

## GROWING ISSUES AND CHALLENGES OF HRM IN 21<sup>ST</sup> CENTURY

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### Abstract:

*Organizational psychology provided the foundation for the human resource management discipline, which has since emerged as a crucial management tool. With time, this practice's strategic role started to take shape. HR managers now have a difficult job because HR has developed into a crucial strategic partner in a firm. Human resource management departments are now essential to running modern firms in the twenty-first century. This article focuses in particular on how human resource management practices have changed in the twenty-first century. The purpose of this theoretical essay is to emphasize the significance of human resource management, HR practices, and the factors that influence them. In addition, this essay describes the forthcoming difficulties that HR managers will have in the twenty-first century. The purpose of the literature analysis was to illustrate contemporary practices, difficulties, and developing topics in the field of human resource management..*

**Key Words:** *Knowledge sharing, Strategic Partner, Talent management, Competency Framework, Innovation & Creativity, Technological Advancement*

### INTRODUCTION OF THE PAPER

Companies that want to maintain their competitive edge in the present and the future need employees that are well-versed in the newest methods and technology to deal with the changes and approaching difficulties of the twenty-first century. Organizations face a staggering amount of obligations nowadays. Among these include increasing globalisation, fierce rivalry, frequent technological advancements, new organisational alliances, unique organisational structures, demographic shifts, changes in working practises, etc. The demand on today's organisations is enormous as a result of all these changes, and the HR function in particular has a crucial role to play in assisting with and navigating evolutions. HR must therefore boost both its perceived and actual value..

One of the management functions that saw significant dramatic changes in the new millennium is HRM. The duties of HRM managers are changing from merely resolving personal matters to developing and implementing complex organisational plans. There are currently substantial talks taking place regarding the key issues for human resources moving forward. This study paper's goal is to examine HR-related problems and obstacles.

### OVERVIEW ON HUMAN RESOURCE MANAGEMENT

The multidisciplinary field of human resource management incorporates theories from management, psychology, sociology, and economics. An effective HRM makes an effort to inspire outstanding performance from regular individuals. In addition to selecting the ideal candidate for the position at the ideal time, human resources management is in charge of motivating staff members and ensuring their long-term development. This role must ensure that everyone is abiding by the laws and regulations of the company using both strict and lenient methods. It's critical to stay up to date on both technology and environmental changes. Developing people in accordance with global environmental elements and the global marketplace is one of the main issues facing HR personnel today.

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HR is currently taking a lead in establishing a strategic and competitive edge by participating in making strategic decisions, going beyond its traditional supportive role in the organizational functioning. HR is also explained as proposing solutions for a wide range of complex problems pertaining to organizational success. Utilizing people's knowledge and experience in an efficient and effective manner to achieve corporate goals is the 21st century approach to HRM (Wong & Snell, 2003). Similar to this, highlighted the significance of HR focusing on employee perks and concerns because people are crucial to the success of organizations.

Organizations today must embrace modern changes and make efforts to maximize profits due to the challenges of a dynamic environment. Organizations today face a number of issues related to 21st century human resource, such as utilizing new technology, globalization, everyday advances, political and economic instability, and ethical and ecological challenges. One of the greatest issues in the modern world is change management. Being able to adapt to both internal and external changes is a prerequisite for any organization's growth and survival. In order to maintain the appropriate speed, HR must take the lead with other crucial business divisions of a firm.

The notion of globalization has roots that date back to the early 1980s, but it has recently picked up steam. Many businesses have expanded internationally thanks to globalization, which boosts the worth of the national economy. It combines company operations across geographic boundaries. Therefore, the HR department will need to switch from a traditional to a strategic strategy to meet the changing needs of the modern period in the twenty-first century.

## **RISING HR ISSUES AND CHALLENGES IN 21<sup>st</sup> CENTURY**

The issues that HR is currently facing are discussed below and were discovered through a review of the literature..

