

## THE ROLE OF STRATEGIC HUMAN RECOURSE MANAGEMENT IN CHANGING SCENARIO: PROBLEMS AND PROSPECTS

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### Abstract

*HRM is a strategic issue in the current corporate scenario. The present research paper tries to identify challenges for the HR professionals of 21st century and thereby suggest measures and strategies to face these challenges. The researcher uses secondary sources of information and concludes that to face the challenges faced by HR professionals in this present time, they must first be trained for strategies adopted so that they could get ready to implement those strategies and policies related to HR should also be linked to the business strategies.*

**Keywords:** Alignment, Challenges, HRM, Strategies.

### Introduction

Human resource management is the management of people, the single active resource of production having powers to manage other M's of production. This living resource of production consist powers to manage and control all other factors, so demands changes according to the circumstances. This is the reason behind continuous changes in the form of HRM from personnel management to SHRM and still it is evolving so many changes due to the challenges and problems faced by the HR professionals. Strategic HRM (SHRM) is basically concerned with the attention of top management towards HR activities as a strategic dimension. It is the alignment of traditional human resource management with the overall strategies of a corporate having the targets of increasing the quality of workforce and maximizing the mutual benefits of both employer and employees.

### Review of Literature

Shukla shalini, Emerging issues and challenges for HRM in public sectors banks of India, This study was focused on major issues and challenges faced by HR professionals in public sector banks to match present environmental changes. For the study, exploratory research was done based on secondary data. 26 managers from HR and other depts were also interviewed. The results presented these issues: Talent Management, Staffing and Promotion, Performance Appraisal, Compensation and incentives, High employee turnover and Leadership Gap & Succession planning.

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Babu M. Ravi & Eimani Asghar, Human Resource Management: A Challenging Scenario in the Indian context, *IMPACT: International Journal of Research in Applied, Natural and Social Sciences*, Vol. 2, Issue 2, Feb 2014, 135-142. The present study was focused on key issues and challenges in human resource management in Indian context. The identified issues were: adaptability to globalization, lack of motivation, process analysis, strategic prioritization, employee engagement, talent retention, conflict management, managing change and fostering excellence.

Som Ashok, innovative human resource management and corporate performance in the context of economic liberalization in India the study was conducted to understand the role of innovative HRM practices during change process. For this, a multi respondent survey of 69 Indian organizations was done to study the impact of innovative SHRM practices on firm performance. Results presented significant changes in recruitment, compensation and role of HR dept in Indian firms with respect to economic liberalization. The synergy between innovative HRM practices was not significant in enhancing corporate performance during the liberalization process.

Khan Saleena & Chahar Bhawna, Future of HR management in Indian scenario: Issues & Challenges, *Asian Journal of Management Research* This paper discussed the various issues like strategic recruiting, attracting talent managing diversity, increasing value, organizational capabilities and leadership development faced by HR professionals in today's corporate scenario and some strategies like managing talent, knowledge transfer, aligning with strategy, leverage technology, working as strategic partner and business savvy etc were suggested to help the HRM to sustain better in the challenging and dynamic scenario.

Rai Soumi, Human Resource Management and Labor Relations in the Indian Industrial Sector, discussion paper, social science research center berlin, This study was conducted to examine HRM in the context of Indian automobile sector. This is a literature review based study, for which 138 papers were reviewed from 1970-2010 as it encompasses the period of industrialization in India, growth of HRM and major transition across Indian industrial sector post economic liberalization - 1991.

Henson Row, HR in the 21st Century: Challenges and Opportunities, an international association for human resource information management, May 2003. This article examined eight critical trends presenting challenges as well as opportunities for the HR and HRIS professionals. These are: Becoming the employer of choice, Winning the war for talent, Contributing to the organization as a strategic business partner, Cultivating leadership through e-learning and development, Recognizing the workforce as a profit center, Thinking globally while complying locally, Incorporating flexibility and adaptability into the organization, Embracing technology as the underlying facilitator.

Hashim Muhammad & Hameed Fazal, Human Resource Management in 21st Century: Issues & Challenges & Possible Solutions to Attain Competitiveness, *International Journal of Academic Research in Business and Social Sciences* September 2012, This paper presented the issues and challenges confronted by today's organizations and to overcome these issues it was suggested to build a standard structure by HR managers to manage diversified workforce and to maintain their competitive advantages.

