Abstract
Human Resource Management used to be considered as other conventional administrative jobs. But over a period of time, it has evolved as a strategic function to improve working environment, plan out human resources needs and strike a balance between the organization and employers in order to increase organizational productivity and meet organizational goals. Not to exaggerate but in today’s highly competitive world it has gradually become one of the most important functions of an organization. HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. This paper considers evolution of HRM and some of the key issues and challenges in human resource management in the Indian Context.

1. Introduction
The term ‘Human Resource’ refers to the individuals which comprises the workforce of an organization. Human Resource Management (HRM) deals with recruiting, managing, developing and motivating people including specialized support and managing system for regulating compliance with employment and human rights standards. The origin of HRM function arose in those organizations which introduce welfare management practices. HRM has witnessed many changes in last two decades. Economic liberalization in 1991 created a hyper competitive environment. As International firms entered the Indian market bringing with them innovative and fierce competition,
which forced the Indian Companies to adapt and implement Innovative changes in their HR practices. The management of Human resources has now assumed strategic importance in the achievement of organizational growth & excellence. Increasing globalization forces the organization to participate in the matter of emerging issues in management of people.

1.1 Objectives
1. Understanding HRM & its evolution
2. To know the role of HRM in current scenario
3. Ascertaining the future challenges of HRM

1.2 Research Methodology
The study is based on secondary data which is collected from various books, National and International journals and publications from various websites which focused on various aspects of HRM.

2. Literature Review
In the view point of Decenzo and Robins (2001) and Gary Dessler (2000) the most important challenges of HRM, are technology, E commerce, and work force diversity, and globalization, ethical consideration of the organization which may directly or indirectly affect the organization competitive advantages, especially with technological advancement the effect on recruitment, training and development and job performance with great extent can be study in organization. Globalization means the present flow of goods, services, capital, ideas, information and people. It means the movement of these things without using any human resource. In this modern business world, markets have become battlegrounds where both the domestic and foreign competitors try to capture as maximum market shares as possible. Such globalization is a challenge for HRM. Therefore all the HR Managers make several strategies to develop and retain human resource, because Human Resource is the resource which makes an organization successful in the field of globalization.

Liz Weber (2009) has pointed out that the most important challenges of the HR in business are layoffs. The most of the owners and managers are facing this hard issue. This lay off may be due to several reasons which include the economic uncertainty, the employee’s job instability and HR less Effectiveness.

Becker & Gerhart, 1996: Organizations’ worldwide are under pressure today to continually improve their performance. The major trends behind these competitive pressures are globalization, advances in information technology and increasing deregulation of global markets.

Tomaka, 2001: Without an efficient workforce, organization lose their ability to compete, both locally & internationally, eventually leading to poor organizational performance and thus ending up with little or no economic success.

3. Evolution of HRM: Global Context

The evolution of the concept of Human Resource Management is presented below:

- Period before industrial revolution – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried
out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

- **Period of industrial revolution (1750 to 1850)** – Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means if communication gave way to industrial set up. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as:-
  - Worker’s wages and salaries
  - Worker’s record maintenance
  - Worker’ housing facilities and health care

An important event in industrial revolution was **growth of labour Union (1790)** – The works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest workers across the world started protest and this led to the establishment of labour unions. To deal with labour issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

- **Post Industrial revolution** – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.
  
  A brief overview of major theories released during this period is presented below:
  
  Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in
  - Worker’s training
  - Maintaining wage uniformity
  - Focus on attaining better productivity.

- **Hawthorne Studies conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940).** – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker’s productivity to increasing worker’s efficiency through greater work satisfaction.

- **Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow’s Hierarchy of needs (1954)** – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.
  
  As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations. Some of the major activities of HR department are listed as-
  - Recruitment and selection of skilled workforce.
  - Motivation and employee benefits
  - Training and development of workforce
  - Performance related salaries and appraisals.
  - Strategic Human Resource Management Approach
4. HRM- Evolution in India

The Royal Commission on Labor set up from 1929 to 1931 to examine the situation recommended the appointment of labor officers and other changes. The suggested changes led to the bringing in of standardization and that was the first step toward introducing personnel management. Formation of trade unions, with close links with political leaders like Mahatma Gandhi (the Textile Labor Association in Ahmedabad was founded in 1920), also influenced the way industrial workers are managed. This focus made an adequate number of employees available to the industry, disciplined the “rural” and “less educated workers” and implemented various legislations and settled disputes.

At the same time there were progressive employers who on their own cared about the well-being of the employees. Tata Steel in Jamshedpur, for instance, had introduced a series of welfare measures for workers much before it became mandatory by law.

After India won independence in 1947, considerable changes happened in the personnel management approach of organizations. The post-independence period encouraged a mixed economy as the growth model. Industrial organizations were broadly classified as the public sector (including the administrative arm of government) and the private sector. Public sector organizations were the largest employers and received huge investments. The Constitution of India had the objective of achieving a socialist society and various constitutional provisions supported protection to working class. Numerous legislations were introduced to protect workers.

