A STUDY ON HUMAN RESOURCE MANAGEMENT A CHALLENGING IN INDIA

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Abstract:
Human Resource Management used to be considered as other conventional administrative jobs. But over a period of time, it has evolved as a strategic function to improve working environment, plan out human resources needs and strike a balance between the organization and employers in order to increase organizational productivity and meet organizational goals. Not to exaggerate but in today's highly competitive world it has gradually become one of the most important functions of an organization. HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. This paper considers some of the key issues and challenges in human resource management in the Indian context.

Key Words: Human behavior, Management & Organizational

Introduction:

Human resource management is the theory, techniques, methods, and tools for studying the adjustment of people and their relations in the organization, connection between work and its relations, matching the people and work in order to fully develop human resource management, tap people's potentials, motivating people, promoting the work efficiencies and meeting the organizational objectives. The daily reality and the challenges for HR managers in India are truly different from challenges faced in the West. Even though the attrition rate is high in India, HR managers are very people-oriented, while their western colleagues are far more process and task oriented. HR professional must be proactive with all strategies and action plans in order to meet the changing needs of the organization. They must be thorough with the basic functions of HR including planning, organizing, leading and controlling human resources. Business environment in India is volatile. There is boom in terms of opportunities brought forward by globalization. However this is also leading to many interventions in terms of restructuring, turnaround, mergers, downsizing, etc. Research has clearly shown that the success of these interventions is heavily dependent on managing the people issues in the process.

The Eleventh Five Year Plan (2007-08 to 2011-12) had aimed at achieving faster and more inclusive growth. Rapid GDP growth, targeted at 9.0 per cent per annum, was regarded necessary for two reasons: first, to generate the income and employment opportunities that were needed for improving living standards for the bulk of the population; and second, to generate the resources needed for financing social sector programmes, aimed at reducing poverty and enabling inclusiveness. HR has a pivotal role to play here.

Workforce Demographics and Diversity:

The first and the foremost challenge that HR function in India faces is to convert the abundant population pool into useful human resources. India's population has reached to 1,210.2 million (Census 2011) with a 17.64% decadal population growth rate (from 2001-2011) & with a literacy rate of 74.04%. India ranks a low 136 among 186 countries in terms of the human development index (HDI), according to UNDP report released in 2012-2013.

India has a younger population not only in comparison to advanced economies but also in relation to the large developing countries. As a result, the labour force in India is expected to increase by 32 per cent over the next 20 years, while it will decline by 4.0 per cent in industrialized countries and by nearly 5.0 per cent in China. This 'demographic dividend' can add to growth potential, provided two conditions are fulfilled. First, higher levels of health, education and skill development must be achieved. Second, an environment must be created in which the economy not only grows rapidly, but also enhances good quality employment/livelihood opportunities to meet the needs and aspirations of the youth.

India's young age structure offers a potential demographic dividend for growth, but this potential will be realized only if the extent and quality of education and skill development among new entrants to the workforce is greatly enhanced. One of the most remarkable things brought out by the 66th round National Sample Survey Organization (NSSO) survey on Employment (2009-10) is that the number of young people in

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education, and therefore, out of the workforce, has increased dramatically causing a drop in the labour participation rate. The total number of young working-age (15-24) people who continued in educational institutions doubled from about 30 million in 2004-05 to over 60 million in 2009-2010.

Dealing with people from different age, gender, race, ethnicity, educational background, location, income, parental status, religious beliefs, marital status and ancestry and work experience can be a challenging task for HR managers. With this, managing people with different set of ideologies, views, lifestyles and psychology can be very risky. Effective communication, adaptability, agility and positive attitude of HR managers can bind the diverse workforce and retain talents in the organization. India can march forward at a faster rate if the country's inexhaustible resources i.e. the people, now mostly unidentified and unrecognized are brought forth and put to productive purposes. Though there is need to check the population growth in India, appropriate HR strategies are needed to make use of all idle hands in the development & progress of the country.

Recruitment:

Recruitment is a function that requires business perspective, expertise, ability to find and match the best potential candidate for the organization, diplomacy, marketing skills (as to sell the position to the candidate) and wisdom to align the recruitment processes for the benefit of the organization. The HR professionals – handling the recruitment function of the organization- are constantly facing new challenges. The biggest challenge for such professionals is to source or recruit the best people or potential candidate for the organization. In the last few years, the job market has undergone some fundamental changes in terms of technologies, sources of recruitment, competition in the market etc. In an already saturated job market, where the practices like poaching and raiding are gaining momentum, HR professionals are constantly facing new challenges in one of their most important function- recruitment. They have to face and conquer various challenges to find the best candidates for their organizations. Quality of manpower is another issue needs paying attention to, in India. While millions of graduates and post-graduates pass out of Indian universities each year, the actual number of employable talent is severely limited. Employers have to adopt innovative modes of recruitment to ensure that it can separate the wheat from the chaff.

The Major Challenges Faced by the (HR) in Requirement:

- Adaptability to Globalization – The HR professionals are expected and required to keep in tune with the changing times, i.e. the changes taking place across the globe. HR should maintain the timeliness of the process
- Lack of Motivation – Recruitment is considered to be a thankless job. Even if the organization is achieving results, HR department or professionals are not thanked for recruiting the right employees and performers.
- Process Analysis – The immediacy and speed of the recruitment process are the main concerns of the HR in recruitment. The process should be flexible, adaptive and responsive to the immediate requirements. The recruitment process should also be cost of effective.
- Strategic Prioritization – The emerging new systems are both an opportunity as well as a challenge for the HR professionals. Therefore, reviewing staffing needs and prioritizing the tasks to meet the changes in the market has become a challenge for the recruitment professionals.

