Human Resource in 21st Century :Challenges and Opportunities

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Abstract

As we enter the twenty-first century, experts continue to validate that it is the human asset, not the fixed assets, that will make the difference for successful organizations. While it has historically been HR's job to "own" those assets, the overall enterprise must take a more active role in the workforce experience. Companies that desire to maintain a competitive edge, both now and in the future require human force well equipped to face the ever increasing pace of technological changes and techniques. Today where technology has changed everything with great extent, the methods of production, the process of recruitment, the training techniques, and new equipment etc. This is the accountability of the human force manager to properly train the work force to accomplish the competitive advantages of business in the 21st century. HR managers have moved from handling simple personal issues to making a strategic implementation through supporting the long term strategies with the necessary employee qualifications and developing the cultural and technical capabilities required for the strategies of the organization.

Though we believe that human plays a vital role in an organization but due to rapidly transforming business landscape, globalization, changing nature of consumer taste and habits, a new techniques of production, HR managers are facing a variety of issues and challenges like retention of the employees, multicultural work force, retrenchment of the employees. Armstrong (2004) defined Human Resource Management (HRM) as the function within an organization that focuses on recruitment of management of, and providing direction for the people who work in the organization. Human resource manager will have to build or develop a frame work that allows flexibility to develop a workforce for tomorrow (Andries du plessis, 2008, p-167). The primary focus of the paper is to explore HR issues and challenges and to provide practical solutions.

Key Words:HR Issues, Challenges, Human Capital Competitiveness, Employer of Choice, HR Best Practice,

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Review of Literature:

Challenge is always offset by opportunity. Today's widespread market volatility, coupled with layoffs, talent shortages and rapid shifts in technology, points to heightened challenges for human resources (HR) organizations. While appropriately leveraging HR has been a key topic of discussion for the past decade, organizations still struggle with how to make this strategic shift as a department.

The priorities for human resource in future what should be? The answer to this question is very difficult but there are many factors contributing to HR managers functions and these activities are constantly changing. Some of the researchers also point out that the most of the challenges which facing by the HR in 21ST century are also, retention of the employees, multicultural work force, women work force, retrenchment of the employees, change in the demand of the government, technology , globalization, and initiating the process of change.

The world federation of personnel management association (WFPMA, 2009), Survey pointed out the most important top ten HR challenges are leadership development, organizational effectiveness, change management, compensation, health and safety, staff retention. Learning and development, succession planning, staffing: recruitment and skill labor.

Liz Weber (2009) has pointed out that the most important challenges of the HR in business are layoffs. The most of the owners and managers facing this hard issue. This laid off may be due to several reasons which include the economic uncertainty, the employee's job instability and HR less Effectiveness.

In the view point of Decenzo and Robins (2001) and Gary Dessler (2000) the most important challenges of HRM, are technology, E commerce, and work force diversity, and globalization, ethical consideration of the organization which may directly or indirectly affect the organization competitive advantages, especially with technological advancement, the affect on recruitment, training and development and job performance with great extent can be study in organization.

We can sum up the challenges identified by most of the researcher and solidify them into eight critical trends that have serious impact on organization over the past year. These trends will continue to present both challenges and opportunities for the HR and HRIS professional over the next decade. The eight categories include the following:

1. Becoming the employer of choice
2. Winning the war for talent
3. Leveraging technology as indispensable player
4. Recognizing the workforce as a profit center
5. Contributing to the organization as a strategic business partner
6. Cultivating leadership through e-learning and development
7. Thinking globally while complying locally

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8. Incorporating flexibility and adaptability into the organization

Introduction

Challenge is always offset by opportunity. Today's widespread market volatility, coupled with layoffs, talent shortages and rapid shifts in technology, points to heightened challenges for human resources (HR) organizations. While appropriately leveraging HR has been a key topic of discussion for the past decade, organizations still struggle with how to make this strategic shift as a department.