Along with industrialization, the trade union movement also grew in India. The rapid growth of trade unions also catalysed the development of personnel systems. The workers became more aware about their rights and it was increasingly difficult to exploit them. In the 1970s and 1980s typical HRM functions in organization included: (1) Personnel and administration, (2) Industrial Relation, and (3) Labor welfare. The prescribed and assumed role was “crisis driven” or “issue driven”. This high level of union activism also led to the situation where the decision framework took a legal turn. The same period also saw the rise of managerial unionism, where non workers without formula union rights joined to form associations that acted as pressure groups. Managerial unions were able to exert an influence in the public sector and that called for attention to be given to managing the
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non-worker staff also. Though not widespread, the industry was also open to adopting tools and techniques that could help improving efficiency and productivity. For examples, 1961, with the full cooperation from the trade union, the Indian Aluminium Company Ltd. Conducted a plant wide work study at its Alupuram, Kerala plant. This lead to defining the work output, staffing pattern, and productivity linked inventive scheme. The establishment of management training institutes and business schools like XLRI and the IIMs helped the industry to imbibe modern management principles and thought.

It could be very well summarized that up in the mid-80s human resources management in Indian organizations grew through various phases under the influence of the following factors: (1) A Philanthropic viewpoint about doing good to workers, (2) A legislative framework, (3) government policies, (4) Trade unions, (5) emerging trends / concepts in management and (6) Changes in the economy. By then, most organizations, business as well as non-business had established separate departments to handle the personnel function, with senior level managers heading them.

5. Emerging HRM Trends in India

Professors Udai Pareek and T V Rao were among the pioneers who not only introduced the human resource development (HRD) concept in India but also assisted many organizations in designing development oriented HR systems. The have discussed the paradigm shift from traditional personnel function to the human resources system.

The 1980s saw the large scale introduction of the developmental concept in Indian organizations. It was recognized by then that systematic attention to human resources was the only way to increase organizational effectiveness. This awareness created the stage for the direct involvement of top managers and line managers in the HRM.

According to Kamal Karanth “With increase in investments in manufacturing sector in India, the demand for talent is mounting. Most organizations look for trained manpower at all levels of operations and in today's context, the demand-supply gap is on the rise. Though technical man power by volume is higher in India its employability that is question for many organizations.” The manufacturing sector in India is sweeping back in the national economic space. The current surge in this sector is extremely promising as new manufacturing opportunities are slated to be more skill intensive. India provided trained manpower at competitive cost making India a favoured global manufacturing hub. There will be a high demand for experienced professionals to manage operations in manufacturing sector. Education system is often not delivering the required number of specialists across project management, engineering, estimating, surveying and contract management.

6. Role of HRM

The role of HRM is to plan, develop and administer policies and programs designed to make optimum use of an organizations human resources. It is that part of management which is concerned with the people at work and with their relationship within enterprises. Its objectives are: (a) effective utilization of human resources, (b) desirable working relationships among all members of the organizations, and (c) maximum individual development. Human resources function as primarily administrative and professional. HR staff focused on administering benefits and other payroll and operational functions and didn’t think of themselves as playing a part in the firm’s overall strategy. HR professionals have an all-encompassing role. They are required to have a thorough knowledge of the organization and its intricacies and complexities. The ultimate goal of every HR person should
be to develop a linkage between the employee and organization because employee’s commitment to
the organization is crucial.
The first and foremost role of HR personnel is to impart continuous education to the employees
about the changes and challenges facing the country in general and their organization in particular.
The employees should know about the balance sheet of the company, sales progress, and
diversification of plans, share price movements, turnover and other details about the company. The
HR professionals should impart such knowledge to all employees through small booklets, video
films and lectures.

6.1 Current Classification of HR Roles
According to R.L Mathis and J. H. Jackson (2010) several roles can be fulfilled by HR management.
The nature and extent of these roles depend on both what upper management wants HR management
to do and what competencies the HR staff have demonstrated. Three roles are typically identified for
HR. The focus of each of them, as shown in Figure 2, is elaborated below:

A. Administrative Role of HR
The administrative role of HR management has been heavily oriented to administration and
recordkeeping including essential legal paperwork and policy implementation. Major changes have
happened in the administrative role of HR during the recent years. Two major shifts driving the
transformation of the administrative role are: Greater use of technology and Outsourcing.
Technology has been widely used to improve the administrative efficiency of HR and the
responsiveness of HR to employees and managers, more HR functions are becoming available
electronically or are being done on the Internet using Web-based technology. Technology is being
used in most HR activities, from employment applications and employee benefits enrollments to e-
learning using Internet-based resources.