### **1. Recruitment & selection**

Finding the personnel with the necessary expertise for a company's growth is HR's primary duty. The effectiveness of recruitment and selection procedures has a significant impact on the calibre of employees hired. However, because globalisation has made it possible for businesses to invest internationally, the recruitment and selection process is not always straightforward and is confronted with numerous difficulties. The expense of advertising job openings is an example of a tangible issue that may arise during the process. An example of an intangible problem is a communication breakdown between recruiters and hiring managers.. We are aware that every individual is unique, and as the hiring committee is also impacted by its members' values, beliefs, and social perspectives, it is difficult to completely rule out the possibility of bias. Both local and multinational businesses' HR departments are going through a challenging moment. Both types of businesses are having a difficult time locating qualified applicants. It is crucial for managers in the twenty-first century to extend their perspective when it comes to making judgements about people based on their origin, culture, values, ethnicity, and background in order to choose the best talent from the entire pool..

### **2. Career development & growth**

Activities that help employees advance their careers include those that both companies and employees take to hone their skills and stay up to date on the latest trends. Many technological advancements and changes have been facilitated by globalisation. In order for any organisation to expand and endure, innovation is essential. Giving employees the chance to advance their careers within can aid businesses in preventing top talent from looking elsewhere for employment.

To ensure that the employee can adapt to all the changes and innovations that are coming their way, training and development are absolutely crucial. The focus of training today must be on the entire development and career advancement of employees rather than just forcing employees to master a particular skill or body of knowledge. Not simply the participants in the training should be involved.

### **3. Promoting organization culture & heterogeneous workforce**

Today's businesses have diverse workforces, which is unquestionably a positive thing because creative minds will lead to new discoveries and ideas. To build a solid company culture, HR managers must put in a lot of effort. Due to mergers and acquisitions in the twenty-first century, HR managers need to develop a culture that supports these developments..

### **4. divergence management and decision**

divergence has two sides: one that is beneficial and is known as divergence, and one that is destructive and is known as divergence. Today's HR Manager's is very essential to be well-versed in handling both types of disagreements. Long work hours, intense competition, pressure to meet goals, and other 21st-century factors are known to cause stress and disputes among organizational personnel. The HR managers must develop strategies for handling conflicts quickly. Before the issue causes severe harm to a company, they must serve as a mediator and move promptly to resolve it. Since effective dispute resolution depends on clear, open communication, the HR manager must be a great communicator. When dealing with employee complaints, HR managers are occasionally required to explain the codes of conduct to the employees. Other times, they serve as a point of contact between companies and labour unions to mediate disputes between the parties.

### **5. Business ethics and values**

Any manager must pay close attention to the values and ethics of the company. Recent changes in workplace culture, strategies, and organizational structure have made it more crucial than ever to have values and ethics in place that will determine an organization's sustainability in the global market for a longer period. Given that the HR department deals directly with employees of a company, it frequently encounters ethical issues or challenges..

### **6. Managing Multi-Generational Workforce**

These days, organisations employ workers from a variety of generations and age groups. These people fall under the Generation Jones umbrella, which also includes Baby Boomers II, Generation X, and Generation Y. Generations X and Y members are known for their advanced technological knowledge and preference for modern working practises. Baby boomers and boomers II prefer to absorb new ideologies and are perceived as creative, whereas baby boomers and boomers II feel content with their old ways and do not like to leave their comfort zones. It is crucial that an organization keep both of these groups of people because they are both essential to its success. The HR manager is in charge of effectively meeting their needs..

### **7. Strategies for motivation & retention**

It has become quite difficult to prevent people from looking for new jobs in the current environment, where there are plenty of opportunities. Organizations have started to hire people from all over the world, so it is critical for HR managers to create effective retention strategies. We recognise that each person is unique, and that businesses must apply various strategies to retain and motivate their best employees. The provision of financial rewards is no longer seen as a means of keeping employees. Every company needs to implement the newest methods for keeping its employees happy, since this will lower the rate of employee turnover (Henson, 2007)..

### **8. Flexible work hours**

Time has become more flexible as the 21st century has gone on, which poses a serious challenge for HR managers. Due to a number of factors, including the advancement of technologies, people now prefer to work from home. The internet has produced virtual worlds and online stores. Flexibility in working hours has numerous benefits, but it will also put additional strain on management and the workforce, which managers in the twenty-first century must manage well.. The HR experts must periodically assess the achievements in various initiatives and the difficulties encountered within the time period given the flexible work arrangements. This can aid in the future adoption of more effective flexible work arrangement policies..