Bala Yasemin, The new human resources management in the 21st century: a strategic view, Annual Conference on Innovations in Business & Management London, UK, 2011. This paper discussed the evolution of HRM from past to present. Being a conceptual paper, it described the role of HR to gain competitive advantages and innovations in HRM for the 21<sup>st</sup> century.

Abdullah Haslinda, Major Challenges to the Effective Management of Human Resource Training and Development Activities, The Journal of International Social Research Volume 2 / 8 Summer 2009, 11-25. This study was conducted to examine challenges to the effective management of HR T&D activities in manufacturing firms in Malaysia. For this, 58 HR managers were selected using judgmental sampling technique and in depth interviews were conducted. The study presented three major challenges: shortage of intellectual HRD professionals to manage HR T&D activities, coping with the demand for knowledge workers and fostering learning and development in the workplace.

Mahendru Mandeep & kaleka kaur Jaspreet, Challenges to HRM in 21st century, Social Science Research Network, May 2011. This study focused to find out the challenges for a HR manager in the 21st century, to study the HRM practices of different organizations in north India and to find out the impact of HRM on the working of an organization. Descriptive statistics, correlation, regression and chi-square test were used. The sample size for the study is 100, chosen from Chandigarh, panchkula, Mohali, Fatehgarh Sahib and Patiala. The results presented cross-cultural challenges as the major challenges to the HR Manager of the 21st century.

Singh Hardeep & Singh Bikram Pal, Human Resource Management in 21<sup>st</sup> Century: Emerging Issues and Challenges, International Journal of Organizational Behavior & Management Perspectives, Volume 2, Number 2, April-June' 2013, 348-352. The study emphasized on making professionals aware about HRM, emerging HRM challenges and the remedies to cover those challenges. This study is based on primary and secondary sources of data. Questionnaires and interviews were used for survey purpose. The findings in the form of challenges were: technological advances, information technology, unrealistic expectations, environmental changes and mobility of professional human resources.

### **Objectives of the Study**

- To identify challenges for the HR professionals of 21st century.
- To suggest measures and strategies to face these challenges.

### **Research Methodology**

This study is descriptive in nature based on secondary data and reviews from previous literature. Books, research papers and articles from various journals are used for the study. Then strategies are suggested for the corresponding challenges.

### **Strategies for the HR Professionals of 21st Century**

- **Talent Management:** It consist talent acquisition and talent development. Attracting suitable talent for the job to customize perfect match between caliber required and present really needs the good talent management. If some mismatch persists that must be removed from talent management by giving proper trainings for the job.

- **Cross - Cultural Trainings:** The presence of MNCs with this globalised scenario creates the challenge to manage the diversified workforce belonging not even from different caste, culture but even from different countries which generate geographical issues also. So only path available with the managers to solve this issue is cross-cultural training including language training at the time of orientation program so that new employees could get aware with culture of the organization as well as the present employees.
- **Leverage Technology:** to cope with the problem of technological advances presented in this changing scenario, it is the single option with the experts to get updated with the latest trends and technologies and implement that to get sustainable competitive advantage over their competitors.
- **Flexible Working Arrangements: changing business needs, adaptability towards green** workplace, employees' difficulties to balance professional and personal life responsibilities and moreover updated techniques necessitates for the organizations to make arrangements for flexible working like work from home, schedule their timings as per the requirement of given targets instead of nine to five fixed working hours. This will help to attract and retain efficient employees in the organization because this gives them an added motivation and responsible feeling for the business.
- **Flexible Pay Packages:** to satisfy monetary dissatisfaction and unrealistic expectations, it is the best option available to include flexible payments based on the performance in their annual packages which inspires them to give their best as well as gives them monetary satisfaction because with the monthly salary employee can receive some additional payments quarterly or half yearly in the form of incentives.
- **Provision of Group Incentives:** due to the change in nature of organizations like knowledge intensive firm in place of mechanical organizations, service companies in place of manufacturing firms, the nature of work also got changed. To achieve the targets of businesses individual efforts are not sufficient which necessitate the availability of team work and group effort. So it becomes important to motivate the employees in group so rewarding their group efforts in the form of group incentive could solve this problem of team management.
- **Least Hierarchies, Non-dominating Team Leaders:** knowledge workers generally cannot work in bounded hierarchies or in strict superior-subordinate structures, they want and deserve freedom to accomplish their targets as per the given schedule instead of strict supervision for lower class employees. So, the technique to handle the structural barriers is to maintain least hierarchies in the organization and even with the presence of non-dominating and supportive team leaders.
- **Knowledge Transfer and Knowledge Management:** the difference in nature of job and presence of employees having different skill set to perform these varied jobs; it is must to manage the knowledge present in different employees so that requirement of work could

