UNIT 15: FUTURE CHALLENGES IN HUMAN RESOURCE MANAGEMENT

UNIT STRUCTURE

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15.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- explain job and the challenges in reference to present world scenario
- describe the new professional approach in the recent world
- outline the major human resource challenges to the managers and its solutions.

15.2 INTRODUCTION

In this unit we are going to discuss the three important issues of Human Resource Management, we will also discuss the major challenges of Human Resource Management, like, outsourcing H.R. activities, B.P.O. and call centres, globalization, organizational restructuring etc.

15.3 THE JOB AND CHALLENGES

When the issue of job and challenges is raised, then it refers to the changes announced by the Government of India, in its economic policy -

including liberalisation, privatization and globalisation. As soon as Government has introduced the reforms, the whole scenario of managing people is changed. As a consequence of these changes, many new trends are emerging in the practices of Human Resource Management. Moreover human resource management has now come up as a new professional approach leaving the traditional concepts behind.

Foreign companies got the license to invest in India that is continuing till now as a result of Liberalisation and Globalisation. This has totally reversed the style of managing employees in the organization. Now emphasize is more on Human Resource Management and Development than that of Personnel Management in the companies and corporations. The image of employees has changed from cost center and they are started recognizing as a great potential profit centre. Thus, it has become the responsibility of management to utilise and convert human resources into human assets. Managers are to be trained suitably to make them capable to change their attitude and approach towards employee management with the changing situation. The role of manager has changed. They have to transform the way of dealing with human beings. Managers should continue with the activity of motivating employees and making the best use of their talents and skills in the organization so that there is effective use of human resources in it. Managers are better to use participative style of leadership as and when necessary. Under certain circumstances, employees should also be empowered to make their own decisions that are felt necessary to achieve the desired goals of productivity, profits and growth. The value of Personnel Executive has increased and simultaneously they are offered the same status and position like that of higher levels of management which is instrumental in decision making.

They are also empowered to contribute in the strategic decision making session of Board level.

There is a changing mix of workforce, values of workers, demands of



Strategic Decision :

A strategy of a corporation forms a comprehensive master plan stating how the corporation will achieve its mission and objectives .It maximizes competitive advantage and minimize competitive disadvantage

employers, economic policy of government, technological development and demands of modern society in the world. This has persuaded a change in the role of personnel executive. A lot of changes like introduction of sophisticated technology, consequent reduction in manpower, concern for quality, focus on innovation to remain competitive, new work culture facilitating better productivity , job enrichment ,open system of free flow of creative ideas , recognition of individual talent, flattening of levels of management, changes in promotional policy, career advancement, changes in reward system, intensive and focused training , development of employees to enhance their technical and professional competence, changes in the policy of industrial relations from fire fighting to mutual faith, harmony, trust and collaborative relationship are taking place in the world and these are of great significant for human resource management.

15.4 THE NEW PROFESSIONAL APPROACH

It is essential to reorient and renew the skills of Human Resource Manager in the light of modern trends in management. He should be aware of recent trends and kept updating his knowledge with time. He should keep on searching the innovative methods to integrate the human resources contribution with the organizational goals. Active participation of Human Resource Manager is most essential for business management to bring dynamism in it. He should be the pioneer to use modern concepts, new tools and techniques in his professional performance. He should mainly concern for optimum utilisation of human energies, converting human resources into human assets, improving quality of life, meeting needs of self- actualization, encouraging creativity, innovation and dynamism and bringing excellence in the performances of employees etc. Human resource manager can offer his valuable contribution to the society by satisfying directly or indirectly the social needs like health and education of employees, creating work culture and relationship of mutual faith; trust and harmony, commitment, satisfaction and motivation.

15.5 CHALLENGES IN HUMAN RESOURCE MANAGEMENT

15.5.1 Major challenges in human resource management

1) Outsourcing Human Resource activities
2) BPO and Call centers
3) To balance work-life
4) To make Human Resource activities ethical
5) To manage diversity
6) Attitude towards unions
7) Globalisation
8) Organisational restructuring
9) Changing demographics of work-force
10) Changed employee expectations

1) Outsourcing Human Resource Activities: Now it is a trend of outsourcing the Human Resource activities to outside suppliers and contractors so that functions like employees hiring, their training and development as well as maintenance of statutory records can be done by them on behalf of the large firms. For example, P&G has signed a 10 – year, $400 million deal with IBM to handle employee services. IBM will support almost 98,000 of P&G employees in nearly 80 countries with services such as payroll processing, benefits administration, compensation, planning, expatriate and relocation services, and travel and expense management.

