

## Human Resources Management: Challenges and Solutions

Rostam Pourrashidi<sup>1\*</sup>, Mehdi Mehranpour<sup>2</sup>, Maryam Fahimi Nick<sup>3</sup>

<sup>1</sup>Assistant Professor of Management, Islamic Azad University, Kerman Branch, Kerman, Iran ,

<sup>2</sup> PhD student of Governmental Administration, Islamic Azad University, Kerman Branch, Kerman, Iran

<sup>3</sup>PhD student of Governmental Administration, Islamic Azad University, Kerman Branch, Kerman, Iran.

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### Abstract

Humans, as the main elements of organizational development, play a great role in the framework of their group and organizational activities. Today, the organizations' growth and development depends on correct application of human resources and human factor is considered as a powerful tool in organizational changes and developments and they are the main failure or success factors on organizations. Organizations have faced challenges along with the acceleration of environmental changes and one of these challenges is the human resources management challenges. The main objective in this research is to study human resources management challenges and proposing solutions in order to improve it. The research method in this research is descriptive-analytic and the data collection instrument were researcher-made notes and tables. Research results suggested that human resources management challenges include factors such as emergence of globalization, changes in professions, growth in the number of part-time personnel in organizations, company miniaturization, various needs among the personnel, and personnel's age and race differences. Also, managers are recommended to create contexts for the personnel's empowerment, meritocracy, preparing organizational justice, engaging the personnel in decision-makings, and improving management ethics, in order to solve these challenges.

**Key Words:** human resources management, human resources management challenges, human resources management improvement solutions

### Introduction

For decades, personnel management unit was responsible for personnel selection, training and duty compensation; these duties were carried out regardless of how they were related to each other. However, today a field, entitled human resources management, is introduced; human resources management, in its current sense, is considered as a generalization of traditional requirements for effective management of personnel, instead of rejecting and removing them. In this field, a proper understanding of human behaviors and the skill for using this understanding are required, also, having the knowledge and understating of

personnel's various duties and awareness of environmental conditions are necessary [1].

Human resources management emerged in 1980s and was developed by its fans as a new field in human resources management. It is unanimously agreed that human resources management does not substitute personnel management, and views the personnel management processes from a different perspective. Also, its main philosophies are considerably different from traditional concepts of personnel management. Nevertheless, certain approaches in personnel management and employee relations could be described under human resources management approaches, since they are in accordance with the main philosophy of human resources management [2].

Human resources management is a product of human relations movement in early 20<sup>th</sup> century, when the researchers began documenting methods for creation of business value by strategic management of work force. This function was initially influenced by trading activities, such as Rights and Benefits Organization. However, considering globalization, companies' improvements, technological advancements, and further researches, human resources management is based on strategic initiatives, such as mergers and acquisitions, talent management, succession management, industrial relationships and labor relationships, multiculturalism and inclusion [ 1].

### method

In this research for the data collection and the formulation of theoretical foundations related to the subject of research and review of research methods of library records and tools download Jack used.

Therefore the order of the books and articles available in libraries and Latin articles available on the Web sites related to the subject of the investigation, were used, the information on the receipt for the record and in the end the job information collected is collected.

### Human Resources Management Development History

According to the observations and documents, organizations pursue constant changes in their policies in order to develop and advance the work force. Nowadays, an independent organizational unit is established in organizations which studies

the issues related to human resources in organizations. Although, human resources management is recently added to management issues and subjects as a new subject, human resources management had been used since the time humans found an organized way for life. This type of management could be observed in ancient times, when only the “best” soldiers were recruited in the army, or when the “best” individuals had the better chance for taking the jobs. However, the methods have changed a little, while the ethic fundamentals are in fact left unchanged [3].

HR later emerged as a specific field in the early 20th century, influenced by Frederick Winslow Taylor (1856-1915). Taylor explored what he termed "scientific management" others later referred to "Taylorism", striving to improve economic efficiency in manufacturing jobs. He eventually keyed in on one of the principal inputs into the manufacturing process—labor—sparking inquiry into workforce productivity.

Human relations movement had its roots in the research of Elton Mayo and others to document through the Hawthorne studies (1924-1932) and others how stimuli, unrelated to financial compensation and working conditions, could yield more productive workers. Contemporary works by Abraham Maslow, Kurt Lewin, and Max Weber (1864-1920), David McClelland and Frederick Herzberg (1917-1998), forming the basis for studies in industrial and organizational psychology, organizational behavior and organizational theory, was interpreted in such a way as to further claims of legitimacy for an applied discipline.

