Emerging Issues & Innovations in Human Resource Management

Dr. Syeda Shumaela Naeem¹
Assistant Professor, Department of Management, Mohammad Ali Jauhar University, Rampur, (U.P.)

ABSTRACT: In this present scenario of uncertainty and risk management, the business organizations have been facing various challenges. Accordingly, managing human resources, efficiently and effectively has emerged as one of the major challenges for the corporate world. In order to resolve these issues, innovation has emerged as the key of success. The corporate have been using this key to unlock their fortune in various ways. In the process of gaining competitive advantage over competitors, HRM innovations have also been playing a quiet significant role. So, this paper discuss in detail the various challenges and innovations in Human Resource Management. Further, How these innovative HRM practices being used in corporate world to meet the challenges arising out of continuous changing political, social, economical and industrial environment?

KEY WORDS: Human, Resource, Management, Innovation, CEO, Coaches.

I. Introduction

India has observed many changes in its political, social and economical structure since independence. However, the most prominent ones were introduced by the New Economic Policy, 1991. These changes have resulted into debureaucratization, decontrol, delicensing, globalization, and privatization of Indian economy (Sapru, 1999). Consequently, corporate have adopted various strategies including technology up-gradation in order to become more competitive and efficient. The Companies that once considered specialization, job description and price as core of their action were initiated emphasizing on speed, integration, job flexibility and value (Reddy and Desari, 2006). However, in the race of earning maximum profits the corporate elapsed to analyze the future impact of their new strategies. Accordingly, the corporate has been facing many negative consequences of their activities. Further, the dynamic external and internal environment has also added fuel to it. It all has resulted in emergence of various corporate issues in present scenario. So this article is the modest attempt to analyses the emerging issues in Human Resource Management, their reasons, elucidation and resolution through innovative HRM Practices.

HRM CHALLENGES IN PRESENT SCENARIO

Human resources among themselves are complex in nature and their management is still a biggest challenge for today’s corporate. As per the Scott and others also, “Human resources management is that branch of management which is responsible on staff basis for concentrating on those aspects of relationship of management to employees and employees to employees and with the development of the individual and the group. The objective is to attain the maximum individual development, desirable working relationship between employers and employees and employees and employees, and effective moulding of human resources as contrasted with physical resources”. Further, being the only active asset of an organization, the human resources have become the valuable key of success to the corporate, for gaining competitive advantage.

However, due to factors like multinational, multicultural and multi skill workforce; more involvement of women and elderly employee; digital information age; major shift in corporate preference from manufacturing to service sector; technical advancement; manpower redundancy; change in the Psychological Contact between employer and employee; labour reforms etc. along with environmental changes, the management of human resources have become more difficult for corporate in comparison to earlier decades. It has also resulted into emergence of many issues in present scenario in regard to Human Resource Management.

EMERGING ISSUES IN HRM

Redundant manpower

In order to establish a self sufficient and self reliable nation, the policy makers had developed a closed, controlled and restrictive Indian economy. Further, the earlier socialist approach of Indian economy emphasized more on employment generation. It all has, resulted over manning in various organizations (Das and Das, 2009). Consequently, Indian economy had faced a severe economic crisis in 1991. However, the New Indian Economic Policy, 1991 transformed the national economy as Liberalized, Privatized and Globalized. These changes in the economic scenario demanded quick restructuring, modernization, upgradation of
technology and adoption of global standards, in addition to more skilled and productive manpower. The cost competitiveness, high productivity along with the competitive edge of global quality standards, have further emerged as the major challenge and key of survival for present organizations. Accordingly, Corporate had to adopt various cost cutting strategies including “redundancy management” (Sinha and Srivastava, 1995).

In view of the prevailing Protectionist Labour laws in India, employers usually prefer VRS among various alternatives like retrenchment, Layoff etc. But at times, these VR Schemes were found involuntary in nature. These VR Schemes had also adversely impact the socio- economic conditions of many VRS opted employees. Due to all these factors, VRS has also been criticized by the socialists, NGOs and scholars on various dimensions.