This trend of outsourcing is a result of several strategic and operational motives.

Human Resource departments have started focusing more on strategic role than that of routine activities due to the impact of strategic perspective. Outsourcing is a means to reduce



PC —

Personal Computer

bureaucracy and to encourage a more responsive culture by introducing external market forces into the firm through the bidding process.

Outsourcing also has a negative side besides its positive side. There would not be any value or use of Human Resource department in the organization if outsourcing were carried to the logical end. That means the relevance of Human Resource departments may be at stake. The function of Human Resource department that is taking a major role in the organization may suddenly become irrelevant. These have compelled us to think on the fate of specialized bodies advocating Human Resource functions, B schools running courses on Human Resource specialization, present book on HRM etc.

There is a fear and apprehension for the situation when there will be loss of jobs due to extinction of Human Resource department in the organization. Human Resource department is going to loss its fame as job giver if these conditions exist for long. Therefore it is a big challenge for the HR manager to prove his / her department as an important one in the organization.



Cycle Time —

Total time required to complete a production/ manufacturing stage

Business strategy —

It usually occurs at the business unit or product level and it emphasizes improvement of the competitive position of a corporation's product or services in the specific industry or market segment served by that business unit.

2) BPO and Call Centers :

Business Process Outsourcing (BPO):

Several MNCs have increasingly started unbundling or vertically de-integrating their activities that in simple language termed as "outsourcing" (also called business process outsourcing or BPO). BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions. For this contracting job under outsourcing certain stages which are not considered as a core business have to be withdrawn from the activities of an organization.

Outsourcing industry is growing fast not only in India but also in the World as a whole. Though many new fields are emerging recently but in India mainly the technical support and financial services have dominated the outsourcing industry.

BPOs- Cost Advantage:

The concept of BPO is logical. It is based on cost advantage and sound economic reasons. It is preferable to outsource the activities of a firm to outsider when it can perform these functions in a better and cheaper way. For example, Many PC makers have shifted from in- house assembly to utilizing contract assemblers to make their PCs.



MNC —

Multi national companies

Secondly, it is not hamper the functioning of an organization when it outsourcers its maintenance services, data processing, accounting, and other administrative support activities to the companies specialised in these areas because these activities are neither the tactics to gain sustainable competitive advantage nor hollow out the organization's core competence services, capabilities or technical know-how.

Thirdly, Outsourcing means delegation of some of the responsibilities to the outsider that in turn helps in reducing the company's risk exposure to changing technology and to changing buyer preferences.

Fourthly, BPO is an important and effective tool to streamline the operations of a company in order to improve organisational flexibility, cut cycle time, speed decision- making, and reduces coordination costs.

Finally, it is seen that outsourcing helps a company to concentrate more on its core business rather than its accessories.

HR Managers and BPOs:

The concept of BPO has brought a new dimension to Human Resource Management. In BPO, the entire business model is people-

centric. Human Resource plays the key role to develop and execute the business strategy of a BPO firm. The role of this human resource has changed from transactional supporting to partnering in the light of BPO business strategy.

Break- even: No profit no loss condition

Now a day, it is a major challenge for the Human Resource Managers to work out hard to retain the best employees in their organizations. Various studies have revealed that the average time-to- profit time period for a new hire in the BPO industry is about 9 months. Here it estimated that a fresher begins to break-even the investments made on him or her and earn profit for the firm only after 9 months. Therefore it can cost up to five times of an employee's salary if he or she exits the firm before the 9 months. Surprisingly it has been observed that employees who quit a BPO firm usually get appointed in the other BPO firm that means in the same industry. Better career prospects urge the employees to change organizations because it is a natural human feeling that an agent wants to become a team leader, a team leader want to become a supervisor and so on.

Human Resource managers need to think off innovative ideas to retain the talented employees in their organizations. Some suggestions are worth stating in this context.