By the time enough theoretical evidence existed to make a business case for strategic workforce management, changes in the business landscape – Andrew Carnegie and John Rockefeller – and in public policy (Sidney and Beatrice Webb, Franklin Delano Roosevelt and the New Deal – had transformed the employer-employee relationship, and the discipline became formalized as "industrial and labor relations". In 1913, one of the oldest known professional HR associations, the Chartered Institute of Personnel and Development, started in England as the “Welfare Workers' Association” and it changed its name a decade later to the “Institute of Industrial Welfare Workers”, and again the next decade to “Institute of Labor Management” before settling upon its current name. Likewise, in the United States, in 1945, the world's first institution of higher education dedicated to workplace studies (The School of Industrial and Labor Relations) formed at Cornell University [4].

During the latter half of the 20th century, union membership declined significantly, while workforce management continued to expand its influence within organizations. The phrase

"industrial and labor relations" came into use to refer specifically to issues concerning collective representation, and many companies began referring to the profession as "personnel administration". In 1948, what would later become the largest professional HR association, the Society for Human Resource Management, formed as the American Society for Personnel Administration [3].

### **Human Resources Management Development History in Iran**

Personnel affairs administration has a long history in Iran and this history changed significantly by the establishment of administrative system in 1907. Hence, 1907 could be considered as the year of first activities in human resources management in Iran. Until 1922, there were no certain regulation governing employment affairs in governmental organizations, and elections, assignments, and promotions would be carried out without any regulations or qualifying conditions. Lobbying, recommendations and connections with prominent and noble families, were the main criteria in employing and promoting in various jobs [5].

For the first time, it was in 1922 that State Employment Act was passed by the Parliament. This legislation included five chapters and 74 articles which was pretty advanced considering the advancements of human resources management in that organization. However, it never took effect. Maybe if State Employment Act would take effect publicly and completely in all government organizations in 1922, today Iran would be in a better position in human resources management. The changes in personnel affairs management were very limited during 1921 to 1961. However, a few laws were passed in regards with the work environment, salaries and retirement. (Donya-e Eqtesad, February 6, 2006) Establishment of Administrative and Employment Affairs Organization and passing State Employment Act in 1966 could be considered as the first stages of applying correct human resources management in public sector and, the merge of Administrative and Employment Affairs and Plan and Budget Organization and the birth of Management and Planning Organization, could be considered as the latest efforts in 2000 [1]. Among the measures taken during recent years in order to improve the human resources structure in public sector could be referred to: controlling employment in public sector, passing and enforcing human resources layoff laws, Restoration of Salaries and Benefits through Coordinated System of Payment, repeated reviews in evaluating the performance of government managers, experts and employees, delivering relatively comprehensive plans affected by performance management ideas and finally

connecting government employees promotions to required trainings in various levels [5].

### **Human Resources Management Challenges**

1. **Globalization:** Managers often face challenges in establishing balance between thinking globally and acting locally. Individuals, ideas, products and information should be circulated around the world in order to meet the local needs. Today, variable political situations, global trading issues, fluctuating exchange rate and unfamiliar cultures have entered the life of organization [6]. Hence, managers should improve their capabilities for learning how to carry out tasks with others in order to manage variety, complexity and ambiguity around the world. In the meantime, human resources managers have a special duty. This duty includes making sure if human resources policies and actions pay appropriate attention towards the balance between consistency and harmony against recognizing cultural differences and other differences [7].

2. **Changes in Professions:** During recent years, there has been a change and transfer from production-oriented professions to services-oriented professions. The main reasons for this changes are the emergence of phenomena such as: The Internet, computers, and information systems. This change has led to formation of challenge in human resource management by the increase in automation of factories and workshops [3].

3. **Increase in the Number of Part-Time Work Force:** In the past, part-time work forces were used in carrying out temporary activities and in order to pass the critical situations such as rapid growth of production. However, professional work forces with high level of knowledge prefer to work part-time with several organizations simultaneously in order to earn a higher income, which is considered as a challenge for human resources management[4].

4. **Racial Differences:** By the growth in the migrations to the cities and various countries, the variety for individuals from various ethnicities, religions and cultures have increased and this has led to more disputes, conflicts and contradictions in organizations. Human resources management's duty in such situations is to manage these differences in the best possible way and prevent disputes in the organization [7].