So, it has been suggested that the Corporate may adopt various other options, available for rightsizing its manpower which are beneficial for employees also. Available options could be Phased Retirement (Hutchens and Grace-Martin, 2006), expansion and diversification of business areas, Penetration in new markets, Retraining of employees and their placement on other jobs etc.

**Diversified workforce**

Globalization of trade necessitated the employment of multinational, multicultural and multilingual workforce. This diversified workforce has a variation not only in nature but also in age group, personality, profession, and work culture etc. Further, the workforce of many MNCS has been geographically located at far off places on the globe. Therefore, the management of the diversified workforce has become a real challenge in the present scenario.

Organisational conflicts usually crop up among the diversified workforce due to the difference of attitudes, values, assumptions, racism, prejudice etc., leading to high level of turnover, absenteeism, poor team work, communication barrier, time in implementation, and much more. Further, due to outsourcing, off shoring and in sourcing, managers of MNCs also have to manage the local populations of different countries which differ in many aspects.

However, corporate have been trying their best to resolve these issues as far as possible. But through adopting certain initiatives like Quarterly/ Half year Global team reviews consisting conferences, meeting or planning sessions to facilitate the networking among team members of the same team spread across global location; Computer based training; Video books etc., (Aswathappa and Sadhna, 2008) the corporate may enhance the effectiveness of the diversified workforce several folds. Beside this, management could succeed in managing diversified workforce by organizing the celebrations on the occasion of national-international festivals, transferring employees to different national-international location of companies, job rotation, enhancing worker participation in decision making etc.

**Quality management**

With the globalization of markets, the expectations and demands of consumers have increased many times. The consumers have been demanding more innovative products with more utility and after sale services. The customers have also appreciating the companies offering best quality product at competitive rates. Therefore the competitions among organizations have increased tremendously. In order to produce the quality products in short durations, the organizations have adopted various strategies like outsourcing, off shoring, in sourcing etc.

The brands and the innovative world of advertisement have also been playing the significant role in attracting the consumers. For establishing Brands, various certification / standards e.g. ISO certification like ISO 9004:2000 for Quality Management system, guidelines for performance improvement etc., ( ISO standard Glossary) etc. have become essential. Since the competitive and efficient human resource is the master key to the expected quality, therefore Human Resource Management plays a vital role in achieving high quality standards.

Further, in addition to the concept of Total Quality Management (TQM), Quality obsession is also significant for improvement of quality of the product. “The approach of Quality Obsession is an amalgamation of procedures, people and passion to produce superior product. Quality Obsession, in turn, can only be achieved through worker’s participation, involvement appreciation and commitment in improving the key processes. Bharat Heavy Electricals Limited (BHEL) introduced some innovative and novel approaches like Quality through Measurement (QTM) and Root Cause Analysis (RCA) to bring attitudinal changes for achieving quality obsession” (Jain, 2008).

**Talent war**

In the world of cut throat competition, Talent Management has appeared as the ‘Mantra’ of continued existence and success for the organizations. Talent acquisition and retention has emerged as a key concern for corporate in present scenario. During recession, where many companies downsized their manpower, many other
employers were succeeded to attract the talent at competitive rates to build their competitive advantage. It all has resulted into the talent war in post recession period. Many companies have also introduced the concept of “flexible pay structure including bonus, performance rated pay, high performance pay, contract pay, cash awards etc.” (Chandramohan, 2008) to attract and retain the talent. However, the attrition rate is still high in many sector of economy due to high expectation and aspiration of employees. Even more than 60% of employees have no real attraction with their organizations, but due to lack of opportunities they are continuing in their jobs (Sudhakar, 2010).

