

Challenges and Prospects of Implementation of Human Resource Management With Reference to Mumbai

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Abstract:

All departments within an organization must prove their value and contributions to the overall business strategy, and the same is true with HRM. As companies are becoming more concerned with cutting costs, HRM departments must show the value they add to the organization through alignment with business objectives. Being able to add value starts with understanding some of the challenges of businesses and finding ways to reduce a negative impact on the business. In other words, Human Resource Management would provide, create, utilise and motivate employees to accomplish organisational goals. The researcher's tries to discuss the importance of HRM. The researcher also tries to identify the challenges and prospects of implementation of HRM. This research is descriptive study based on secondary data. The researcher proposed to explain concept, importance of Human Resource Management, Scope of Human Resource Management, Challenges and prospects of implementation of Human Resource Management.

Keywords

Human Resource Management, HRM, Globalisation, Challenges, Mumbai

Introduction:

The rapidly transforming business landscape means that there are currently many human resource management challenges which will continue to evolve for years to come. Tom Marsden, Director of Professional Services at Alexander Mann Solutions says that HR departments really need to be adding real business value to their organizations. "Although the restrictions of the recession aren't over yet, companies are recognizing that in 2015, they will need to take steps to retain their workforce. This could be through an increased emphasis on training and engagement programs or by investing in areas that will optimize expenditure, such as integrated technology systems or improved candidate attraction schemes. The signs are that HR departments are preparing to maximize their resources and staff as organizations look to grow."

Coach, Counsellor, Employee advocate, business strategist. As the business world changes, so does the role of HR professionals. Since human resource is a business-driven function,

effectiveness depends on a thorough understanding of the strategic corporate direction, as well as the ability to influence key policies and decisions. In addition, human resource management challenges must be defined and solutions determined in order to succeed but it won't be easy in apply in today's competitive world. Human resource management requires a lot of training and advanced technologies. But applying the same requires a lot challenges. Thus the researcher's tries to bring out few challenges posed by the HR professionals for effective Human Resource Management.

Concept of Human Resource Management:

Human resource management is usually shortened to "HRM". It is defined by the CIPD as:

"The design, implementation and maintenance of strategies to manage people for optimum business performance" In other words, HRM is about how people are managed by a business in order to meet the strategic objectives of the business. The functional objectives set for HRM need to be consistent with the corporate objectives.

Most larger organisations in the public and private sector have their own designated HR department, opening up a broad range of companies and sectors to applicants. Recent years have seen increasing numbers of companies outsource key elements of their HR functions. So, opportunities within HR consultancies also exist.

HR is a very popular and highly competitive career with graduate schemes being among the most oversubscribed. Your level of HR focus will vary from scheme to scheme, with some being based purely within the HR department and others expanding candidate's experience to other functions such as marketing, management and more.

HR has great scope for specialism and development within a particular HR function (e.g. development, equality and diversity, recruitment and selection, etc.) and with specialism comes extra responsibility and remuneration.

You often see phrases like these in the annual reports of major businesses:

- "Our people are our greatest asset"
- "Nothing is more important than our employees"

You see them so often that it is tempting to treat them as clichés. However, behind the cliché lies an important truth, which is that the human element plays a major part in the success of every business. Effective human resource management has become more important in recent times. Here are some reasons why:

- Most businesses now provide services rather than produce goods – people are the critical resource in the quality and customer service level of any service business
- Competitiveness requires a business to be efficient and productive – this is difficult unless the workforce is well motivated, has the right skills and is effectively organised
- The move towards fewer layers of management hierarchy (flatter organisational structures) has placed greater emphasis on delegation and communication

As a result, if a business is to be successful and achieve its objectives, then it needs to manage its human resources effectively. So step forward "human resource management"!

