

UNIT 33 – UPSC - The Future Challenges of HRM (Human Resource Management)

Multinational companies are operating in tough competitive environment and human resource managers are continually facing business challenges because of the development of Internet-enabled technologies and the eruption of the global economy. It is assumed that companies will face many serious human resource issues. Human resource has major challenge in future to develop and retain capable employees. HR professionals have probable challenges in managing workforce such as talent and leadership are becoming even scarcer resources than earlier organizational environment, the work force, on average, is growing older. More companies are becoming world-wide organizations as they try to recruit overseas, incorporate diverse cultures and retain external talent. The emotional health of employees is more important than ever before and this may be continual challenge for HR managers. The days of staying at one company are over, mobility is the new norm. And with that, employees progressively make job choices based on family considerations and a desire to have a life outside of work. The challenges of managing talent, improving leadership development, and managing work-life balance are considered to be major future challenges for human resource department.



Another key challenge for future is anticipating Change. It includes managing demographics, managing change and cultural transformation, and managing globalization.

Other future challenge for human resource managers in global companies is enabling the Organization. This category consists of becoming a learning organization and transforming HR into a strategic partner.

Presently, human resource managers use social media websites, such as Facebook and LinkedIn, to recruit best suited candidates for different department of organization to enhance productivity and gain monetary benefit. It is a big challenge for professionals. HR will need to use social media for the organization's benefit in an extremely competitive job market for both candidates and hiring companies. HR professionals need to be prepared to hire suitable candidates before the competitor,

and this could mean beginning the discussion even before the candidate applies. Social media participants often set their profile settings to private, so human resource staff need to develop thorough knowledge of the social media tools and online search engines to uncover the information they need.

Globalization is continued to be major challenge for human resource staff to retain good position in marketplace. The Internet has opened up the job market, extending the talent pool to almost every corner of the world. Today, HR professionals hire candidates from various countries who speak different languages and practice customs that may be dissimilar to those of the company's local employees. This brings about changes to usual HR policies as the staff must address to concerns such as cultural and ethnic sensitivity. Human resource team must be attentive to wage disparities between local employees and their counterparts in other countries.

Political and legal environment of nations are highly volatile therefore changes in political parties and rules regulations create new laws and HR professionals have to follow all laws while doing business. It is the duty of human resource and industrial relations executives to fully examine the implication, of these changes and brings about necessary adjustment within the organization so that utilization of human resource can be achieved.

Other serious future challenge for human resource managers is staff turnover. It will continue to be an HR issue. It is normally seen that employees make change on after a tenure of about four to five years to enhance their career. Therefore, retaining talent becomes the next importance for HR professionals. Many leading companies offer high salary package, posh offices and extensive benefit packages, making recruitment and retention of good staff tough for small businesses, which often struggle just to pay the rent due for their offices. Providing a learning environment and new opportunities within the organization might support to retain contributing employees because the employees gain experience even as they become more marketable.

Human resource also has problems to provide conducive work environment to employees due to rising prices. Creating a work environment that increases employee morale and improves performance will continue to be a challenge for human resource managers. Business growth is directly proportional to employee contribution and ownership of tasks at work. To create an environment that boosts employee self-esteem and prompts strong employee performance, HR professionals must be entirely involved in the business and must be conscious of which team needs to be changed or improved and requires extra training and mentoring.

Ongoing challenge for human resource professionals is business continuity of an organization and it is known that business should not be dependent on specific individual, loss of talented team members can have unfavorable impact on employee morale. Employees may have difficulties in accepting the replacement of main staff from external sources, and an unexpected shift can cause work disruptions and crises in customer engagements. To survive from these sudden changes and prevent adjustment issues, HR must be active in succession planning. Human resource staff must recognize, groom, provide exposure and add work responsibilities to core personnel.

To summarize, future challenges of human resource are continuing because of changing workforce demographics and diversities, competing in international environment, technological changes, eliminating the employee skill gap, developing human capital lifelong learning and organizational learning and accomplishing societal goal through organization.