Supervision is an old concept. But it is still essential to manage the people of an organisation efficiently. Motivated employees, increased productivity and loyalty to the organization may be the outcomes of good supervision. It is a general saying that people leave managers, not the organisations. Thus it has emphasized the need of changing the attitudes and approaches of managers towards their subordinates.

The role of rewards both monetary and non-monetary – has a great significance on the decision of an employee how long he/

she is going to stay with the organisation. Another key factor that may also influence this decision making situation is the degree of freedom given to the employees to speak out freely. It is important for management or administration to arrange atleast one meeting in a month with the employees to share the company's vision, industry's growth and how employees see themselves in the changing scenario.



Break-even —

No profit no loss condition

Lucrative salary may be another strategy to retain the talented people in the organization. Some BPO firms are providing extra facilities to their employees like bachelor accommodation to unmarried employees, arranging party and fun games to hold the interest of employees as well as to keep them energised. The employees who perform well in these games are then allowed to take part in the motivating games.

Competency models must be implemented and integrated with Human Resource activities like hiring, training and performance and potential appraisal of employees to achieve its success fruitfully.

Opportunities must be provided to the employees either through the sessions of training and presentations or mentor team assignments to share their knowledge with management or administration.

It should be the utmost interest of BPO to implement work –life balance initiatives to reinforce retention strategies in it. It is preferable to get a realistic and unbiased feedback from an outgoing employee to overcome the shortcomings in the systems and practices of the organization.



Vision —

Reason for existence

For BPOs, it is preferable to hire the people who are ready to work at night and to handle the monotony. Therefore the organization must go for behaviour- based testing and competency screening mechanism to select the right people for the right job.

Call center business is a booming business. Thus the human

resource problems associated with it is also increasing day by day. Managing the boys and girls (in their early 20s) working in call centers is of great challenge to the human resource manager and it depends how much capable he/she is to handle this challenge effectively. Problems of BPO employees can be summarized as follows:-

First, the boy or girl working in call centre lost his/her own identity particularly when the individual works in a firm serving the foreign clients. The poor fellow is called by his nick name instead of his original name. He has to speak the language even the accent too in a way that the situation demands. He or she is compelled to celebrate the festival that is totally alien to him or her.

Second, usually the employees of call center work under stress because round the clock of their duty, they have to be glued to the earphone either to receive or to make the calls. The tone usually sounds scornful in case of receiving call because it is invariably about a faulty service or a defect in the product supplied earlier. Inspite of such an embarrassing situation, the employee can not lost his patience or balance rather should offer a convincing reply to the caller. It is not that all the calls are of this type but most of the calls the employee receives per day certainly turn out to be stressors. Moreover, it is also not a pleasant job for the employee who has to ring up an unknown prospect introducing self and a product. The contact person usually shows no interest in this communication as well as does not hesitate to reply with a firm 'no' which implies that the caller is ineffective. Moreover there is a risk of invading into one's privacy if the contact person happens to be a foreigner.

Third, the employees of call centre are likely to be exposed to health hazards. The biological clock is changed for them. Usually for call Centre workers, they need to work in night. The employees find it difficult in adjusting themselves to this unearthly timings and

it becomes tougher when changes in shift timings are rotational. Therefore these boys and girls are sleepy, overeating, shabby, dry and deviant in behaviour.

Fourth, the common problem of youth working in call centers is the addiction for drugs.

Fifth, the aspiration level of call centre employees is low. They get into the jobs at their early age. Then they start earning and spending money easily. They believe this is to be the common life of human being. They lost the desire to study more, qualify better and expect higher things in life.

Finally, it is seen that boy or girl working in call centre get the taste of money, position and power quite early in their life. They feel no respect to the value of money, to compensation principles, to organisational hierarchies and to the senior people along with no loyalty to the Organisation.

So, the main challenges of Human Resource Managers are:

First, the attrition rate is found to be high among the employees of call centers who are well known for their organisational rootless ness. It is a common trend to go for job- hop by the employees of call centre provided they are offered a few hundreds more money by the competitor. The nature of job itself permits high attrition among these employees because the skills required to become a call centre employee is minimal unlike the other jobs. Prerequisite for the job of call centre is the ability to speak moderately accented fluent English. The tasks discharged by these employees are generic- whichever call centre the boy or the girl works for, attends to identical duties- receiving and making calls. Sense of alienation, confused career planning and uncertainty about future are the common reasons for high attrition rate among them.

