

A STUDY ON RECENT TRENDS AND CHALLENGES IN HUMAN RESOURCES MANAGEMENT

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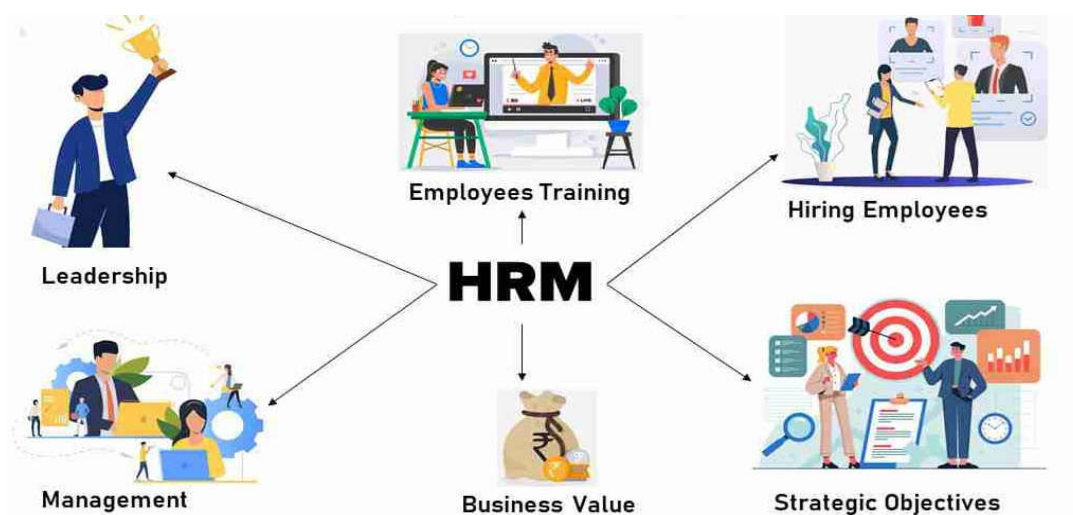
Abstract

The term "HR challenges" describes the different barriers or issues that HR professionals deal with when managing and training employees in a company. These difficulties stem from both internal and external sources, such as shifting labour regulations, demographic shifts in the workforce, technological developments, globalization, organizational reorganizations, talent management, cultural dynamics, etc. Today's HRM must rise to the expectations of management, employees and aspiring job seekers and create a competitive edge. HRM needs to be well prepared and approach challenges and risks strategically. It can be concluded that HRM as a department has evolved in recent times. The contribution of this department has undoubtedly helped the organization in its transportation and in facing the challenges that the organization often faces.

Keywords: HRM, Trends and Challenges

Introduction

The planning, organizing, directing, and managing of the acquisition, development, compensation, integration, maintenance, and separation of human resources to achieve organizational, social, and individual goals is known as human resource management. The practice of recruiting, hiring, employing, and managing an organization's workforce is known as human resource management (HRM). A common term for HRM is human resources (HR). Creating, implementing, and monitoring rules that regulate employees and the organization's interaction with them are often the responsibilities of the human resources department of a business or organization.



Source: Secondary data

Reviews

Kaur (2014) HRM practices shape employees' desired knowledge, skills, talents, values, and attitudes. Human resource management has undergone a significant transformation, moving from its historical administrative function to becoming a key strategic partner for advancing organizational success. Current trends are influencing this change. Understanding the psychology of the workforce, keeping the greatest personnel in the business, inspiring them to perform better, and managing diversity while preserving unity are all extremely difficult tasks.

Kulla and Soetjipto (2017) every country's corporate governance reflects the quality of its public officials, who are its lifeblood. Competency, job placement, organizational culture, leadership, and payroll issues are prevalent in public sector organizations and can seriously impair their capacity to perform at their highest level. A case study methodology has been selected in order to facilitate thorough and in-depth investigation. Researchers collected data from the Mimika Regency Development Planning Agency between January and March 2017. To generate competent officials, the public sector must improve the behavior and quality of its human resources and solve emerging human resource-related issues.