Talent Hunt:

A Key Agenda for CEOs the 14th Annual Global CEO Survey, conducted by PWC, showed positive signs of job growth worldwide in the coming years. "Tapping the right kind of talent" was on the agenda of most CEOs across the globe. In fact, as many as 83% of the participating CEOs planned to remodel their people strategy. Topping the list of key challenges facing them was "limited supply of candidates with the right skills" followed by "challenges for recruiting/ integrating the younger staff.

As 52% CEOs confessed to the fear of their talent pool being poached by competitors, it becomes evident that money was not the only motivation factor for employees switching loyalties; it was important for them be engaged emotionally at work too.

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Employee Engagement and Talent Retention:

Winning the hearts and minds of talent is of prime importance in the current context. Employees are no longer committed to their companies. Their dedication is towards their own professional growth and careers. Employee engagement means that HR has its eyes and ears close to the ground realities that an employee faces in the job. Issues like work-life balance, fun at work are considered part of the employee experience. Human resource managers are on their toes to strike a balance between employer and employees keeping in mind the recent trends in the market. They may find themselves in dire consequences if they are not able to handle the human resource challenges efficiently.

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- Multinational companies, state-owned enterprises, and private firms are all facing the problem of frequent changing leadership and high turnover rate.
- How to select employees, especially the senior managers? Is it a good idea for the state-owned firms to have all managers to retire at the age of 60? Creativity and innovation by HR function can make a big difference in how an employee can actually be attracted, motivated and retained.

Employee Motivation:

In a market which job-hopping has become the name of the game, keeping the workforce motivated is one of the key challenges of HR. Motivation no longer comes from just a lucrative pay package. Nowadays companies have to walk that extra mile to make the In a market which job-hopping has become the name of the game, keeping the workforce motivated is one of the key challenges of HR. Motivation no longer comes from just a lucrative pay package. Nowadays companies have to walk that extra mile to make facilities.

Globalization of Business:

Organizations have increasingly set up operations for manufacturing and services in India, bringing with them HRM practices from all around the world. The importation of new management practices has changed the nature of the labor market and the practice of HRM, and will potentially have an impact on Indian society. These external forces are paralleled by unprecedented economic reform and the enactment of employment laws that are changing the nature of organizational forms and management practices within India. Outsourcing increases the interaction between HR managers in the West and India. Some insights into the common challenges our Indian colleagues face may improve support and collaboration between managers in both locations.

- Today's increasingly global, competitive marketplace has driven considerable in labor markets, and has transformed the practice of Human Resource management.
- Expanded multinational operations within large companies, combined with increased technology and communication capability, have led to vast diffusion of global "best practices" in HRM.
- As a global company, the only way to succeed is to develop an effective global human resource management system with personnel capable of designing and implementing transnational business strategies.
- In most cases firms have historically gone from domestic, to international, to multinational, and finally to global operations. At each phase, the approach to human resource management changes significantly along with the changes in competitive strategy, company structure, the product or service being marketed, profit margin, and expenditure required for research and development. It is really a huge challenge to understand the psychology of workforce, retain the best talents of the industry, motivate them to perform better and handle diversity while maintaining unity simultaneously, especially in countries like India, where it is still evolving. Globalization has resulted in many positive developments but it has left many concerns for HR managers. In today's tough world and tight job market, coordinating a multicultural or diverse workforce is a real challenge for HR development.

Economic and Technological Changes:

In every area organizations are getting more and more technologically oriented. Though it is not in the main run after the initial debates, preparing the work force to accept technological changes is a major challenge. Sectors like banking have undergone revolutionary changes enabled by technology. It is a huge challenge to bring in IT and other technology acceptance all levels in organizations. Today, there is a large occupational shift from manufacturing and agriculture to service and telecommunications. Job growth primarily in IT and healthcare is increasing. Technological shifts and the Internet Growth of information technology are creating more "virtual" employees. HR challenges would be to look for the suitable workforce availability and quality concerns. HR managers must work toward ensuring cultural compatibility in mergers.

Meaning of Changes:

Bringing change in organizational processes and procedures, implementing it and then managing it is one of the biggest concerns of HR managers. Business environment is so volatile. Technology keeps changing every now and then. Upgrading the existing technology and training people for them is a real headache for HR department. The success rate of technology change depends how well HRD can handle the change and manage people issues in the process.

Developing Leadership:

It is quite interesting to note that there is less importance given to developing leadership at the organizational level. Though leadership is discussed on basis of traits and certain qualities, at an organizational level it is more based on knowledge. The challenge is to develop individuals who have performance potential on basis of past record and knowledge based expertise in to business leaders by imparting them with the necessary soft skills.

Conflict Management:

HR managers should know how to handle employee-employer and employee-employee conflicts without hurting their feelings. Although it is almost impossible to avoid conflicts among people still handling

them tactfully can help HR managers to resolve the issues. They should be able to listen to each party, decide and communicate to them in a convincing manner in order to avoid future conflict.

Fostering Excellence:

A company's plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage. A SWOT analysis determines the organizations Strengths, Weakness, Opportunities and threats.

Conclusions:

India has witnessed a revolution in the field of Human Resource; it has gone from being just a support function to being a strategic partner in the growth of businesses. It has transformed itself being merely Personnel Management – maintain records and ensure statutory compliances, while doing the bare minimum to keep employee satisfaction on an even keel to being an integrated part of the corporate machinery. The HR function of 21st century India has made a transition from being 'behind-the scenes' support appendage to becoming the critical differentiator in business. Rapid globalization has made companies realize people are the key to growth, the only strategic resource that any enterprise truly needs. This has led to companies routinely using their innovative HR practices as their USP (Unique Selling Proposition) to keep up with the times in the wake of a rapidly changing labor landscape. Companies now recognize that a 'Highly engaged employee' the key to success, across business sectors.

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