

Biggest Challenges Facing Hr Departments

Abobk rklefa N Alhgig¹, Dr. Reena Mehta²

¹(PhD student ,SHIATS-DL, Allahabad, U.P. India)

²(Dr. Reen, ,SHIATS-DL, Allahabad, U.P. India)

Corresponding Author: Abobkrklefa N Alhgig

Abstract : This paper explains the Biggest Challenges Facing HR Departments, As HR works to move to a more strategic role, addressing these issues has become a continual and time consuming process. in global politics and the continued business risks mean that global HR directors will be facing some difficult challenges in the coming few years.

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I. Introduction

Human resources departments face significant challenges as their roles become broader and more strategic in the early 21st century. HR is more than a basic function that involves hiring, training and retaining employees.

It is a key element in developing a workforce that aligns with the mission and vision of a business. With increased relevance comes increased obstacles.⁽¹⁾

Some of the challenges facing HR directors are long-standing, “It’s about continuing to build a global mindset and leadership ever more deeply into the organization and creating much better linkage between their international mobility and global talent management functions.”⁽²⁾

The Human resource function has been changing every year. New business is established every year so that HR department wants to improve the skill of employees according to current scenario to reduce products cost effectively.

but generally the biggest challenges facing Human resource Departments today are Recruitment, motivation and Retention, Leadership Development and Corporate Culture and Managing Limited Resources and Budge and Bridging the Skills Gap As human resource works to motivate to a more strategic role, addressing these issues has become a continuous and time consuming process.⁽³⁾

A- Internal challenges facing the Department of Human Resource Management

(i) - Recruitment, Retention and Motivation

This may be the most challenging issue that challenges HR today. Human resource professionals anticipate that retaining the best employees will be the greatest HR challenge in 2022, according to a November 2012 poll by the Society for Human Resource Management.

Predictions indicate there will be a lot of people looking for new jobs when the economy improves.

In times of economic slowdown and periods when growth is slow, employees become more open to considering other employment options.

Employers today have to find new methods to attract talent through social media, postings on job boards and even other traditional methods such as attending job fairs and sending out promotional mailings to generate interest.

Finding out why people are leaving and addressing the issues is a role HR also plays a prominent role to develop the skill of employees.⁽⁴⁾

(ii) Bridging the Skills Gap

To jump the skills gap, start with your own internal job descriptions to make sure they’re presenting an accurate viewpoint of the qualifications needed for the job and the responsibilities of the position. If you’re unclear about the position in the job description, you’ll end up with a pile of resumes for people who don’t match your needs. In the interview, whether it’s in person or through online video, look for candidates who get specific about their skills.⁽⁵⁾

(iii) - ESTABLISHING HEALTHY AND COOPERATIVE CORPORATE CULTURE:

Corporate culture has become one of the decided challenges in the late 20th century. Elevating market demands makes companies work more to grow, expand and sustain within the volatile market scenarios. This, thus directly or indirectly affects the organizational culture, as every resource is over-occupied with loads of work that may affect the healthy work culture at office leading more to clashes or office chaos.

(iv) - ELEVATING HUMAN CAPITAL INVESTMENTS:

Near about two-fifth of Human resource professionals indicate that the biggest challenge for the coming decade will be acquiring human capital and optimizing human capital investments. On deeply analyzing the challenges, one thing that is clear is that the most difficult challenge that'll crop up is retaining good employees and attracting best candidates. This entails that HR professionals need to develop talent management talent that can effectively contribute in attracting, retaining and rewarding top performing employees.⁽⁶⁾

(v) - Directorship Development

The HRM poll and a similar one in 2010 by PricewaterhouseCoopers both indicated leadership development as a key challenge for HR. 52% of respondents indicated this factor was a concern, a important increase over 29% in 2010. The workforce is aging fastly, leading many Human resource teams to consider putting formal succession plans in place and to start more emphasis on developing future leaders. As companies grow and enhance, developing leaders has become a major ambition .