The key is to remember that HRM is a strategic approach. HRM uses a variety of tools to help meet the strategic needs of the business, each of which needs together in an integrated way. The key tools are:

- Workforce planning
- Recruitment & selection
- Training & development
- Rewarding and motivating staff
- Communication
- Roles and responsibilities (organisational structures)

OBJECTIVES OF HRM

- (i) To provide, create, utilise and motivate employees to accomplish organisational goals.
- (ii) To secure integration of individual and groups in securing organisational effectiveness.
- (iii) To create opportunities, to provide facilities, necessary motivation to individual and group for their growth with the growth of the organisation by training and development, compensation etc.
- (iv) To employ the skills and ability of the workforce efficiently, i.e., to utilise human resources effectively.
- (v) To increase to the fullest the employee's job satisfaction and self-actualisation; it tries to prompt and stimulate every employee to realise his potential.
- (vi) To create a sense and feeling of belongingness team-spirit and encourage suggestions from employees.
- (vii) To help maintain ethical policies and behaviour inside and outside the organisation.
- (viii) To maintain high moral and good human relation within the organisation.
- (ix) To manage change to the mutual advantage of individuals, groups, the organisation and the society.
- (x) To ensure that, there is no threat of unemployment, inequalities, adopting a policy recognising merit and employee contribution, and condition for stability of employment.

Objectives of the study

- 1) To study the concept of Human Resource Management.
- 2) To discuss the importance and scope of Human Resource Management
- 3) To study challenges and prospects of Human Resource Management

Problems of the study

- 1) HR policies are effective in nature but it is difficult to implement it due to its cost.

- 2) Development of Human Resource requires proper training and advanced technologies which are not possible in every business organisation.

Hypothesis of the study

- 1) There is a significant relationship between HR policies and its cost.
- 2) There is no significant relationship between development of Human resource and proper training and advanced technologies..

IMPORTANCE OF HUMAN RESORCES MANAGEMENT

Human resources are the valuable assets of the corporate bodies. They are their strength. To face the new challenges on the fronts of knowledge, technology and changing trends in global economy needs effective human resource management. Significance of HRM can be seen in three contexts:

- 1) Organisational
- 2) Social
- 3) Professional.

Organisation Significance:

HRM is of vital importance to the individual organisation as a means for achieving their objectives.

It contributes to the achievement of organisational objectives in the following ways:

1. Good human resource practice can help in attracting and retaining the best people in the organisation.
2. Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
3. Securing willing cooperation of employees through motivation, participation, grievance handling, etc.
4. Effective utilisation of available human resources.
5. Ensuring that enterprise will have in future a team of competent and dedicated employees.

Social Significance:

Social significance of HRM lies in the need satisfaction of personnel in the organisation. Since these personnel are drawn from the society, their effectiveness contributes to the welfare of the society. Society, as a whole, is the major beneficiary of good human resource practice.

- i. Employment opportunities multiply.
- ii. Eliminating waste of human resources through conservation of physical and mental health.
- iii. Scare talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

Professional Significance:

Professional significance of HRM lies in developing people and providing healthy environment for effective utilisation of their capabilities.

This can be done by:

1. Developing people on continuous basis to meet challenge of their job.
2. Promoting team-work and team-spirit among employees.
3. Offering excellent growth opportunities to people who have the potential to rise.
4. Providing environment and incentives for developing and utilising creativity.

SCOPE

Human resources are undoubtedly the key resources in an organization, the easiest and the most difficult to manage! The objectives of the HRM span right from the manpower needs assessment to management and retention of the same. To this effect Human resource management is responsible for effective designing and implementation of various policies, procedures and programs. It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally.

Human Resource Management is not just limited to manage and optimally exploit human intellect. It also focuses on managing physical and emotional capital of employees. Considering the intricacies involved, the scope of HRM is widening with every passing day. It covers but is not limited to HR planning, hiring (recruitment and selection), training and development, payroll management, rewards and recognitions, Industrial relations, grievance handling, legal procedures etc. In other words, we can say that it's about developing and managing harmonious relationships at workplace and striking a balance between organizational goals and individual goals.

The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we may classify the same under following heads:

- **HRM in Personnel Management:** This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity. The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development.