To overcome the drawbacks of talent war, the integrated approach of companies proved to be more ethical. As in the case of “Twenty eight residents of Hinjewadi, including top names like Infosys, TCS, Cognizants and Wipro, that once ruthlessly poached talent from each other, have now agreed to work collectively to reduce attrition. However, they managed to seal a pact under which they will hire from rivals only after candidates have fully served out notice period. The companies have also agreed that the new employees cannot join without a relieving letter from the previous employer” (Sapre, 2010). Further, the organizations should adopt the practices like HR accounting, effective internal training programs etc., so as to manage their talents effectively.

Trade Unions

The significance of Trade unions cannot be ignored in context of Industrial relations and development. The trade unions though its noteworthy efforts ranging from employees protection against management’s unethical practices; employee development; collective bargaining; maintaining harmonious Industrial relation to helping management in achieving high productivity, have enhanced the industrial progress enormously. Trade unions have extended their cooperation wherever it was mandatory or sought by the management. The Trade Unions often understood the financial constraints of the company and cooperated with management (Sundar and Shyam, 2010).

However in recent past, trade unions have lost its status and importance due to various reasons. The political affiliation, small size, irregular growth, weak financial position, increase in the number of trade unions, inter union rivalry, recognition problem, lack of interest among members, and opposition from employers have further lowered its importance in industrial prospect (Gupta, 2008). Further, due to sub-contracting, replacement of regular worker by contract worker, lockouts, labour flexibility, repression of working class by state. Judicial reasons, highly paid workers, outsourcing etc., the position of trade unions have gone weaker in India. Trade unions have to face challenges of convincing blue-collar workers to shed their class arrogance and be part of the broad labour movement as well as to continue pressurizing the government against declaring any sector as ‘public utility’ (Datt, 2008).

Therefore, the need of the hour is that the government should develop a proper legislative frame work to empower and regulate the trade unions. Beside this, through, amalgamation of trade unions; coordination; effective leadership the position of trade unions could be improved in India. It may further help in solving many major industrial issues like casualization of workers. According to Goldar (2009), the percentage of contract workers to the total workers in the organized manufacturing industry in India has increased from 14.6 per cent in 1995-96 to 26.4 percent in 2004-05.

Stress management

Today, Stress has become the part of everyone life, especially among working class. Workplace stress has shown its influence not only on individual employee’s, but the organization’s efficiency and effectiveness has also been affected (Singh, 2009). The factors like role ambiguity, conflicting performance expectation, organization politics, co-worker relations, individual socio-economic conditions, family background, personality traits etc., have contributed much in stress development at workplace (Edwards, 2001; Manshor, 2000; Deary & Blenkin, 1996).

It has been found that the employees are taking pills to enhance their performance and effectiveness at workplace. Cases of death due to drug overdose have been reported in corporate world. The demand to buckle up for meeting goals and bottom lines has, in the past too, led to the instances of substance abuse by employees. With the salaries going up, rewards being linked to performance and variable pay touching never before 40-45% of the salaries, companies are driving their employees to increase their output (Rajan, 2011).

Happiness is the effective key of stress management. Nobel laureate and medical missionary Albert Schweitzer, also said,” Success is not the key to happiness. Happiness is the key to success”. Social scientists provided empirical evidences that some of the key facets of a workplace include the qualities of environment, sense of purpose, feeling of ownership; social embeddedness, empowerment and autonomy, and these could be the real source of happiness (Rajan, 2011).

Beside this, Emotional Intelligence may further help the employees to certain extend in managing the stress. Emotional intelligence can be defined as “a set of non-cognitive abilities that influence one’s ability to
get on in life, working synergistically with IQ to enhance performance and it is the one that differentiates expectation from mediocre performance” (Orme & Cannon, 2000). Continue emphasis on emotional intelligence may further facilitate in building competitive advantage (e.g Cooper 1997, Cooper & Sawaf 1997). Being a conditional response, it can be developed and sharpen over the time to deal with the various personal and professional misfortunes of the life (Parthasarthy, 2009).