Second, picking up and dropping the employees at their respective residential areas, that means, the logistics is a problem that needs

to be handled by the human resource manager of an organization. He has to arrange the cabs for employees along with making it save for the boys to stand at the strategic points late in the nights before they are picked up. Incidents of robbery have now become common for these boys because they are frequently being robbed under mentioned situations. Girls too need extra safety when they work in the night shift.

Third, probably it is the biggest challenge for human resource manager as he is answerable to the following questions:

- How long these boys and girls continue to work in call centers?
- Can a call centre job be a preferred choice for an individual to pick up, join, work and retire?
- How to distress these young men and women and prevent them from getting burnt out by the time they reach their 40s?
- How to protect these youngsters from becoming drug addicts?
- How to restore values in them?
- How to prevent them from getting dehumanized and turn out to be robots?



CHECK YOUR PROGRESS:

Q1. What are the major challenges of human resource management?

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Q2. Explain B.P.O.

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3) **To Balance Work with Life:** The matter that is going to raise here is how to balance the work with the personal life of an employee especially when both the husband and wife are employed. The problem is associated more with a working wife than that of a working husband because often she only has to try her level best to balance the life at home as well as at work too with her own attitude.

   Thus the human resource manager needs to be concerned more to balance the work-life of employees as now a day women are taking up jobs to make their families financially secured or to become careerists.

   In absence of such work- life balancing programmes both men and women will be exposed to stress, depression and anxiety. So certain activities like childcare at or near the workplace, job sharing, care for sick children and employees, on- site summer camp, training of supervisors to respond to the work and family needs of employees, flexible work scheduling, sick leave policies and variety of work from dry cleaning, dropping children at schools, making dinner reservations etc should be included under the work-life balancing programmes of employee.

   The organisations that have opted adequate measures to get a work-life balance are making their employees happier and more productive. But still many companies are hesitating to investigate, implement or experiment the work – life balance programmes in these because they believe this problem is a personal problem not an organizational issue.

4) **Making Human Resource Activities Ethical:** It is a duty of Human Resource Manager to build an ethical climate in the organization. This is the reason why he needs to screen applications for jobs carefully, weed out those who are not suitable or to hire those who can build a value driven organization.



Apprenticeship programme —

Here the workers are employed on a small stipend to learn the job first and after satisfactorily completing the training they are absorbed in the industry.

Human resource managers are advised to hire ethically strong employees for their organization. Therefore they have to institute some of the mechanisms like whistle blowing, ethics hotline and ethics committee to ensure the ethical conduct of employees.

After choosing these mechanisms, then he has to create an environment for its effective functioning.

The human resource manager should be the ideal one for ethical behaviour. But regrettably, it is observed that human resource managers are often accused of being dishonest and these dishonest people cannot expect honesty from others. They are known for accepting bribe from hiring firms, caterers, transport operators and real estate developers etc.



LET US KNOW

Whistle Blowing is a system of protesting against unethical deeds in the organisation.

Again, whistle blower is the person who exposes wrong doing within an organisation in the hope of stopping it.

5) Managing Diversity:

Now a day, employees of the organizations are belonging to different background and thus they have created a heterogeneous environment in the organization. The resulted diversity is going to be an important issue for the following reasons:

- The number of young workers in the work- force is increasing.
- More women are joining the work- force.
- The proportion of ethnic minorities in the total work-force is increasing.
- Work- force mobility is increasing.
- International experience is becoming a pre-requisite for

career progression to many top-level -managerial positions.

How to manage diversity effectively?

Following are some of the guidelines or prerequisite to manage diversity effectively:

First the top management should show a respect to this valued diversity. Next the organization should conduct diversity training programmes to aware the employees as well as to educate them on cultural and sex differences and the way of responding to these differences in the workplace. Employer should form a support group to provide a nurturing climate to the employees who would otherwise feel isolated or alienated. To cut the turnover of female employee, she must be provided with certain facilities like child care and job sharing etc.

Mentoring programmes are the ways to identify the promising women and minority employee so that they can be helped out to nurture their career successfully.