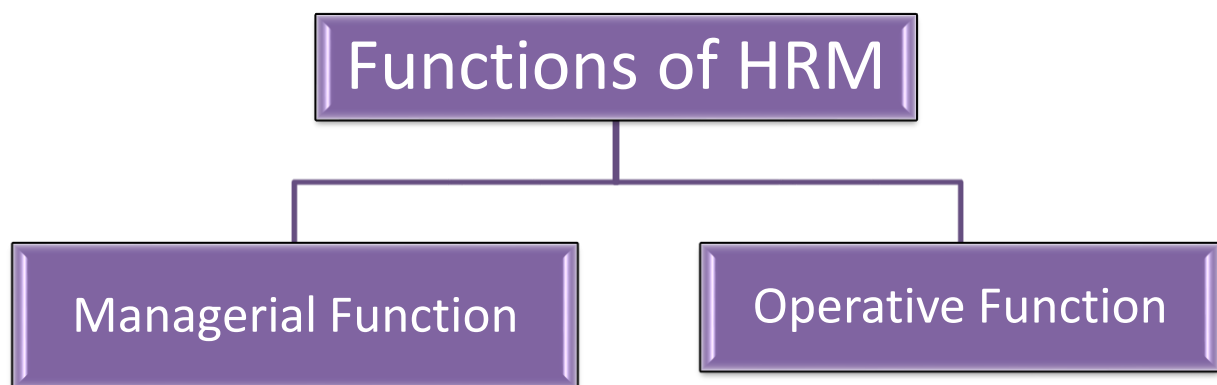
It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, travelling policies and procedures and other related courses of actions.

- **HRM in Employee Welfare:** This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.

It also relates to supervision, employee counselling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees' real needs and fulfilling them with active participation of both management and employees. In addition to this, it also takes care of canteen facilities, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

- **HRM in Industrial Relations:** Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization. It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior and maintaining work relations, collective bargaining and settlement of disputes.

The main aim is to safeguarding the interest of employees by securing the highest level of understanding to the extent that does not leave a negative impact on organization. It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.



Functions of Human Resource Management :

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and

(2) Operative functions

These are discussed in turn.

(1) Managerial Functions:

Planning

Planning is a predetermined course of actions. It is a process of determining the organisational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organising:

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

Staffing:

TOs is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counselling employees, training and developing employees.

Directing/Leading:

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organisation.

Controlling:

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

(2) Operative Functions:

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

A brief description of these follows:

Procurement:

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

Development:

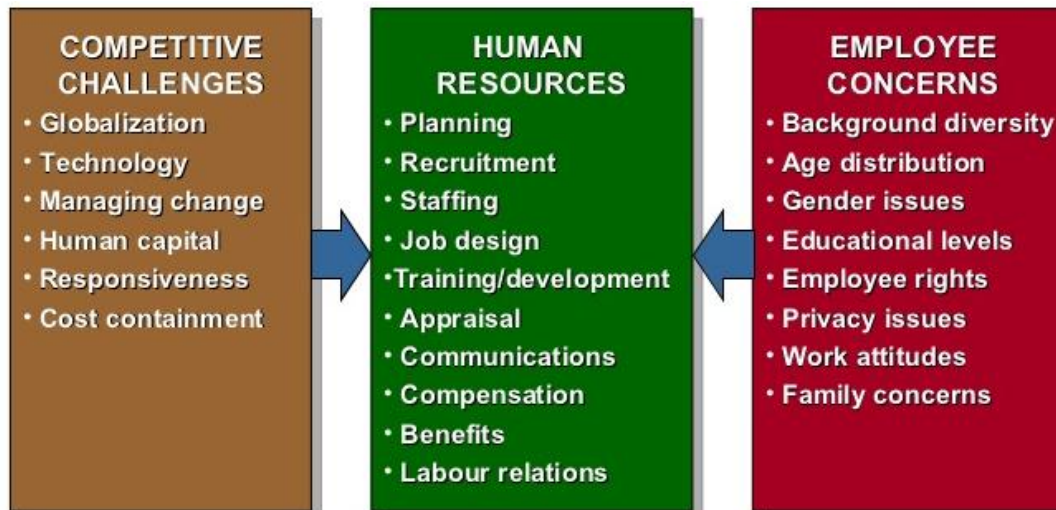
This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

Compensation:

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Findings :

Human Resource Management Challenges



1. Change Management

Since this is generally not a focal point for HR professional training and development, change management represents a particular challenge for personnel management. The WFPMA finds that "This may also be the reason why it is cited as the foremost issue as HR continues to attempt to help businesses move forward. An intensified focus on training may be needed to develop added competencies to deal with change management."

2. Leadership Development

As the second of the biggest challenges for human resource management, leadership development needs to be a critical strategic initiative. HR professionals are faced with being expected to provide the essential structures, processes, tools, and points of view to make the best selection and develop the future leaders of the organization. The WFPMA reports that, "Across the globe leadership development has been identified as a critical strategic initiative in ensuring that the right employees are retained, that the culture of the organization supports performance from within to gain market position, and that managers are equipped to take on leadership roles of the future so that the organization is viable in the long term."