5. **Age Differences:** Considering the increase in the life expectancy and economic problems, individuals prefer to work harder and get retired later than expected, and this leads to formation of high age differences among in organizations. In some cases, individuals with ages between 20 and 65 work together in organizations. This age difference leads to a heterogeneous environment with various behaviors and norms in the organization.

6. **Miniaturization:** Along with the advancement in globalization, miniaturization leads to changes in large companies' structure and flatten their structures. This phenomenon can lead to and expansion of the project activities and temporary teamwork [8].

7. **Various Needs of the Personnel:** Personnel have different needs. Earning more money, being accepted, getting promotions are among some ways to create satisfaction in them. In organizations which are managed traditionally, managers only try to meet the physiological and safety needs, which are among the most basic levels of Maslow's needs, and in this condition, the psychological needs are not met. Personnel will initially feel dissatisfaction and subsequently feel apathetic over time, if their needs are not met.

Among the challenges of human resources management in Iran could be referred to the culture of Iranians [1]. According to the findings of Hofstede (1980), Iran is located in the eastern cluster and the Middle East region near islamic countries. Its culture includes two separate parts of national culture and islamic culture. The national aspect of Iranian culture is related to the ancient Iran civilization and Zoroastrian religion heritage which dates back to 200a-3000 B.C. However, the islamic part of the Iranian culture is related to the seventh and eighth centuries [4]. One of the characteristics of Iranian culture is the wide social gap. Hofstede (1980), expresses that there are instances of the wide social gap observed in various aspects mythology, history, politics, religion and family structure in Iran[5].

In addition to the national culture, the next challenge in human resources management in Iran is the management culture in organization. Based on carried out researches, management culture in Iran is considered as traditional values such as individualism, tendency towards the past, social gaps, lack of trust and conspiracy. Since Iran has a young population and one of the characteristics of young individuals in Iran is individual work, and not teamwork, it is concluded that organizational culture leans towards individualism and not collectivism. The traditional characteristics based on Iranian organization have led to formation of more bureaucracy and lesser flexibility in environmental changes and as a result lesser completion [1]. Another cultural behavior which is present in organizational management style is the orientation towards family in Iran. This is due to the characteristic of emphasizing on individual tendency towards sacrificing self for family interests. Extension of this behavior among organizational managers is the basis for employing personnel and it leads to employment based on connections, and not the experience and knowledge [5].

### **Solutions for Human Resources Challenges**

1. **Personnel Empowerment:** Empowering the human resources entails two main benefits for the organizations. The first is that the empowered personnel are more motivated and committed and they employ the maximum of their power to tackle the challenges and secondly, they can prevent challenges to happen, since many human resources management challenges have their roots in personnel's incapability [5].

2. **Meritocracy:** The personnel monitor their managers' decisions taken about themselves. For instance, there is always a social scale for assignments. If assignments and promotions are based on competence, dissatisfaction, lack of motivation and indifference among the personnel could be prevented and they can solve many human resources management challenges by the improvement made in their spirit and higher commitment to work.

3. **Management Ethics Improvement:** Today, there is a clear attitude in the society which requires governmental authorities, managers, personnel and organizations to have good manners. Management ethics include the behavior which is not only in accordance with the laws, but also in accordance with the common ethical regulations in the whole society [1].

4. **Observing Justice in the Organization:** Observing justice in the organization is a strategy to tackle human resources challenges, especially justice in methods and distributive justice which are mostly related to the managers [7].

5. **Involving the Personnel in Decision-Makings:** Involving personnel in decision makings leads to formation of a sense of belonging and dependence to the organization in personnel, increase in motivation, closeness of individual goals and organizational goals, improvement in teamwork spirit, and increase in the success rate of decisions in execution phase, which could decrease the human resources challenges to a great extent [2].

### **Discussion and Conclusion**

The management arena in today's world has undergone rapid and complex changes and human resources management has faced new challenges, accordingly, and solutions should be considered in order to solve these challenges. Dynamic organizations have learned that show reactions to the changes, trends and challenges which emerge in various aspects and fields. Otherwise, these changes will ruin them. Among the challenges which human resources management is facing today and have their roots in environmental changes, could be referred to: globalization of business and organizations, age and racial differences among the personnel in the organization, increase in the number of part-time

work forces, presence of personnel with various levels of needs in the organization, miniaturization of the organizations, and transformation of wide structures to the flattened structures and changes in professions. In order to tackle these challenges in human resources management, leverages such as: meritocracy, observing organizational justice, improvement in management ethics, personnel management and involving personnel in decision-makings could be used.

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