Successful companies that work on directorship development will also make strides with them. They also need a more attractive leadership role in decisions within their jobs, which may necessitate training.⁽⁷⁾

(vi) Managing with Limited Resources and Budget-

It's no secret that the Human Resource department suffers from lack of resources, budget, and on numerous occasions they are understaffed. A successful department must be able to function with limited resources.

If this requires working with outside vendors to streamline HR functions then your department must be able to budget accordingly.⁽⁸⁾

(vii)-Culture

Research has proven that culture influences institutional performance, whether achievement is defined in terms of customer comfort, attendance, security, stock price or productivity.

Human resources plays an active role in the development of an institutional culture, Great workplaces with a great corporate culture are more financially successful than their peers. Great workplaces have lower employee turnover than their contestant and are able to recruit top skilled that fits their culture and wants. The end result is they provide top quality customer service and create innovative products and services that contribute to their overall monetary success. There is a strong relationship between cultures and hiring that comes into play with employee sourcing, selection and retention. Cultural fit is the makeup of someone. It's who they are and what they bring to the table. Generally it can't be taught. Most companies pay relatively little attention to culture despite its importance. It has been proven that actively managing and developing culture through hiring can significantly improve employee retention and performance. In the end, this directly influences organizational profitability and growth.

If your corporate culture is not in synch with your candidate, it will be difficult to change them. Most people can pick up new skills with relative ease if you have the time to train them.⁽⁹⁾

B -External factors affecting Human Resource department

The major external factors affecting HR resources of an organization .

The external factors are:

(i) Economic Factors: Economic factors include all those economic forces which affect the HR function, Highly relevant economic factors are suppliers, customers, competitors, and globalization.

A - brief explanation of these factors is as follows:

(i) Suppliers: As regards the Human resource department, the suppliers are those who provide human resources to the institution, The suppliers consist the universities, colleges, training institutes, consultancy firms etc. The quality of inputs of employees depends upon the suppliers.

(ii) Customers: Customers of the institution also influence the Human resource functions. Now-days, customers are considered the kings.

They want high quality products at reasonable prices. Each and every employee in the company must contribute towards achieving the quality of goods and satisfy the customer according to his need.

It is the liability of every employee to conform that their performance is of the highest standard. Sales are affected by the product quality which is directly related to the skills and qualifications of the employees.

(iii) Competitors: Competition in a special industry plays a very prominent role in the Human resource functions and activities.

If many companies make job offers to one individual, the organization with more attractive terms and conditions will win, As the number of competitors increases the importance of staffing function and compensation practices also increases.

When due to competition, employees with particular skills are hard to obtain the organization will have to train their own employees through proper planning, training and development activities.

(iv) Globalization: Due to globalization, the Human resource managers are need to play challenging roles and create competitive profitability for their concern. Global firms have to continually reorganize their function and refocus their energies around their crucial areas of competence.

Today the business environment has become highly changing in nature.

Changes of various kinds hit the firms from all angles. Successful managers are those who expectation and adjust to such changes quickly rather than being passively swept along or caught unprepared. If firms hire people who cannot adjust to changes, then they are hiring the wrong persons.

Agility is the name of the game now-days, if the firms have to survive. The Human resource managers have an prominent role in creating a favorable work climate to initiate and implement changes quickly.

They have to anticipate important and crucial changes in advance and initiate proactive steps immediately.

In the long run, how effectively a company uses its human resources can have a dramatic impact on its ability to compete or survive in an increasingly competitive environment.

2. Political-Legal Factors: The political-legal environment covers the impact of political institutions on the Human resource management department. All activities of Human resource management are in one way or the other affected by these factors. To be specific, Human resource planning, recruitment and selection, placement, training, salary, employee relations and retirement are governed by the legal process.

3. Social

Several social factors may influence your HR planning, but you need to take into account equalities and diversity in particular. Where there is a clear discrepancy of one social group, it's a good idea to build in ways of opening up new opportunities. For example, if there are few Hispanic people in your company compared to numbers in the wider community, determine why this is the case and what can be done to redress the balance.