### **9. Striking work life balance**

These days, a lot of people are paying attention to this idea. The workload is growing daily as a result of the intense market competition, which causes a variety of health issues and high levels of stress among the workers. Making a distinction between work and leisure activities is the manager's role. If they are unable to strike the right balance between their personal and professional duties, people frequently leave their careers. Therefore, the manager must try to prevent such a situation from occurring and must assist employees in establishing the proper work-life balance (Kossek, 1998)..

### **10. Managing 5 R's**

The 5 R's are more important to the success of every organisation in the twenty-first century as a result of the evolving role of HR managers. Managers now must pay special attention to the four R's: resourcing, recruiting the right personnel, retaining the talent, and restructuring..

### **11. Industrial relations**

Industrial relations is one of the most challenging issues facing today's industrial society. Any industry cannot advance without employee cooperation and harmonious relationships. Therefore, it is in HR managers' best interests to foster and uphold positive working relationships between employers and employees..

## **RESPONSIBILITY OF HR MANAGER AS A STRATEGIC PARTNER**

The role and obligations of HR have been changing for some time. Human resources has replaced personnel as the term for employees, which is a step toward acknowledging the importance of workers as an organizational asset. Additionally, this modification was made to support HR's role as a strategic partner, providing advice on crucial issues and participating in crucial business decisions..

In light of the aforementioned issues, it is advised that HR managers keep in mind the need to take a proactive rather than reactive strategy.. The changeable environment that firms must operate in requires HR managers to remain adaptable over time. Sticking with conventional approaches to meet special needs is not a good idea; new procedures must be adopted to produce effective and efficient results. They must have all the necessary specialized knowledge to support their position as HR manager.

To address the challenges of the twenty-first century, HR managers need to take the initiative in promoting change by adopting the mindset of a business change agent who motivates employees to advance their abilities and modify their perspectives on what HR does for the company. They should spend money on innovative hiring and retention strategies because doing so will give them an edge over competitors. It should be possible for the HR managers to foresee how certain changes would impact the business..

To address the challenges of a global world, HR managers must go above and beyond. They must develop a variety of flexible and creative tactics that can help them flourish in foreign markets and attract new clients and staff. Maintaining consistency with other organisational functions or divisions is crucial for the HR function. The HR managers must create a competency framework that outlines the knowledge and abilities needed to carry out each position effectively during this time of transition. These frameworks will promote excellence and energise the workforce.

It is essential to invest in the appropriate technology and have the necessary knowledge to use it in today's competitive world. Almost everything has undergone significant change as a result of technology, from industrial methods to the hiring and training processes. It is necessary to diversify HRM methods to provide value to both consumers and employees since the economy has shifted from one centred on industries to one based on knowledge. Work-life balance is a relatively new issue that HR professionals need to embrace as a positive trend. They must consider how to use work-life balance as a tool to draw in and keep skilled workers.

## **CONCLUSION & RECOMMENDATION**

From the perspective of emerging HRM in the twenty-first century, globalisation has several effects on businesses that may involve cultural diversity. The HRM of today must have the knowledge, outlook, and skills required to gain a competitive edge on a global basis. It is advised that businesses make an attempt to efficiently match their HR operations with their overall company goals. Last but not least, HR must constantly search for originality and innovation because these traits are known to be crucial to success.

The challenges of globalisation posed by the 21st century, which has given enterprises a completely new image, heavily depend on HR. Since businesses are now more adept at utilising technology, it is crucial to adapt any developments.

As strategic partners of the business, HR's job has changed, necessitating coordination with all other functions and assistance for initiatives including recruiting and keeping top talent, changing organisational structure, and training and retraining personnel. Companies form various HR groups as a result of mergers and acquisitions as they expand. One strategy is for the HR groups located throughout the organisation to grow their expertise in a particular area so they can satisfy the needs of the wider organisation in that domain.

The HR department faces numerous issues in the twenty-first century, including managing change, handling conflicts, managing a workforce made up of multiple generations, managing the five Rs, balancing work and life, and succession planning. For long-term survival in a complicated and extremely uncertain market, HR must boost organisational efficiency and effectiveness by creating value and gaining an advantage over rivals.

Clearly, the field of human resources has to make a quantum leap. Professionals in human resources (HR) can help with this shift by making genuine efforts to tackle the challenges of organisational transformation and by figuring out how to gauge the value of HR to the business. Last but not least, they can carry out extensive research on human resources and how they function in upcoming firms.

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