internet. Internet is the foundation for a new business order. It has customers’ expectation about convenience, speed, price and services. The people who make on-line business possible are the knowledgeable workers. Now such on-line business has become a challenge for HRM and the HR managers makes several strategies to take procedure over control on line business. Such HR managers try hire& develop human resources who have the ability to serve as maximum customers as possible.
Work force diversity

Diversity in the field of HRM can be defined as the situation that arises when employee differ from each other in terms of age, gender, ethnicity, education etc. In this modern business world, every business organization conducts the business activities in different countries. Now such multinational organizations adopt several strategies to compete in the foreign markets through people. In this regard to manage such diverse human resources effectively, business organization adopt and make the policies and practices according to the culture and environment.

Composition of work force

The composition of the work force is changing in India. Young skilled and knowledgeable employees are occupying positions of importance. At the same time thanks to the opening up of the private sector, employees are not more fascinated by secure, less paying, routine and standardized jobs offered by the public sector. Old employees have grown in number now thanks to improved medical and health care. Big private sector firms have been exploiting their talents to conceive operate and develop new ventures in emerging areas such as oil, telecom, insurance, banking health care etc.

Economic challenges

Now days the world is shrinking in all major respects. People, goods, capital and information are moving around the sphere as by no means before. Companies are trying to become global players just to survive.

This includes assessment of the impact of a number of factors on construction. Some of the key factors are the scarcity of raw materials and other inputs including power and electricity, encouragement of the culture of consumerism, increasing consumer awareness and demand for eminence products long-lasting upward trend in the inflationary pressures with decreasing in the purchasing power of rupee and its spiraling aspirations of workers for higher wages and other material benefits. In an inflationary economy, the resources tend to become scarce and the cost of machine, materials and labor multiply. These push up the capital and running cost.

Coca-cola, a leader in this respect, drivers roughly 80% of its profits from foreign sales. IBM, mobile, Citicorp, Motorola, Gillette too earn more than self of their revenues from Operations outside USA.

In the new global marketplace HR managers are required to play challenging roles and create competitive advantages for the firm. AT& T, for example, has a global operations team of top executives to look into country specific demands. Infosys Technologies, Bharat Forge, Jubilant oranosys. Asian Paints, Essel Propack, Micro Inks, Ranbaxy and Dr. Reddy Laboratories have created such worldwide operations teams long back to exploit available opportunities.

Globalization

Globalization is the integration of the economy of the one country with the economy of the another country. Organizations too must learn across borders, if they have to survive and flourish in various cultures and multifarious background. It is party this emphasis on continuous learning that has helped Matsushita electric master. Markets and dissimilar cultures in 38 countries from Malaysia to Brazil, from Austria to China, from Iran to Tanzania. At a political and economic level, globalization is the process of denationalization of markets. Politics and legal system i.e. the use of the so called global economy.

Globalization refers to an addition beyond nationwide borders of the same market forces that have operated on behalf of centuries at all levels of creature economic activity. It means that world trade and financial markets are becoming further incorporated. Growing internationalization of business has its impact on HRM in terms of problems of unfamiliar laws, languages practices, competitions, attitudes, administration styles, work principles etc.
HR managers have challenge to deal with more functions, more assorted functions and more contribution in employee’s personal life.

**Mobility of Professional Personnel**

One of the interesting facts that will be increase in the mobility of various managerial and professional workforce among the organizations. As individual develop greater technical and professional expertise, their service will be greater demand by organization in the surroundings.

**Revolution of Information Technology Information**

Human Resource information System (HRIS) is a system which influenced HRM. HRIS provides the information about the employees to the managers. Recently, there has been and in the future there will be impact of revolutionary computerized information system in the management it covers two most important areas. Application of computer in the managerial decision making process.

1. Use of electronic computers managerial judgment making process.
2. In future computerized information system will have increasing impact at the coordinate and strategic levels of organization.

**Change in Political & legal environment**

Change in political & legal environment means change in political rules regulation due to which new laws are come and you have to follow all laws while doing business. Some political & legal factors are given below-

a) **Political Factors**- There is various trade unions which are related to the political parties. 
Example- The two unions, Shramik Sena & Maharashtra Shramik Sena also believe in ‘Production Productivity & Discipline’ & have the following 2.5 lakh workers. The changes in unions have serious implications for HR managers.

b) **Legal factors**- The GOI has come out with a complex set of rules and regulations on the employment policy of the organizations by reserving a certain number of jobs of all categories to certain sections of the community. Hence the management can’t manage the personnel unilaterally as it used to do, because it has to abide by the rules and regulations imposed by GOI from time to time.

**Change management**

Since this is generally not a focal point for HR professional training & development, change management represents a particular challenge for personnel management. The WFPMA finds that this may as well be the reason why it is cited as the foremost issues as HR continues to attempt to help business move forward. An intensified focus on training may be needed to develop added competencies to deal with change management.