be accomplished. It may be the good option with the managers to organize knowledge transfer trainings in the form of on the job or off the job as per the requirement so that all employees could share as well as learn the work of other persons and could become capable to fulfill the gap. Job rotation can also help to solve this issue.

### Ways of Achieving a Competitive Advantage

- The cost leadership strategy – New tech, Efficient work methods, Cutting overhead costs, & decreasing production costs
- The product differentiation strategy – Innovative product or services, choosing a superior location, perception of higher quality
- The resources must be of value – Total quality initiatives & continuous improvement
- The resources must be rare – People
- The resources must be difficult to imitate – Unique cultures
- The resources must be organized – Teamwork & Cooperation
- The resources must be committed to deliver – Building commitment & Loyalty
- The resource must be responsive to market – HR must meet customer requirement of quality, innovation, variety & responsiveness
- The resources must be strategic – Strategic Investment as skills, knowledge & abilities are among the most distinctive & renewable resources for strategic advantage

### Changing Contours of HR Paradigms

- **Managerial Functions**

Before Globalization	New Realities
Planning & organizing	Strategizing
Managing	Leading
Control Direction	Commitment
Direction	Empowerment
Episodic Perspective	Holistic perspective
Functional	Cross - functional

- **Operative Functions-Procurement**

Before Globalization	New Realities
Formal & Rigid Procurement	Flexibility & strategic procurement
Employee as servant	As partner/internal customer
Rigidity in skill, function, time & pay	Flexibility in skill, function, time & pay
Single Task	Multiple Tasks
Loyalty	Competencies

- **Training and Development**

Before Globalization	New Realities
Not an accountable & responsive training initiative	Need for continuous learning
Use of rigid & cumbersome design methods	Use of benchmarking & other innovative design strategies to develop products quality
Distributes a list of courses	Offers a menu of learning options
Vaguely describes training outcomes	Guarantees training will improve performance

• **Motivation and Compensation**

Before Globalization	New Realities
Fear & favor	Fairness
Fixed Pay	Variable/flexible pay
Job-based pay	Individual based pay
Seniority based pay	Performance based pay
Functional rigidity	Functional flexibility
Less mobility	Flexi mobility
Employer ownership	Employee ownership