Ranyia *et al.* (2023) Human resource management (HRM) has evolved from its modest origins as an administrative task to become an essential ally in accomplishing business goals. Changes in technology, culture, and the economy have led to this development. By analyzing current HRM trends and issues, this academic paper emphasizes their importance. AI and HR analytics have transformed human resource management (HRM), enabling fact-based decision-making, improving the hiring process, and increasing employee engagement. Human Resource Management (HRM) can better align human activities with business objectives by shifting from an administrative role to one of a strategic collaborator in organizational decision-making. Globalization has forced human resource management to adjust to a workforce that is more multicultural and multiethnic.

Nilavarasan and Ganesamurthy (2023) the Indian banking industry must implement HR procedures and policies that will enable it to satisfy its obligations and establish a system that satisfies the needs of both its clients and staff. For India's banking industry to stay competitive and benefit globally, it needs to be led by banking experts. The HR procedures and rules of India's banking sector are examined in this essay, with a focus on public sector banks. Job analysis, training and development, performance evaluation, remuneration, and recruiting and selection are some of the significant factors that are taken into account in the banking industry.

Objectives

- To learn about the most recent HRM trends.
- Understanding the Challenges of Human Resource Management

Methodology

This study looks at secondary data. Secondary data were gathered from a variety of publications, books, newspapers, and internet.

Need of the study:

The purpose of the study is to analyze and understand the recent trends in HRM and also to understand the challenges face by the HR department in the field of HRM.

HRM Objectives:

1. **Social goals:** These are responses to the organization's and its employees' ethical and social needs or challenges. This covers legal matters like equal pay for equal effort and equal opportunity.
2. **The goals of the organization:** These are steps taken to guarantee organizational effectiveness, such as maintaining high employee retention rates, recruiting the proper amount of workers for a given position, and offering suitable training.
3. **Operational goals:** These rules are utilized to make sure that the organization's human resources are operating effectively. One aspect of this is making certain that every human resource is used to its maximum capacity.
4. **Individual goals:** These are the tools that help each worker achieve their individual objectives. This covers chances for learning and professional advancement in addition to preserving staff.

HR trends are current advancements in the field of human resources. It facilitates the simplification of HR tasks and boosts HR professionals' output. It also highlights how HR will develop in the future to offer data-driven reporting, automation, and streamlined procedures that make management and staff's experiences easier.

Recent Trends in HRM:

1. Embracing Hybrid & Remote Working

HR technology is advancing in tandem with the global trend towards remote and hybrid work settings. The most recent HRMS helps HR complete jobs remotely while assisting staff in maintaining productivity by utilizing a variety of remote work features, such as leave management and performance management systems.

2. Improved DEI Workforce

As workers begin to work remotely, diversity, equity, and inclusion become even more important. Working remotely frees you from having to collaborate with local talent. Finding the best people globally and attracting their interest in working for you can be accomplished by using the right words.

3. Better Transparency

Transparency is ensured by the HRMS system through personalized performance reviews, one-on-one meetings, and 360-degree feedback, among other things. Employees can take the required actions to better themselves and realize their worth to the company. In order to better fit in with the company, it helps people comprehend its principles and match their work ethic with them.

4. Virtual Employee Wellbeing

The pandemic has raised awareness of employee well-being. This has directly led to HR leaders strengthening existing employee well-being programs or launching new ones. However, remote work technologies are essential for delivering well-being services.

5. Developing Employee Skills

In 2025, cross-selling and up skilling will be major HR trends. As a result, HR personnel should receive all the assistance possible to aid them in this undertaking. The essential word here is mobile learning, and micro learning can be used to assist develop skills. Along with VR and AR technologies, entertainment is another way to make learning enjoyable.

6. Implementing & Improving AI

AI has already revolutionized the human resources sector. In 62% of the organizations where it has been implemented, it has enhanced data-driven decision-making. An additional 30% of organizations intend to utilize AI in HR by 2025, while 17% of organizations are already utilizing AI-based solutions to greatly enhance their HR operations, per a May 2020 Gartner survey.

7. Advanced Cyber Security

Data security has emerged as a possible issue for management and HR due to the development of AI and remote work. An IBM analysis carried out in the United States found that in 2021, organizations spent \$4.24 million on data breaches. This enormous number was thought to be primarily caused by remote work and a lack of cyber security awareness.