3. HR Effectiveness Measurement

How can improvement happen without the right tools to measure HR effectiveness? As with many other areas of business, this profession also needs to be able to measure results in terms of transaction management, as well as in terms of the positive influence on business.

"Utilizing metrics to determine effectiveness is the beginning of a shift from perceiving HR's role as purely an administrative function to viewing the HR team as a true strategic partner within the organization," the WFPMA says. "In fact, the next section reports that survey participants believe a critical future issue for HR will be organizational effectiveness - again supporting HR's critical role as a strategic partner to management."

This world federation also notes that, "Where HR departments have traditionally focused on measuring their own effectiveness, there is an evolving recognition that they can provide organizational value by measuring the effectiveness of the entire business organization. The shift is significant as it represents movement from simply counting the numbers hired to determining the ROI of collective and individual hires on a long-term basis. Going beyond measuring turnover, this new approach considers 'bad' turnover and 'good' turnover along with the overall cost of replacement hires."

The Numbers Speak Volumes

When you start looking at the numbers, you realize the significant impact of trends and challenges in human resource management. There are many variables that influence human resource management. To give you a glimpse at some of the upcoming changes, the HR Leadership Council has released the following statistics:

- One in four high potentials plans to leave their organization in the next year
- By effectively developing employees, managers can be better coaches and improve performance by up to 25%
- Three out of five organizations have either restructured or plan to restructure within the next six months
- Recent declines in employee engagement further decreased overall productivity by 3 to 5%
- Leaders with strong people development skills are 50% more likely to outperform revenue expectations
- Delivering on critical onboarding activities boosts new hire performance by 11.3%
- 77% of mid-sized companies use (or plan to use) wellness to reduce costs
- 46% of mid-sized-company CFOs anticipate a merger or acquisition in less than six months
- Expand Your Skills and Enhance Your Expertise

Suggestions:

To meet or exceed all of these human resource management challenges, you'll need proven tools and strategies to deal with the challenges of Human Resource the following are the important points:

- Implement strategic organizational change for increased quality, productivity and employee satisfaction
- Construct an effective training program
- Design a compensation system that motivates employees
- Structure benefit packages and measure their success
- Identify principles for developing, utilizing and conserving human resources

- Use data and statistics to make informed business decisions
- Leverage technology to enhance the contributions of the human resource function to an organization
- Develop financial management and budgetary skills

CONCLUSION

HR managers are facing many challenges in present business scenario like Globalization workforce diversity, technological advances and changes in political and legal environment change in information technology. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges

The study on Human Resource Management Practices in GAIL (India) Limited has brought up a number of findings about the performance and management of GAIL (India) Limited. Some of the findings in this research point very clearly the effect of sound HRM system in a company. There are some other findings and observations that best use of human resources leads to the development, both economic as well as social. While the economic development leads to business expansion and diversification along with high rates of profits, the social development leads to high job satisfaction level high class business ethics and values amongst employees. It also leads to the popularly and rating of a Company as a Corporate citizen. The observations of the study indicate the vast scope for Public sector in India. Critics, who had 'written off' the public sector in the nineties of last century, have again realized the power and stronghold of public sector after two decades of Liberalization, Privatization and Globalisation process in India.

The following are few of the steps to be taken for effective implementation of HRM:

1. Cross cultural training of HR personnel so that they understand other cultural people
2. Motivate Professional personnel more and more so that do not change organization more frequently financial motivation is not always required you can motivate through non financial motivation like encouragement, training of employee, job satisfaction.
3. HR should adopt the change at internet speed
- 4 Shifting HR strategies with changing economy strategy of HR should be agile, capable of flexing and adaptive to changes in the economy.
5. Technical changes in the workplace often require the implementation of additional training for workers. As training and development is generally the realm of the HR department, this creates yet another challenge for human resource managers. HR must first determine what training is necessary and then implement training measures to ensure all workers can keep up with technical changes. Human resource managers must also determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization

6. Training of HRIS (Human resource information system) should be given to the HR managers or HR professional so that they can overcome Information Technology challenges
7. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

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