

# Challenges before Human Resource Management in Global Context

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## **ABSTRACT**

Managing the human resources success of a business enterprise is an exciting, dynamic and difficult mission. Human resource management is undergoing a fundamental transformation in today's organizations. Today, every HR department faces major challenges in a competitive world. In the modern age of business, human issues are at the heart of every business; therefore, leaders facing these challenges look for opportunities to find solutions. It is imperative that HR works to develop a healthy organizational structure with strong interpersonal skills for employees. All these issues and challenges like change management, workforce diversity, leadership development, organizational effectiveness, compensation, succession planning, training and development, employee retention, globalization of e-commerce and many more can be managed with high quality with the help of HR. supervisor, where they should complete personnel practice. The commitment could be to create a performance subculture where opportunities are offered for greater performance and where delivering maximum overall performance becomes a way of life.

**Key words-** Human Resource Management, Challenges, Performance, Workforce

## **INTRODUCTION:**

The role of the Human resource manager is evolving with the change in competitive market and the realization that Human resource Management must play a more strategic role in the success of an organization. Human resource management is undergoing a major transformation in today's organization. Human resources are the most valuable and unique assets of an organization. Successfully managing an organization's human resources is an exciting, dynamic and challenging task. HRM is a process that brings people and organizations together to achieve the goals of each.

It can be defined as an art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner. Today, every human resource department faces crucial challenge in the competitive world. A range of challenges are faced by organizations and HRD professionals in managing and implementing effective human resource, Training and Development, particularly in the climate of globalization. The new technological revolution begins with the importance of human capital in HR practice. Human resource education and technical training, their communication and language skills are too important today.

## **TOP TEN CHALLENGES IN HUMAN RESOURCE MANAGEMENT:**

Present changing socio-economic, technological and political conditions, the human resource managers have to face more problems in the management of human resource. Today business environment is changing very fast. If HR managers do not update themselves crucial challenges which might be faced by them. Some of the challenges are as follows.

### **1) Change management**

Change is becoming a way of life across the industry. Even the most traditional sectors can no longer afford to remain calm. Change management presents a special challenge for HR management. The broad areas for challenges of change management are identifying the change, communicating the change & resisting the change. Effective change management requires leaders to connect with officers and create a shared understanding about how change will benefit the workforce, collectively and individually.

### **2. Leadership Development**

The second of the biggest challenges for human resource management is leadership development. HR professionals are facing with being expected to provide the essential structures, processes, tools, and points of view to make the best selection and develop the future opportunities leaders of the organization. The key challenges in leadership development are as under:

#### **a) Dealing with Unfamiliar Responsibilities**

The primary challenge of leadership development is to face new leaders equipping themselves with the necessary leadership skills and handling unfamiliar responsibilities. Leadership requires specific skill sets such as people management skills, communication skills, decisiveness, empathy, proactive and time management.

**b) Handling Accountability**

The challenge of leadership development comes from how the leader handles this responsibility. The leader is responsible for making decisions based on overall organizational interests. Developing the maturity to demonstrate competence in handling such expanded roles is a true sign of successful growth as a leader.

**c) Managing Change**

A primary function of the leader is to manage the change. The change process involves thinking out of the box for innovative solutions. Leaders must be ready to innovate and try new things to meet the challenge of managing change.

**d) Dealing with Diversity**

Managing Diversity is an important leadership development challenge. A diverse workforce is inevitable in an increasingly globalized economy, and this raises the challenge of interacting with people of other cultures, gender, background and the interest of the leader.

**e) Managing Trade-Offs**

Developing the ability to make trade-offs between conflicting interests is among the major challenges facing leadership development. Leaders who cultivate the art of creating such trade-offs effectively and time-bound overcome a major challenge leadership development.

**3. HR effectiveness measurement:****a) Human Resources**

There is small question that all sectors of a business need to be evaluated on a regular basis. Human Resources are no exception. However, recognizing the need does not always produce the reality.

**b) Cost/Benefit Analysis**

The cost/benefit approach compares the costs of HR programs and services with the benefits derived from them. While overall program costs are usually easy to identify, it is difficult to determine the program benefits.

**c) Goals and Objectives**

Under this approach, the objectives are set on the basis of what management wants, they must be quantifiable, trackable, dated, challenging, and achievable. All measures selected must correspond with organization performance standards to be useful for evaluation.

**d) Process-Oriented Approach**

The process-oriented approach focuses on the types of activities performed by the department. The main criticism of this approach is that performing these functions efficiently may not directly relate to the overall performance of the organization.

**e) Human Resource Auditing**

An HR audit is an investigative, analytical and benchmarking process that attempts to measure the effectiveness of the HR function. HR auditing is vital for the importance of the HR function, but there is little correlation between the information in the audit and the overall effectiveness of the organization.

**f) Attitude Survey Approach**

Attitude surveys are used in an attempt to link employee attitudes to organization performance. The HRI is said to be effective for measuring attitudes, overall satisfaction, and commitment to organization goals.

**g) Track HR Costs**

The way to evaluate HR costs is to compare them to other units within the company or with outside units. The cost comparisons can be used for internal management, and to develop HR costs per employee. Tracking costs alone, however, does not guarantee a direct link with organizational performance.