**Industrial Security**

Recent crime trends and sophistication of adversaries have revealed serious threats to the corporate. Now criminals have full support of technical advancement for their jobs. The Security scenario at international as well as national level is rapidly shifting due to prevailing terrorism, extremism, naxalism activities.

Physical security has become a part of industrial security, which now includes personnel security, preventive and protective security measures against sabotage, terrorist attacks, espionage, subversion, other sinister activities and massive fires, in addition to the natural calamities.

In order to meet the challenges adduced above, the Industrial Security Systems are required to be upgraded. Security and access control systems have to be integrated with proper mix of human elements and Modern Technical/ Electronic Security devices for more efficient and cost effective security set-up.

**Others**

Additionally, HR measurement indicating improvement in business processes (Srimannarayana,2009); use of Potential appraisal in HRM practices and proper implementation of integrated HRD systems approach (Rao, 2008) may further help the corporate to deal with the emerging issues of HRM in present scenario.

Further, in order to deal with the issues and challenges of HRM more effectively and efficiently, the corporate has adopted various innovative HRM practices in order to achieve the strategic advantage.

**INNOVATION IN HUMAN RESOURCE MANAGEMENT**

In today’s world Innovation has become the necessity of time. Be it the human life or the corporate world, each are passing through the phase of uncertainty and risk. No one is sure what is going to be next in future. In this world of ambiguity, no organization can survive in the dynamic environment without adopting the new changes and innovation. In short, innovation has emerged as the key for success in present scenario.

However, innovation and creativity is not merely restricted to technological development, but also occurring in the world of management with the rapid pace. Human Resource Management being the most imperative part of an organization has seen vast degree of changes in past few decades. From guild system to today’s HRM concept a great transformation has been experienced by this dynamic discipline. In present scenario also, this innovative discipline is offering a range of effective solution to corporate to efficiently deal with the various challenges arising out of continuous changing political, economical, social and industrial environment.

Further, in past two decades, the rate of innovation in HRM has increase many fold due to Globalization, Privatization and Liberalization of corporate world, diversification of business houses, technological changes, multicultural, multinational and educated workforce, increase participation of elderly and women employee, change in values and attitudes in society, increasing demands of stakeholders etc. Many research works by scholars in the field of HRM has further enhanced its effectiveness in present scenario.

**Innovative Human Resource Practices**

Today, the priorities of HR managers have been shifted to development, orientation, customer focus, change management etc. from recruitment, attendance/ leave and many other routine activities (Waraich and Bhardwaj, 2007). The Human resources managers have emerged as the change and development agents for their organizations, and bringing various changes in organizations by persuading and negotiating their employees, and providing them necessary training. Further, various innovative and user-friendly HR products of high value have been developed in recent time to enhance the effectiveness and competitive advantage of organization.

In this era of cut throat competition, the HR managers are not only helping its employee to meet its day today challenges through proper guidance, but also acting as counselor or mentor for them. Additionally, for CEOs, companies are hiring CEO Coaches because boss may be more open to discuss his problem with someone not related to company. These CEO Coaches guide head honchos on issues ranging from leadership skills, training and guiding the second-rung cadre, delegation of duties, and even on profession issues like expansion strategies, business models, etc. These coaches also went for 360 degree feedback, behavior counseling etc. of CEO to increase their efficiency (The Economic Times, 2 August 2010, p-5). The concept of “Organizational Citizenship Behavior” has also playing the significant role in enhancing the commitment of employees for their respective organization. It can be defined as “individual behavior that is discretionary not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988). Organizational Citizenship Behavior can also be seen as the
predictor of work group performance and organizational performance (Koys 2001, Walz & Niehoff, 2000, Podsakoff, Ahearne & MacKenize, 1997). According to the research study of Jain (2010), individual those possess high levels of Organizational Citizenship Behavior are more likely to be a part of an informal structure, and have their own social network within organizations. Beside this, to make the workforce healthy and efficient, many Indian companies have launched healthcare programs, dietary programs, gym and doctor on the premises. Further, to attract and retain the talent in the organization, HR departments has also introduced the concept of ‘Golden Hello’ which refer to a joining bonus and the ‘Golden Handcuff’ or cash incentives and full variable payouts (The Economic Times, 3 May 2010, p-1).

