



Human Resource Management in India: Some Issues and Challenges

KEYWORDS

Human Resource Management, Issues and Challenges

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ABSTRACT *In the contemporary context, the Indian management mindscape continues to be influenced by the residual traces of ancient wisdom as it faces the complexities of global realities. One stream of holistic wisdom, identified as the Vedantic philosophy, pervades managerial behavior at all levels of work organizations. This philosophical tradition has its roots in sacred texts from 2000 B.C. and it holds that human nature has a capacity for self transformation and attaining spiritual high ground while facing realities of day to day challenges. Human Resource Management has evolved considerably over the past century, and experienced a major transformation in form and function primarily within the past two decades. Driven by a number of significant internal and external environmental forces, HRM has progressed from a largely maintenance function, to what many scholars and practitioners today regard as the source of sustained competitive advantage for organizations operating in a global economy. Some of the factors that contribute to the evolvement of human resources management are technology, globalization, diversity, immigration and an aging workforce. In this article, we would be discussing the various Issues that HR is facing in today's corporate scenario. A few challenges they have been able to overcome successfully but a lot of issues still need to be dealt with. We would be discussing issues HR is facing in the present and some strategies which, if adopted, can help the HRM to sustain better in the challenging and dynamic scenario. 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.

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.

An analysis of the main HR problems in India could be done based on the certain challenges that mould the contours of the various sub-functions of HR. The '**attract, motivate and retain**' mantra that the HR function seeks to deliver for the organization are based on these HR sub-functions.

- Workforce Demographics and Diversity
- Recruitment
- Employee Engagement and Talent Retention
- Employee Motivation
- Globalization of Business
- Economic and Technological Changes
- Managing Change
- Developing Leadership
- Conflict Management
- Fostering Excellence

The Major Challenges Faced by the HR in Recruitment are:

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 re-

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 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.

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.

MANAGING CHANGE:

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 conflicts.

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.

The HR professional of the future:

HR professionals will need to take a number of steps –

both internally and externally to ensure that the credible future of the function is ensured. "Perhaps the most important requirement is a combination of persistence, courage and influencing skills," says Lambert. "This combined with the knowledge of what are the right things to do, make for a winning combination, as described to us, for example, by CEOs of HR leaders that they admire." There are also some important skill areas that HR has been slow to address, and which are only recently starting to get the focus they deserve. "I would pick out firstly organizational design, which starts with jobs and roles and must incorporate a high level understanding of organizational economics, working processes and corporate identity," Lambert says. Another much observed gap is knowledge of how to use and deploy technology – both for HR's own use and to ensure that people issues are at the heart of technology decisions, investment and implementation. The third area for improvement is project management, Lambert says. There are disciplines and standards to be learnt that are still foreign to many personnel generalists. At the same time, the prevalence of change initiatives does mean that this is an area where HR has to learn the necessary tools and techniques. Focusing on this consciously as part of an HR skills program helps to make this a less painful journey, according to Lambert. Finally, there is the field of evaluation and measurement. So often the lyrics are along the lines of 'it's too hard to measure' or 'we're working on it' or 'really, it's an act of faith', Lambert says. "This is changing – the methods and skills are clearly observable at work in the best managed organizations, which drastically reduces the tendency to adopt fashions without establishing a business case, and allowing bad behaviour to persist in parts of organizations like rotten apples that queer the barrel.

However, for most in HR this still remains a steep hill to climb. "Haffenden echoes Lambert's comments, and says there are a number of factors which define a HR professional of the future:

Demonstrable expertise in areas like OD, reward, learning and talent management.

Becoming more business aware – understanding not just financial statements but, more importantly, globalization, competitiveness and commercial realities.

Proven integrity, honesty and loyalty – so HR professionals can act as an organization's confidante.

Powers of analysis and judgment for circumstances, events and people – the need here is to size up situations accurately and apply solutions.

Securing executive buy in for the future of HR:

Working with the board and top team to implement this interest is the domain of HR. The problem is, most HR directors are not good enough to work at a senior level. Haffenden believes, they lack the credibility and expertise in relationships at a top level, ideas for business and people strategy, good solutions to executives' people issues, business acumen and the courage to tell it as it is with top people, preferring instead to tell them what they want to hear. Lambert encourages HR professionals to help CEOs and top teams to know what good looks like. "Back this up with more rigor in demonstrating cause and effect, particularly where – as so often – the route to better deployment of human capital lies in better management, rather than tweaking HR processes," he says. "This requires the courage – at HR leader level – to be both a

great colleague and a guardian of the organization's true interests."There can be tensions and conflict, for sure, particularly when talking about issues of power, personal reward and future prospects.

HR should be able to demonstrate the balance of business understanding and organizational psychology to provide convincing arguments for doing the right thing, thus ensuring long term performance, survival and success, Lambert says. "Having the experience and instinct to anticipate, rather than being reactive, will win respect once it is clear that the solutions are robust and meet real organizational needs."Talking about other studies exploring the future of HRM, we found some more predictions, on the lines of which changes will occur in HRM. They are as follows:

Increase in education levels: Due to technological progress and the spread of educational institutions workers will increasingly become aware of their higher level needs; managers will have to evolve appropriate policies and techniques to motivate the knowledge of workers. Better educated and organized workforce will demand greater discretion and autonomy at the work place.

Technological developments: This will require retraining and midcareer training of both workers and managers. Rise of the international corporation is proving new challenges for personnel function.

Changing composition of work force: In future, women and minority groups, SCs and STs would become an important source of man power in future on account of easy access to better educational and employment opportunities. Therefore manpower planning of every organization will have to take into consideration the potential availability of talent in these groups. Changing mix of the workforce will lead to new values in organizations.

Increasing government role: In India, personnel management has become much legalized. In future private organizations will have to coordinate their labour welfare programs with those of the government private sector will be required increasingly to support government efforts for improving public health, education training and development and infrastructure.

Occupational health and safety: Due to legislative presence and trade union movement, personnel management will have to be healthier and safety conscious in future.

Organizational development: in future, change will have to be initiated and managed to improve organizational effectiveness. Top management will become more actively involved in the development of human resources.

New work ethic: greater forces will be on project and team forms of organization. As changing work ethic requires increasing emphasis on individuals, jobs will have to redesign to provide challenge.

Development planning: personnel management will be involved increasingly in organizational planning, structure, composition etc. Greater cost consciousness and profit orientations will be required on the part of the personnel department.

Better appraisal and reward systems: organizations will be required to share gains of higher periodicity with workers more objective and result oriented systems of perfor-

mance, appraisal and performance linked compensation will have to be developed.

New personnel policies: new and better policies will be required for the work force of the future. Traditional family management will give way to professional management with greater forces on human dignity.

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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