An organization should have the provision of apprenticeship programme for the promising prospective employees so that they can be groomed well before they are actually hired on a permanent basis. Moreover, the organization should institute regular diversity audit to review the effectiveness of its diversity management programmes. There should be proper communication between the employer and employee in an organization. For this, it is required to deliver speeches by senior executives, to include diversity in corporate vision statements and to publish diversity brochure and to include diversity as a topic in new employee orientation.

6) Attitude Towards Unions:

Unions provide a means to the workers to express their views particularly about the conditions prevailing in the workplace before the management. But in contrary to the popular perception, the

organization where management is unreceptive to the concerns of individual workers and there is no union to provide a voice, makes the employees dissatisfied. There remains no alternative left to these dissatisfy employees instead of searching the better options elsewhere. Unionisation is the voice mechanism of a firm through which employees are able to communicate or express their views with the management. Therefore the labour turnover rate is low in the organization where there is a union. Moreover union also encourages the organisation to provide more rational and professional management.

It is agreeable that unionisation has positive impact on the performances of a firm but under certain conditions of labour market like in situations where the employer has monopoly in the labour market. Employers have to add more capital per worker in response of their negotiation with the union to pay the employees a higher wages. This thing usually enhances the quality of labour that in turn leads to higher productivity in the organization.

Organization may have to incur a heavy cost if it prefers a union-free environment in it. Under such environment, organizations may usually have to go for frequent pay raise, out of turn promotions, generous perks and other benefits to satisfy the workers.

Unionization is also not excluded from the common believe that every entity has a positive and a negative side too. Unionization may sometime result strikes, spoiled labour relations, low production and low revenues etc in the organization. Seeing the dark side of unionization, managers may prefer to keep their plants union-free.

But it is necessary to realize the importance of existence of a union in the organization by a manager. It is impossible to think of an organisation without the union. The firm may belong to either old or new economy, but it cannot prevent unionization in it.

7) Globalisation:

The impact of globalization is revolutionary. It has bought a new dimension in the global economy. As a result of globalization, foreign firms have started entering into the Indian market which is a challenging situation for domestic firms. This challenge is going to be much tougher in the years to come. Globalization has compelled the Indian firms to think globally. Besides these it has also bought the challenges for managers who were accustomed to operate in vast sheltered markets with minimal or no competition either from domestic or foreign firms. Internet is acting as a catalyst in the process of globalization. Most of large MNCs are setting up green field projects in India or entering into joint ventures with local companies. The implications of a global economy on human resource management constitute the followings:

- HR practices like in US or Japanese firms have entered the Indian business. HR managers are influenced to adopt the ideas and practices followed in US or Japanese firms. Hiring practices, motivational approaches, compensation packages, training and development methods and techniques, appraisal systems and capability development are now being practiced in Indian firms as that of US or Japanese firms.

- Lot many foreign nationals are working here in India or many Indians are being sent as expatriates to other countries to work for the MNCs. Whatever may be the situation, both are challenging jobs for the HR manager. These expatriates (who may be the foreign nationals working in India or the Indians sent to abroad) need to be attracted, trained, compensated, promoted and motivated differently.

- BPO and call centers have created a unique problem for the HR managers.

All the time, MNCs try to form strategic alliances with the local firms. There is no doubt that Joint venture is beneficial to the

MNCs, but local firms also stand to gain in terms of increased sales, expanded markets, sharing of technology and professionalization of management from it. But it is necessary to prepare/make a domestic company potentially fit to enter into the alliance. No MNC ventures are interested in signing a partnership agreement with a local firm which is not known for its competence. It is the task of every manager, particularly the HR manager, to make a company competent so that it can gain the attention of MNCs who are always in the search of prospective alliance partners.

Indian firms need to move from one end of each continuum to the other end as shown below:

Rigid, hierarchical and tall structure	Flexible, flat and team based structures
Family centric, closed minded and secretive environment	Dispersed ownership, transparent and open minded
Caste ridden, superstitious, laid- track	Rational thinking and vibrant styles of management

It is possible to shift from the left to the right side of each continuum only through the catalytic action of HR manager.