**Leadership Development**

As the second of the biggest challenges for HRM, Leadership development needs to be a decisive strategic initiative. HR professional are faced with being expected to provide the essential structure, process, tools and point of view to make the best selection & develop the future leader of the organization. The 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 & that
the organization is viable in the long term.

**HR effectiveness measurement**

How can improvement happen without the right tool of measure HR effectiveness? As with
many other areas of business, this profession also needs to be able measure results in terms of
transaction management, as well in terms of the positive control on business.” Utilization
metrics to determine effectiveness in the beginning of a shift from perceiving HR’s
responsibility as solely an administrative function to viewing the HR team as a true strategic
partner within the organization,” the WFPMA says – in fact the next section reports that
survey participants believe a critical future issue for HR will be organizational effectiveness
again supporting HR’s critical role as a strategic partner to management.

This world federation also notes that,” where HR departments have traditionally focused on
measuring their own effectiveness, there is an evolving recognition that they can provide
organizational value by measuring the usefulness of the entire business organization. The shift
is significant as it represents movement from simply counting the number hired to
determining the ROI of collective & individual hires.”

**Challenges ahead before HR & Leaders**

There are some challenges which are given below-

1. **Invest in leadership development**- Whether we believe leaders are born or made,
   companies still need to invest in their best employees to develop and sustain
   leadership qualities. We are not talking advanced training in power point here. It is
good tool. Real leadership training involves exposing your best employees to an
immersive leadership environment. It is a big investment but is a form of long-term
planning; build the best team you can then invest to make them better. Your people
will recognize the investment in them and both the business and the individual will
reap the rewards.

2. **Create a culture of collaboration**- Leaders are at their best when the company
culture demands collaboration. Rewarding individual success is necessary but not
sufficient. Only in a culture of collaborators will organizations have developing
leaders working together to being other4 employees up & into the circle of
leadership.

3. **Develop communication skills**- We may expect our leaders to be a
communicators but too often it is not the case, communication styles vary widely,
what may work for one organization and may not work for another. This is part of
developing a company’s culture. You need to set the bar high for communications
skills give people training where they come up short and correct style mismatches
before harm is done good communicators build teams and trust, poor
communicators create and feed uncertainty.

4. **Drive and sustain real accountability**- Leaders must be accountable .They
cannot be like Homer Simpson they must own the problems they need to solve and
own their failures to be credible when claiming success.

5. **Be human & reward emotional intelligence**—Yes, I am a huge fan of
emotional intelligence, yes it emotional intelligence yes it belongs on any top five
leadership traits list. As organization work with emerging leaders HR must stay
focused on helping new leaders hone their emotional intelligence. This is crucial
leaders be human please.
Talent acquisition & talent management challenges

Organization is continuing to struggle with hiring and managing their talent effectively. Most corporate recruitment and talent functions are reactive & rarely are future focused. These functions are not aligned to their organization business strategy are not part of a formal organizational talent strategy and in fact seldom even communicate with each other. Most HR leaders and their teams are not spending the necessary time upfront to analyze and properly plan their organizational talent assets needs and gaps. When an organization’s recruitment and talent management functions are performing effectively the rewards far outweigh the investments.

Organizations must be self-aware and understand their true functional capabilities within recruitment management. An organization which is not effective in managing & developing their own talent will need to rely more on hiring new talent to fulfill the talent requirements of the business strategy. The organization must understand the limitations of their talent functions and make the appropriate decision to either invest quickly in resolving their functional deficiencies or work around the deficiencies.

HOW CAN WE OVERCOME THESE CHALLENGES?

1. There should be cross-cultural training of HR personnel. So that they understand other cultural people.
2. All the professional personal should be motivated. Financial motivation is not always required, you can motivate through non-financial motivation like encouragement, training of employee, job satisfaction.
3. HR should adopt the changes, which are necessary to survive in the corporate world.
4. Human Resource manager should develop such a HR system which consistent with other organization elements such as organization strategies, goals and organization style and organization planning.
5. Shifting HR strategy with changing economy. Strategy of HR should be agile, capable of flexible and adaptive to changes in the economy.
6. Training of HRIS– Human Resource Information System should be given to the HR managers or HR Professional. So that they can overcome information Technology challenges.

CONCLUSION

As we have discussed in the above pages. Those discussed issues and challenges which are facing by HR managers and organization. It is said that HR practice is becoming more and more challenging day by day, they have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training is necessary for HR people.

In order to benefit from diversity, managers should recognize the potential concerns of employees and make sure that the exchange between the organization and employees is mutually rewarding. To reduce mobility of professional personnel HR people have to motivate them from monetary and non-monetary techniques. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

REFERENCES