What will help HR most in running the people side of the business? Over the next decade the HR profession will face a wide range of issues, which can be consolidated into a list of major hurdles. While the hurdles discussed here might not be all-encompassing, addressing these predominant issues provides impetus for turning challenges into opportunities. As a starting point, one of the most important challenges for an organization is becoming an employer of choice. This involves creating an environment where people want to come and work, contribute while they are there and stay long enough to make a difference. HR's success in surmounting its challenges is evidenced by ROI not only in terms of money, but also in efficiencies, effectiveness and organizational best practice. Undoubtedly, technology plays a pivotal role in addressing any HR challenge by facilitating solutions that optimize success.

All great companies look for the best ways to perform HR-related tasks. However, thinking about HR only as a department obscures HR'senterprise-wide function, which permeates the entire organization. Just as finance touches every area of a business — usually in the form of a budget — human capital is an entity affecting the enterprise in its totality. Therefore, instead of regarding HR as an isolated depart- ment, great companies shift their focus toward enterprise-wide people processes, of which HR is an integrated part.

1. Facing the Primary Challenge: Being the Employer of Choice

Becoming and remaining an employer of choice is the top-ranking HR-related challenge organizations face today. Establishing employer-of-choice status is HR's responsibility, and if HR does this well, all other practices become subordinate to this goal. The most important objective on the people side of the business is establishing a place where individuals want to work and remain working. HR should be concerned with providing potential, current and even past employees with this environment. Employees need a culture, a place in which to grow and feel good about their surroundings.

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Delineating the Corporate Culture: Corporate culture is a dramatic force behind every employer of choice. Unique to each organization, culture has many drivers, such as the organization's leadership or the product or service produced. In cases when there are mergers or acquisitions involved, cultural redefinition might be required. Inevitably, culture changes as a company grows and its mission evolves. It is HR's man- date to capture that culture and assure its alignment with corporate goals and objectives.

Using Branding to Promote Culture: Branding promotes culture. In the past branding was assigned to public relations or marketing, but it is indeed an HR function because of its power to attract and retain employees. Working together with marketing, HR must develop a compelling brand image for the workforce.

Staying Attuned to Changing Demographics : The workforce has changed and will continue to do so. Employers of choice recognize and understand the dynamics of the "new work- force," where for the first time four distinct groups of workers labor together under one virtual roof. The over-50 baby-boomers lend themselves to loyalty and sacrifice, those in their 40's believe hard work will take them to the top, 30-somethings seek a balance between work and home, and new workers in their 20's are realists wired for technology. However, today's employees are even now experiencing a metamorphosis. The role of women and other minorities is expanding, median age is increasing and there is a rise in the contingent workforce.

2. <u>Winning the War for Talent</u>

An employer of choice has already come a long way toward winning the war for talent, which is another significant HR challenge. There is no truce in this war, regardless of economic conditions.

Recruiting and Retaining Over Time: Given suitably competitive offerings with respect to compensation, culture is an organisation's number one recruitment and retention tool. In an employer-of-choice environment, it is not necessary to pay top dollar if other key factors are in place. Great companies know not to stop seeking the best talent in a downturn. When the stock market is down, many people are afraid to invest — but that is the best time to do so. The job market is similar. Top companies always see value in pursuing the best and brightest. Simultaneously, future talent shortages and the expense of recruiting over retention give these employers a consistently keen eye for keeping their top performers.

Customer relationship management (CRM) is a good model for human capital management (HCM). The steps involved in attracting and retaining customers parallel the activities involved in the war for talent. Where millions are spent on the customer relationship, has a similar emphasis been placed on employees?

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Understanding the Workforce: Statistics show that the size of the workforce is diminishing — when the economy comes back, there will be fewer candidates from which to choose. Although there is an economic slowdown now, in the next 10 years demand will outstrip the supply. During a downturn, if companies that are not hiring eliminate their focus on recruitment, they can miss golden opportunities to secure the high performers who might be instrumental in the future.