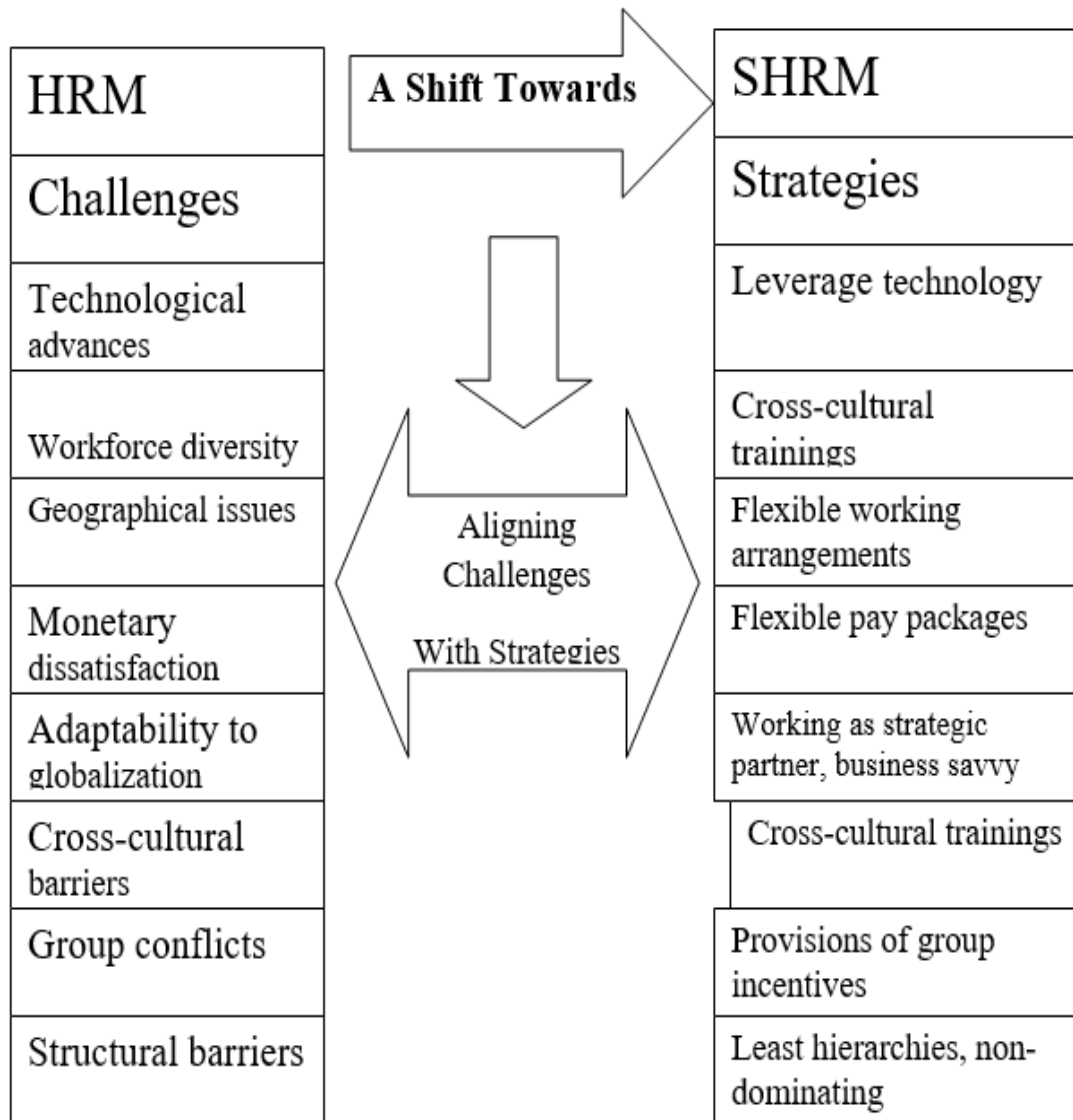
• **Performance Appraisal**

Before Globalization	New Realities
Information confidential & appraised by boss	Open & participative appraisal
Uniform appraisal procedure	Customized appraisals
Control-oriented appraisals	Developmental appraisals

• **Maintenance & Integration Functions**

Before Globalization	New Realities
Management philosophy-Unilateral & pluralistic	Management philosophy- Egalitarian
Management style- Autocratic & paternalistic	Management style- Collegial
Employment context- Master servant/ Employers & employee	Employment context- partners
Control was based on direction & inducement	Control is based on consensus & commitment
Manual machines	Electrical, Mechanical, Digital & Cellular, Fax, e-mail & internet
Telex	Electronical databases
Annual filing	Individual Bargaining
Collective Bargaining	Employee empowerment
Employee compliance	Job enrichment
Job simplification	Peer or self-supervision
Class supervision	HRIS
Personnel Records	

**An alignment of challenges with latest strategies to cope up the changing requirements due  
To the shift from HRM to SHRM**



### Conclusion

Sustainability of competitive advantage is must for today's strategic era. Corporate needs to get updated with the environmental changes to be competitive. For this, it is must that the human capital of the organization is strategically fit for the requirements of the organization. To achieve this strategic fit, HR professionals involved in the activities related to human resource must act as a strategic partner in the organization. To face the challenges faced by HR professionals in this present time, they must first be trained for strategies adopted so that they could get ready to implement those strategies and policies related to HR should also be linked to the business strategies.

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