Try holding a recruitment event in the area or conducting a survey of locals, asking if they would consider a job at your company.⁽¹⁰⁾

4. Cultural Factors: Cultural forces represent another important concern affecting international HR management. The culture of organizations was discussed earlier in the text, and of course, national cultures also exist. Culture is composed of the societal forces affecting the values, beliefs, and actions of a distinct group of people. Cultural differences certainly exist between nations, but significant cultural differences exist within countries also. One only has to look at the conflicts caused by religion or ethnicity in Central Europe and other parts of the world to see the importance of culture on international organizations. Getting individuals from different ethnic or tribal backgrounds working together may be difficult in some parts of the world. Culture can lead to ethical differences among countries.

A review of each of those dimensions follows.

(i) POWER DISTANCE

The dimension of power distance refers to the inequality among the people of a nation. In countries such as Germany, the Netherlands, and the United States, there is a smaller power distance—which means there is less inequality—than in such countries as France, Indonesia, Russia, and China. As power distance increases, there are greater status and authority differences between superiors and subordinates.

(ii) INDIVIDUALISM

Another dimension of culture identified by Hofstede is individualism, which is the extent to which people in a country prefer to act as individuals instead of members of groups. On this dimension, people in

Asian countries tend to be less individualistic and more group-oriented, whereas those in the United States score the highest in individualism.

An implication of these differences is that more collective action and less individual competition is likely in those countries that deemphasize individualism.

(iii) MASCULINITY/FEMININITY

The cultural dimension masculinity/femininity refers to the degree to which “masculine” values prevail over “feminine” values. Masculine values identified by Hofstede were assertiveness, performance orientation, success, and competitiveness, whereas feminine values included quality of life, close personal relationships, and caring. Respondents from Japan had the highest masculinity scores, while those from the Netherlands had more femininity-oriented values. Differences on this dimension may be tied to the role of women in the culture. Considering the different roles of women and what is “acceptable” for women in the United States, Saudi Arabia, Japan, and Mexico suggests how this dimension might affect the assignment of women expatriates to managerial jobs in the various countries.

(iv) UNCERTAINTY AVOIDANCE

The dimension of uncertainty avoidance refers to the preference of people in a country for structured rather than unstructured situations. A structured situation is one in which rules can be established and there are clear guides on how people are expected to act. Nations high on this factor, such as Japan, France, and Russia, tend to be more resistant to change and more rigid. In contrast, people in places such as Hong Kong, the United States, and Indonesia tend to have more “business energy” and to be more flexible.

(v) LONG-TERM ORIENTATION

The dimension of long-term orientation refers to values people hold that emphasize the future, as opposed to short-term values, which focus on the present and the past. Long-term values include thrift and persistence, while short-term values include respecting tradition and fulfilling social obligations. People scoring the highest on long-term orientation were China and Hong Kong, while people in Russia, the United States, and France tended to have more short-term orientation.⁽¹¹⁾

5. Technological Factors: New technology brings new skills requirements, so companies always need to be aware of proficiencies and training needs when planning human resources. New products and services also may require recruiting highly skilled employees or training existing employees to meet the need. Make sure HR managers are aware of new equipment or knowledge be needed so they can build the required skills, and most likely salary enhancements, into the plan.⁽¹²⁾

6. Unions: Trade unions constitute one of the major power blocks in various countries. With the creation and recognition of unions, the issues connecting to employee interests are no longer determined by the unilateral actions of the management.

These have to be discussed with union leaders Thus, the scope of managerial discretion in Human resource decisions has been narrowed down.

Professionalism: Job holders and seekers have become highly professionalized and knowledgeable now-a-days. On the one hand, such organizations can boast of a progressive and modern outlook of its personnel; but on the other, the problems faced are also serious.⁽¹³⁾

II. Recommendations

- 1- The need for holding training courses to raise the efficiency and skill of human resources
- 2- The Organization's senior management should know the importance of changing from traditional to contemporary in the roles of managing human resources to meet challenges

III. Coiling

Organizations will need to take steps to retain their workforce by focusing more on training and participation programs or investing in areas that improve people's ability to meet challenges, such as integrated technology systems or better candidate recruitment schemes.

Human resources departments must prepare to maximize their resources and personnel in the face of human resource management challenges that will continue to evolve for years to come as organizations look to grow

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