**h) HR Accounting**

HR accounting is the process of identifying, measuring, and communicating information about the costs and revenues of HR. Problems arise when determining whether humans are assets; what costs should be capitalized; and what methods are most appropriate for establishing a value for the employees.

**i) Performance Measures**

It may be easy to examine one firm's HR practices and compare them with organizational success, but it is difficult to secure standardized information across several organizations. Progress by researchers is being made in developing these databases and in linking key measures to organizational performance.

**j) Profit Centre Approach**

The profit centre arrangement involves charging for the services and programs offered by the HR department. Competitive rates are established for services like training and program development. Adoption of this approach requires the HR department to become client-oriented and quality conscious in delivering services and programs.

**k) Case Study Approach**

The case study approach evaluates the success of individual programs, policies, or practices. The main criticism is, it does not represent an ongoing evaluation of the program or the overall function, but rather a one-shot examination.

**4. Organization effectiveness measurement:**

Organizational effectiveness is critical to the success of a modern organization. Efficiency has a huge impact on the profitability of an organization and enables higher investment or better development opportunities for employees. Organizational effectiveness is also about managing people in an organization. The role of HR is to identify and eliminate deficiencies in the organization. HR needs to gather evidence and gain some influence before it can openly present ideas. Many managers do not see suggestions as helpful. They may perceive thoughts as an attack. A contributing HR function always brings solutions that improve the organization on a daily basis.

**5. Compensation:**

The term compensation refers to financial payments such as wages and salaries paid to employees. The key is to present mandatory changes in such a way that employees can accept them, if not necessarily agree to them, while providing morale-boosting non-monetary incentives whenever possible.

**6. Staffing:**

Recruitment and availability of skilled local workforce in the current scenario, it is a big challenge for an organization to retain its valuable and talented employees. Management can largely control the problem of employees leaving the organization within a moment, but they cannot stop it completely. There are several problems because monetary dissatisfaction is one of the main reasons why an employee seeks a change. In the current situation where there is no shortage of opportunities, stopping people to seek change is a big challenge. Individuals tell all sorts of lies in interviews to get a job. Some individuals tend to get bored in a short period of time. Unrealistic job expectations also lead to employees looking for a change.

**7. Succession planning:**

Succession planning, simply put, is part of good human resource planning and management. Succession planning recognizes that employees will not be with the organization indefinitely and provides a plan and process for dealing with the changes that occur when they leave. A plan that does not promote people on time leads potential successors to leave the organization to seek new opportunities. Poor communication leads to confusion and turmoil in the organization. Potential candidates for promotion cannot be guaranteed to be promoted.

**8. Training and Development:**

Providing training and support to employees who want to keep up with technical changes not only benefits the company but also helps the employees. A human resources manager can meet this challenge head-on by identifying key areas of the business where training is needed and offering either on-site programs or facilitating off-site training opportunities for employees.

The 5 main training and development challenges in corporate education are

- a) Improving learning efficiency.
- b) Expansion of the library of content and training programs
- c) Providing consistent services across the global organization.
- d) Shortening the development cycle time.
- e) Increasing product knowledge among employees.

**9. Retention of Personnel:**

It is imperative that HR professionals understand what these workers value most. Companies need to make sure their people are engaged, productive and don't leave after a short time, incurring significant turnover costs and wasting all the previous training they invested in them. This will not be an easy task. Much of the workforce is not engaged in their work. The younger generation is said to have low organizational loyalty and a desire to impress. Even if these younger, skilled workers are engaged, retaining them is a major challenge and HR will need to explore different retention techniques, tailored to the individual's preferences.

**10. Cost of benefits: Health and welfare:**

Today's health and welfare benefit programs are under intense scrutiny as employers respond to health care reform, escalating health care costs, regulatory pressures, and competitive advantage pressures.

The five biggest challenges in health and social care

- a) Health and welfare costs are likely to increase due to higher-than-average levels of stress and high use of discretionary health services by employees who are laid off.
- b) Workers differ in the value of individual benefits depending on their age and personal circumstances.

- c) Lifestyle-related diseases are on the rise and strain health care budgets. Most companies are rethinking health plans that exclude chronic diseases and implementing measures to control the underlying disease profiles that drive health benefit utilization and costs.
- d) Understanding and managing how changing health risks may affect employer obligations is essential but often overlooked. Most multinational employers provide health benefits to their employees, but few understand the health risks or implications for employees and their productivity.
- e) One of the challenges is also to monitor the global costs of health benefits and to ensure proper administration of programs worldwide.

### **CONCLUSION:**

As we discussed some of the important issues and challenges facing HR managers and organizations in today's global business. It is imperative that HR works to develop a healthy organizational structure with strong interpersonal skills towards employees. Train employees by introducing them to the concept of globalization of human resource management to better function in the context of a global organization. All these issues and challenges like change management, workforce diversity, leadership development, organizational effectiveness, compensation, succession planning, training and development, employee retention, globalization, e-commerce, etc. can best be handled by an HR manager where they have to. adopt HR practices that support rigid recruitment and selection policies, job segregation, empowerment, promoting diversity in the workplace, training and workforce development. The challenge does not end with hiring the right person, but with how we manage the performance of our employees. The challenge would be to create a performance culture where opportunities to improve performance are provided and where delivering optimal performance becomes a way of life. The future role of HR will change from a less administrative role to a more strategic role.

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