Corporate Reorganisations:

In early 90's some new concepts like corporate mergers, takeovers and massive reorganizations have come up to fend off hostile take-over bids. The resulted circumstances from acquisitions, mergers, divestitures or the take- over threats have posed a greater challenge for HRM. Both the organisation and employees are affected from the process of reorganization. Employees are anxious and uncertain about their places in the new organisation.

The employees of both the 'taking over' as well as the 'taken over'

companies will have anxious moments because there are the chances of losing jobs, emerging new roles and assignments in the job, transferring to new geographic locations, getting modified remuneration and benefits and the career possibilities and experiencing a change in the organizational power, status and prestige etc. An employee may get new peers, supervisors and subordinates as his staff members. Ultimately it may happen that the company will loss its own identity and a new corporate culture will come up.

There is no hope of slacken the pace of mergers and acquisitions in the near future. Acquisitions, mergers, or divestitures have become the routine business operations of companies at present. But the key to Success for any deal of merger or acquisition remains hide in the management quality of HR department.

Organizations may themselves go for internal restructuring like that of external corporate mergers and takeovers. Companies are forced to downsize and flatten their organizational structures due to the competition resulted out from the emergence of MNCs in the World. Reorganisations may provide increased growth opportunities to the well performers, fasten the process of decision making and market response and go for upgrading the skills within ranks. It may also facilitate the internal communication and interaction as well as reduce the manpower costs.Thus it is seen that reorganisation is beneficial for the company.

However downsizing and flatten of organizational structures may have lots of pitfall which the HR managers must take into consideration and these problems can be summarized as follows:

1. Reduced promotion chances for employees,
2. Increased workload as layers get trimmed,
3. Reduced morale during the transition phase , and
4. Increased training and development needs.

8) New Organisational Forms :

It is a fact that the organizational forms in which people are employed shapes the practice of HRM. The structures of organizations are changing along with the fundamental changes in economy of a country and thus the relationships between them have also been transformed.

Giant corporations are loosing their potentiality to employee the people. It is a fad of past to have large production units. Large companies are now consisting of business units that are managed relatively independently. The latest trend is that organizations with the concept of 'Business process re- engineering', have started hiving their ancillary and expensive tasks to suppliers and automating the remaining functions.

A higher profile of medium sized and small sized firms has resulted that affects the functioning of HRM in the following ways:-

1. It is possible to have more face-to-face communication in the firms and establishments of small size. Moreover these firms also have adopted a more personalized style in carrying out their functions.

2. There is no doubt that smaller units execute only less complex and sophisticated systems of personnel management. Therefore they may find it difficult to sustain in the particular areas like developmental and specialized function of personnel management.

3. Interestingly the incidences of operating business in this kind of environment are adding up along with the human challenges. The practice of HRM has transformed from the traditional personnel management that was basically concerned with the administering systems of controlling people due to out-sourcing of jobs. But now the practice of HRM is to facilitate the processes which support the development of an enterprise.

Challenges that are coming in path of HRM and enterprise management are the outcomes of changing character of competition. The issue is no longer related with the size of a firm. In the international level, it is seen that major companies are operating through a complex web of strategic alliances of varying degrees of permanence.

The same pattern is visible in the domestic scenario where there is increased close relationship between the large (often transnational) corporations and their local suppliers. In the motor vehicle and electronics sectors, for example , buyer – supplier relationships have been transformed by the need for co- operation in the pursuit of reliability, continuous quality, product improvements, and shorter developmental lead times. Such a relationship depends on regular exchanges of people and information.

It is a common picture (for example, in the motor industry) that a single large company is surrounded by the suppliers in its close geographical proximity. It is definitely helpful from the delivery and communication point of view and therefore the firms should consider such factors in choosing a location for their plants. It is possible to get an improvement in the firm first by developing the locality and the sector surrounding it as a whole. Thus it takes up the activities to develop specialized skilled in the labour (technical and managerial) that can be managed flexibly within the local labour market.

Managers generally, HR professionals, have to cope more and more with the implication of networked relation in place of hierarchical relationship which is still dominating the experience of most of the people in the organizations due to the changes in economic structure and patterns of competition.