Winning the war for talent requires knowing the workforce. For example, by 2050 there will be fewer people available to work, and the majority of these will be older than 50. The contingent workforce will also be more critical in the future. Therefore, why not innovate by creating a temporary or part-time environment in which the 50-plus population will want to work? What about giving the new mom or dad the opportunity to balance hours at work and at home?

3. **Leveraging an Indispensable Player: Technology**

Meeting today's HR challenges would be impossible without technology, a critical practice in and of itself. Most people want to work for companies that have good technology. For example, college graduates accustomed to using the internet for their work, research, thesis, and case studies expect the latest technology on the job. Given the widespread availability of technology, a company lacking in this component will not qualify as an employer of choice for the emerging workforce. Technological development is in every company's best interest. According to Cedar Group, "Organizations continue to report high degrees of success in using technology to meet objectives of business improvement, employee satisfaction and elevation of HR's contribution as a strategic business partner."

Using Technology as a Facilitator: Great companies know how to use technology. Instead of accumulating an excess of technology for technology's sake, they invest in technology specifically as it facilitates accomplishment of their objectives. For example, an employer of choice will leverage the company website to add momentum to branding efforts.

Entering the Portal Gateway: Critical to the employer of choice, portals provide organized, efficient access to the customized content, knowledge, reporting structures, analytics capabilities, and transactions each employee needs. An enterprise portal is the gateway to all company functions and offers personalized, role-basedaccess with respect to who employees are, where they are located, what they do, and why they do it. Third-party sources of content such as salary surveys or job boards can also be accessed through a portal.

Establishing Self-Service and Collaboration: People want to work for and stay at companies that empower them to do their jobs, and self- service and collaboration do exactly that. Employee self-

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service makes HR and other work-related transactions easily accessible 24 x 7, granting increased workforce autonomy and lightening the HR administrative load. Self-service has been gaining momentum. According to Towers Perrin, "Despite recent world events, the economic downturn and actual results to date with self-service, half to more than two-thirds of responding companies, polled in November 2001, plan to step up investments across a wide variety of HR applications."

Analyzing All the Data: Analytics statistically measure what is and why, and also provide data as to what should be, what could be, and what will be. By drawing from a central repository of all pertinent internal and external company data, work- force analytics enable organizations to model, simulate, report, compare and leverage the metrics most important to HR and the entire organization.

4. Recognizing the Workforce as a Profit Center

Historically undervalued, human capital is in reality a strategic asset. Watson Wyatt's 1999- 2001 Human Capital Index survey of over 750 international companies statistically proved that implementing HCM best practices is a leading — not lagging — factor in increasing shareholder value.

Accounting for People: a Necessary Expense? : With effective HCM, optimized human capital is powerful enough to drive success, why is it common that the only executive-level mention of human capital is an expense line on the income statement? Such an approach forces inverted behavior. For example, a company might employ the fewest people at the lowest cost simply to enhance the income statement. However, this "enhancement" is a hidden stress on overall performance.

Quantifying the Intangible-Human Capital: Since the early 1980's, companies' predominant source of market value has shifted from tangible fixed assets to intangible assets. Intangibles include human capital, structural capital, customer capital, and organizational capital, with human capital contributing by far the biggest portion. Great companies are using HCM to leverage human capital by tying individual performance to key organizational objectives and are seeing the difference in corporate profits — the workforce is indeed a profit center.

HR responsibilities include many specific details involving compensation, workforce trends and so on. However, it is critical that HR can answer questions such as:

- Who are our top performers and how can we retain them?

- Who are our high-potential employees and how can we develop them?

- Who are we at risk of losing and how can we reduce that risk?

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5. Contributing as a Strategic Business Partner

Although there is emphasis today on getting HR out of record keeping and making HR more strategic, a lot of HR people are not equipped for this. Often a company wants an HR representative to think like a businessperson but does not give them the respect, time, tools and other provisions to do so.