Further, in 2003 Mahindra and Mahindra introduced the ‘Shadow boards’ to give young managers a voice at the highest level of decision making. They were asked to choose three or four subjects, anything at all, deliberate on them for two years and make recommendations (The Economic Times,15 July 2010, p-6).

Work related stress, emotional and psychological problems of employees have also emerged as a major difficulty in HRM. To combat this problem companies have started offering various facilities like unmonitored helpline numbers, one-on-one interactions with counselors and special email IDs for people to air their troubles (The Economic Times, 21 June 2010, p-10). Further the concept of “Happiness coach” has also helped the employee to find meaning and get in touch with their innate state of joy. These Happiness coaches combine age-old wisdom, from ancient spiritual texts, with psychological research and modern day management principles to teach the executives, how to discover their unique purpose, creativity and happiness, through group exercise (The Economic Times, 16 July 2010, p-9). Additionally, companies are going all out to address employee disillusionment, with techniques as varied as the use of ombudspersons, skip-level meetings (meeting your boss’ boss), and even taking entire team on an outdoor trips so that deep-rooted employee grouses can be understood and addressed (The Economic Times, 26 May 2010, p-15).

Further, in corporate world the democracy has increase many fold. The companies have become more transparent and decentralized than earlier. Even the new IT technologies like SAP have further helped the organizations in becoming more transparent and managing their employees more efficiently.

Earlier, it was felt difficult to measure accurately the various HR functions accurately. But, some scholars have proposed some effective techniques to measure HR functions like HR accounting (Flamholtz, 1985); standard for key measures and costs such as training cost per employee, benefits as a percent of payroll, and compensation costs that allow the organizations to compare their performance with others (Fitz-Enz , 1994); Balance Score Cards (Kaplan and Norton, 1996); Philips (2003) 12 approach including, survey approach, HR reputation approach, HR auditing, HR case studies, HR risk monitoring, competitive benchmarking, Key indicators; HR effectiveness index, HR management by objectives, HR profit centers, retune on investment etc.

In addition to above, the Strategic HRM interventions which focus on certain critical themes like team-building, empowerment, involvement, communication, diversity management, employee development, flexibility, reward strategy, performance management, competency management, and leadership management (Saini,2006) have also produced much desire results in HRM.

Further the HRM practices like outsourcing and competency mapping have also bring innovation in the corporate world in totally new manner. As per the, Friedman (2005, 2006) Rule 7 of how companies cope, the best companies outsource to win, not to shrink. They outsource to innovate faster and more cheaply in order to grow larger, gain market share, and hire more and different specialists- not to save money by firing more people.

In addition to above, competency mapping has further linked the each employee of organizational structure with the mission, vision and objectives of the organizations. Though competency mapping companies are identifying key capabilities required for a particular position in an organization. The competency map are also acting as an input for several other HR processes such as job-evaluation; recruitment; training and development; performance management; and succession planning and self-development initiatives. For competency mapping techniques like psychometric test of job incumbent, structured and in-depth interview with the person supervising the position and with others in the hierarchy have also been used by various companies (Business Daily, The Hindu group of publications; Dec 15, 2008). Further, the potential analysis has also become a tool of HRM. The potential appraisal are increasingly use by HR managers not only during performance judgment but also at the time of recruitment. It not only helps the organization to fully utilizing their employees but also enhanced the job satisfaction and commitment of the employees.

II. Conclusion

The innovation in HRM is not a new phenomenon. Further, the rate of innovation in HRM has increased many folds in past few years due to many reasons. These Innovative HRM practices have produced much desirable results in the field of HR, while making the organizations more efficient and effective as whole. Yet, still HRM has much unexplored innovative potential power to face any future challenge coming in the path of organizational progress.