9) Changing Demographics of Workforce :

The major challenge that has resulted from changing workforce

demographics is the concern for dual career couples. Now a day, both the husband and wife are professionally qualified and thus they opt for professional career. To increase the talents in the employees, the organisations should go for job moves and physical relocation of employees. It is necessary to have an experience of various roles both by the men and women in the different organizational units to function well at the upper – level position of the organization. Frequent physical relocation is required. But the individual flexibility in accepting such assignments and the organizational flexibility in acquiring and developing talent may be hindered due to increasing number of dual- career professionals in the society.

Another important issue of HRM is the growing number of employees who are young in the workforce. Usually organizations are recruiting fresh college graduates or diploma holders to fill up the vacancies in there. It is the common interest of newly established enterprises to prefer young men and women basically of 25 years.

It will be a great challenging task for the Indians because the country has the largest number of young people in the world today who are going to be the workforce of tomorrow. In other way, it can be said that these Indian young people are the asset of future global economy because by the time they grow old, the population of all developed countries will get old. Then the rich countries will face a shortage of working age people when India will have a surplus. Then the situation will compel these rich countries to procure the workforce from this surplus population of India.

Increasing number of working mothers, a steady decline of blue-collar employees who are giving way to white-collar employees as well as increasing awareness and education among the workers can be cited as the other demographic changes in the workforce.

10) Changed Employee Expectations:

Employee expectations and attitudes are changing along with the changes in workforce demographics. Job security, lucrative remuneration, provision of employee quarter etc are loosing its charm as the important motivators of today's workforce.

Employees demand empowerment that results in redefining jobs, both on the shop-floors and in board- rooms. Workmen are empowered to have more control over their jobs. It has made the need of inspectors in the organization less than that of before. Thus the class of inspectors may become redundant in the coming days. In other sense, empowerment means the permission that a worker has to bring his or her sons or daughters to the workplace, so that they can look around and gain the knowledge about work methods. But still now this concept of empowerment is in nascent stage. Only the children of owners are lucky enough to avail this privilege.

Traditional relationship between employer and employee is broken down into top and bottom due to the expectation of equality. Seeing the electronic and telecommunication revolution, employees are expecting improvement in the quality of their work life. Innovation in information technology has accelerated the pace of changes that are going to be continued in the future also. This has also brought some innovations in practice of HRM of which the most probable one is the opportunity got by the employee is to work at home.

Also , today's average worker demands better treatment, challenging jobs and career advancement. Look at the workers' unions of Otis, Hindustan Lever, ICI , TOMCO, Blue Star, Webel Electro, and Central Bank. They rewrite their agenda to include quality and better customer service and are even accusing the management of malpractices. The HR manager must, therefore, redraw the profile of the worker and discover new methods of hiring, training, remunerating and motivating employees.



CHECK YOUR PROGRESS

Q.3. Fill in the blanks.

(i) Labour turnover rate is _____ in organisation, where there is a union.

(ii) Acquisitions and mergers are part of the _____ .

(iii) When both husband and wife works it is called as _____ career couples.



15.6 LET US SUM UP

In this unit we have discussed the three important issues of Human Resource Management i.e.

(1) The new role of personnel / Human Resource manager

(2) The concerns of human resource management

(3) A new professional approach.

You have also got the major challenges of Human Resource Management that are:

1) Outsourcing Human Resource activities

2) BPO and Call centers

3) To balance work-life

4) To make Human Resource activities ethical

5) To manage diversity

6) Attitude towards unions

7) Globalisation

8) Organisational restructuring

10) Changing demographics of work-force

11) Changed employee expectations



15.7 FURTHER READINGS

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15.8 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1

1. Outsourcing Human Resource activities
2. BPO and Call centers
3. To balance work-life
4. To make Human Resource activities ethical
5. To manage diversity
6. Attitude towards unions
7. Globalisation
8. Organisational restructuring
9. Changing demographics of work-force

Ans. to Q. No. 2 : BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions.

Ans. to Q. No. 3

(i) Low, (ii) Corporate reorganisation, (iii) dual



15.9 MODEL QUESTIONS

Q.1. In what way the increased international competition has influenced Human Resource Management?

Q.2. Identify and discuss the major forces influencing Human Resource Management in future. In your answer, address how these challenges are likely to affect the practice of Human Resource Management.

Q.3. Write short notes on:

i) B.P.O. ii) To balance work life

iii) Outsourcing H.R. activities iv) Globalisation



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