HR's role as a strategic business partner comes from both the company and HR's own initiatives. One factor that supports HR in functioning better in the business world and becoming a key business partner is appropriate use of the right technology. Technology can help HR assess opportunities, manage risks, take action, and communicate with employees.

6. Cultivating Leadership: e-Learning and Development

Today's college graduates are less concerned with starting near the top as they are with being empowered to learn and make company decisions. Most people instinctively want to learn, which is very different from being "trained." Learning is an environment that pro- motes the ability to gain knowledge, whether via a course, access to expertise in the form of mentors, or participation in innovative projects.

Loyalty to a single company is rapidly becoming a thing of the past. While culture attracts a new hire, the reason an employee stays on is because the working environment is challenging and meaningful, engendering growth and development. The number one reason an employee leaves a company is lack of respect of the immediate supervisor. The culprit is the aging workforce, which causes organizations to promote younger individuals before they might be ready to be managers.

7. Thinking Globally, Complying Locally

Even small organizations deal increasingly with customers and employees on a global basis. Great companies know how to think globally and comply locally. They act like a global organization, yet an understanding of the local environment permeates every relationship.

Making global differences a part of corporate culture is a valuable endeavor. Indeed, diversity itself is a source of greatness. Organizational headquarters that have the attitude that "corporate knows best" will have a difficult time instilling a viable culture. Education and awareness make all the difference, especially in the following areas:

Legal and regulatory issues: It is important to be familiar with laws and regulations in locations where the organization has a presence. For example, in some countries tracking religion is mandatory, while in others it is illegal.

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Data security and data flow: Organizations must not only obey regulations with respect to data, but they must also be aware of how sensitive and important the security of personal data is in most of the world.

Culture: Each country has a differing set of cultural values apart from company culture. For example, some base their attitudes on love/hate polarities, while others use approval/disapproval. It is very important for smooth global operations that HR under- stands discrepancies between country culture and company culture and implements the appropriate processes.

Culture-based motivation: Incentive programs for people of different cultures should present true incentives by offering valued rewards. While pay for performance motivates US workers, in Germany title is motivational. In Japan, "the nail that sticks up gets hammered," so individual performance is valued less, while efforts toward achieving group goals receive stronger reinforcement.

8. Incorporating Flexibility and Adaptability

For years companies have been moving away from hierarchical, structured environments because they are neither effective for organizing nor comfortable for employees. HR needs to mirror this movement by allowing employees— particularly managers — to be flexible, adaptable, and nimble. For example, instead of restricting a creative requisition that strays from an exact, predefined job description and salary range, HR can allow for variances that fit special circumstances.

Guidelines, rules, and benchmarks are important, but flexibility is even more critical, particularly where people are concerned. Collaboration with all constituents requires adaptability. Organizations today are less about physical structure than logical structure supported by technology.

Before doing anything else, HR must create a flexible environment where top prospects seek to be employed. This is a place where employees look forward to coming to work, enjoy working while they're there, feel they play an important role in the company, and want to stay because the company is continuing to develop them and care about them.

Conclusions

As we have discussed the dominant issues and challenges which are facing by HR mangers and organization. The foremost work by the HR is to develop sound organizational structure with strong interpersonal skill to employees. Training employees by familiarize them with the concept of globalize human resource management ment to perform better in the global organization context. All these issues and challenges like, work force diversity, leadership development. organizational effectiveness, Globalization, E- Commerce, etc, can be best manage by HR manager where they have

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to adopt a HR practice which encourages rigid recruitment and selection policy, division of jobs, empowerment, encouraging diversity in the workplace, training and development of the work force, fostering innovation, proper assigning of duties and responsibilities, managing knowledge. By enthusiastically following all the above aspects the value of human resource can be improved, organization efficiency can be enhanced, and the organization will sustain to survive.

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