8. Employee Monitoring

Monitoring staff productivity has been hailed as the next step in increasing the company's total productivity, despite the fact that it has given rise to certain privacy concerns.

9. Better HR Communication

HR technology has taken over as a communication facilitator since distant work hinders employee collaboration and communication. While 77% of employees on-site are able to interact effectively, 60% of remote workers are actively working together on assigned tasks, according to a recent survey.

10. Powerful Analytics

The emergence of robust analytics and reporting tools is another consequence of HR digitization. AI can actually be used to perform predictive analysis, which makes use of past trends to forecast employee behavior.

11. Four-Day Work Week

After the pandemic, the idea of working four days a week has gained popularity because of its advantages, which include increased productivity and better work-life balance. Four

working days a week is a concept that several nations, including Japan, support because it encourages employee enthusiasm, improves work-life balance, and prioritizes mental health.

12. Return-to-office Policies (RTO)

The newest developments in human resources management are clear communications and transparency surrounding the return-to-office regulations, which became common after the pandemic as businesses started working from the office again and RTO policies proliferated.

13. Big Stay Trend

Employees put employment security and stability ahead of looking for new chances during recessions or other periods of financial instability, a phenomenon known as the "Big Stay." The goal is to retain as many people as possible in the current era, when the war situations in prominent nations like Russia and Ukraine are hurting the American labour market and causing a recession in the global IT industries that depend on India.

14. Pay Transparency

One of the significant HR trends that has become crucial in recent years is pay transparency. In order to help employees understand their pay breakdowns and the compensation ranges of job listings for candidates looking for positions, new labour laws and regulations are requiring pay transparency, which makes this increasingly significant.

15. HRMS Subscriptions over Purchase

Subscriptions, which enable businesses to use HRMS software without purchasing it, are one of the most popular HR trends. With HRMS subscriptions, businesses can use particular software modules as needed without having to pay the full cost.

Challenges in HRM:

1. Artificial Intelligence (AI)

AI is permeating every aspect of businesses and sectors, automating numerous fundamental business operations to free up staff members to concentrate on more strategic, engaging, and creative work that generates actual company value. For HR leaders, resistance is

the AI challenge. The good news, according to Paychex data, is that 98% of U.S. company and HR directors are predicted to embrace AI in 2024. According to Paychex, HR teams spend over 25% of their typical workweek on administrative tasks; AI can assist them in lessening this strain. Their top concerns include increasing employee skill development and career planning (54%), changing perks to draw and retain top talent (53%), and enhancing hiring and retention (50%).

2. Leadership Development

According to football coach Vince Lombardi, who is honoured with the Super Bowl trophy, some leaders are created by hard work, while others are born. Every facet of business performance, including executive alignment, brand reputation, customer and employee engagement, satisfaction, acquisition and retention, productivity, revenue, and profitability, can undoubtedly benefit greatly from continuous, effective leadership development.

3. Work-Life Balance

Employee work-life balance has become much more important since the pandemic, and this trend isn't going away anytime soon. Today, just over two-thirds of businesses provide flexible work arrangements.

4. Health and Wellness

It's no surprise that many strategies that help workers manage their home and professional lives can also improve physical and mental health. These include the option to work remotely, at least occasionally, and flexible work hours. Providing standing workstations, holding "walking meetings," and providing nutritious snacks to on-site employees can improve well-being at relatively low cost.

5. Cross-Generational Team Building

The workforce of today frequently consists of several generations. The benefit? Businesses acquire a wider variety of problem-solving concepts. However, the ways that people of different ages use technology, engage with others, and manage their professional and personal lives can differ. These distinctions may result in poor teamwork and communication.

6. Change Management

Not only is change challenging, but it is also draining, particularly for employees who have seen numerous disruptions. The figures support that: According to Gartner, employees' willingness to support organizational change decreased from 74% in 2016 to just 38% in 2022.

7. Training and Development

Every job requires an ever-increasing amount of talents. To find skills gaps and assist staff in acquiring the abilities required for both present and future positions, HR might collaborate with other departments within the company.

8. Compensation

According to statistics from The Conference Board, Willis Towers Watson (WTW), and Robert Half, employee compensation is increasing despite a tight labour market and pay freezes among some well-known corporations. In some respects, this is not surprising, given that businesses are trying to recruit and keep workers in the face of rising costs, the Great Resignation, and workers' persistent desire to switch employers in search of higher-paying positions. According to WTW, cost control, transparency, and equitable compensation will be the main issues facing HR departments and companies in general.

9. Recruitment

An efficient hiring strategy is essential as businesses aim for further expansion. Meeting prospective prospects where they are is one stage. This calls for conducting remote interviews through video conferencing software and recruiting through a variety of social media and job posting platforms.

10. Talent Acquisition

Talent acquisition is a proactive, continuous process that anticipates future employment needs, whereas recruitment entails actively filling open positions. The persistent worldwide talent deficit, which Korn Ferry predicts will surpass 85 million individuals by 2030 and result in up to \$8.5 trillion in unrealized yearly income, is arguably the largest obstacle to HR professionals' ability to overcome this. This serves to highlight the significance of developing

and maintaining relationships with a pool of competent candidates who may eventually be able to fill available positions. HR software that can forecast staffing needs and store candidate data is also essential, as was previously mentioned.

11. Retention

Employees are working fewer hours than in the past. According to Indeed's "2024 Workforce Insights Report," over three-quarters of workers are always open to new chances, 29% are actively seeking a career change within the next six to twelve months, and 20% periodically look about in case a position catches their eye.

12. Data Security

In order to lower the risks and expenses associated with cyberattacks, organisations must determine which assets and operations are most susceptible to assaults and concentrate on enhancing their security. Along with working with IT to create explicit data security guidelines and standards, the HR department may also conduct training on the significance of these guidelines and how they impact employees.

13. Employee Experience

Engagement can be boosted via a positive employee experience, which is defined as the worker's viewpoint of their contacts with the company. Increased engagement can improve sales, productivity, and other performance indicators.

14. Conflict Resolution

Human nature may be to blame, but conflict always arises when humans are around. There are many different types of disagreements at work, ranging from business-related matters like project goals and strategic priorities to no longer taboo external subjects like political and geopolitical conflict. Conflicts between personalities are also a fact. Half of managers claim to be in charge of handling conflicts at work, which is a difficult task that calls for specific training, according to Gartner, which also recommends mentoring new managers and rewarding managers who successfully resolve conflicts. An employee's perception of their interactions with the company, or their "positive employee experience," might influence their level of

engagement. Increased revenue, productivity, and other performance indicators can result from increased involvement.

15. Managing Remote Workers

The Census Bureau estimates that 20% of American workers had a hybrid or fully remote schedule in 2023. There is no denying that managing remote workers presents difficulties, including monitoring their productivity, even though reports differ on whether workers who work remotely are more or less productive than those who work in the office. Furthermore, a lack of in-person connection can result in miscommunications, employees spending more time looking for formerly easily accessible tools or information, and a decline in the business culture (discussed above).

16. Measuring HR Effectiveness

Monitoring HR KPIs such as employee happiness, staff turnover, recruiting conversion rate, and absenteeism is a good place to start. HR departments must determine which KPIs are most appropriate for their company, collect those metrics, and compare them to the company's historical performance as well as industry standards.

Conclusion

In view of the above explanation, it is clear that HRM faces various challenges, which include workforce diversity, globalization, adaptation to new trends, training and development. These challenges can be overcome through employee motivation, technological advancement and the involvement of new trends such as artificial intelligence, automation of work. Today's HRM must rise to the expectations of management, employees and aspiring job seekers and create a competitive edge. HRM needs to be well prepared and approach challenges and risks strategically. It can be concluded that HRM as a department has evolved in recent times. The contribution of this department has undoubtedly helped the organization in its transportation and in facing the challenges that the organization often faces.

Limitations:

- ❖ This research paper is based on secondary data, it was difficult to collect information from various sources.
- ❖ This research was designed to identify "trends" that were not observed as some trends were repeated.
- ❖ The data collected was obtained from various websites, and it was not easily available and time-consuming.

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