B. Operational and Employee Advocate Role for HR
HR managers manage most HR activities in line with the strategies and operations that have been
identified by management and serve as employee “champion” for employee issues and concerns.
HR often has been viewed as the “employee advocate” in organizations. They act as the voice for
employee concerns, and spend considerable time on HR “crisis management,” dealing with
employee problems that are both work-related and not work-related. Employee advocacy helps to
ensure fair and equitable treatment for employees regardless of personal background or
circumstances.

C. Strategic Role for HR
The administrative role traditionally has been the dominant role for HR. However, as Figure 1.2
indicates that a broader transformation in HR is needed so that significantly less HR time and fewer
HR staffs are used just for clerical work.
Differences between the operational and strategic roles exist in a number of HR areas. The strategic HR role means that HR professionals are proactive in addressing business realities and focusing on future business needs, such as strategic planning, compensation strategies, the performance of HR, and measuring its results. However, in some organizations, HR often does not play a key role in formulating the strategies for the organization as a whole; instead it merely carries them out through HR activities. Many organizations still need to make significant progress toward fulfilling it.

It is the era when for the competitive triumph of the organization there is a need to involve HRM significantly in an integrated manner, which demands such capabilities from the HR specialists.

**7. Future Challenges in HRM**

Before 20th century, there was non-existence of HR function. In 21st century HR function has to go through the radical changes due to fast changes in technology and emergence of global economy. This situation creates challenges for HR staff like:

A) **Age of Information & Knowledge:** Work which is performed in factories earlier has been replaced by work in offices at computer terminals. Now people have been working with ideas and concepts instead of things. Organizational effectiveness depends upon the attracting, utilizing and retaining people who can use their knowledge to solve problems, create services, develop new work processes and satisfy customer needs.

B) **Change Management:** Change management represents a particular challenge for HR Managers. An intensified focus on training may be needed to develop added competencies to deal with change management.

C) **Globalization:** Globalization has extend the talent pool to almost every nook of the globe. HR professionals recruit candidates from various countries who speak different languages and practice customs differently. This brings challenge to HR policies regarding different concerns such as cultural and ethic sensitivity.

D) **Increasing size of workers:** Due to increase in size of organization, No. of people working in organization has also increased. Management of increasing workforce might create new problems as workers are becoming more conscious about their rights.

E) **Attracting & Retaining Talent:** Today, IT companies are facing a shortage of knowledge workers because the rate at which they lose employees almost double the rate at which they hire. A major proportion of the turnover issue is attributed to the movement of manpower to the “land of opportunities” - USA. The average stay of a software consultant of IT company has dropped to one year.

F) **Leadership Development:** Across the globe leadership development has been identified, which expects that managers are equipped to take on leadership roles of the future. So that, the organization is viable in the long run.

G) **Conducive work environment:** Creating a work environment that boost employee morale and improves performance will continue to be a challenge for HR. HR staff have to be fully involved in the business and must be cognizant with team needs to be changed & improved.

H) **Political Environment:** Greater government’s interference in business to safeguard the interests of workers, consumers and public at large creates challenges for HR professions. Govt. may restrict the scope of private sector in certain areas in public interest.

I) **Empowering Employees:** Empowering is creative distribution of power. It is shared responsibility. Empowering enables people to use their talents. Registered with Council of Scientific and Industrial Research capabilities, foster accomplishment, invest in learning,
find the spirit in an organization and build effective relationships, informs, leads, coaches, serves, creates & liberates. Becoming an empowering manager therefore, involves both who you are and what you do.

j) **Challenges of Merger & Acquisitions**: Merger & Acquisition are being accepted as one of the most effective technique to gain competitive advantage over other organizations. HR professionals have to perform certain activities like creating transition teams, managing the learning process, recasting the HR department itself, identifying and embracing new roles for HR leaders, identifying and developing new competencies.

k) **HR Effectiveness Measurement**: How can improvement happen without the right tools to measure HR effectiveness? As with many other areas of profession, this profession has also need to be able to measure results in terms of positive influences on business.

l) **Management of human relations**: Management of human relations in the future will be more complicated than it is today. Many of the new generation employees will be more difficult to motivate than their predecessors. This is due to change in value system coupled with rising educational levels. Unquestioning acceptance of rules and regulations will be less likely.

### 8. Findings

- The role of HR shifted from a facilitator to a functional peer with competencies in other functions, and is acknowledged as an equal partner by others.
- The operational role requires HR professionals to cooperate with various departmental and operating managers and supervisors in order to identify and implement needed programs and policies in the organization.
- The ultimate goal of every HR person should be to develop a linkage between the employee and organization because employee’s commitment to the organization is crucial.
- Information Technology has dramatically changed the landscape of the workplace through advances in office equipment, speed of information transmission and methods of communication.
- With increase in technology, knowledge based industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of the organization.
- To face the recent challenges, HRM has to implement effective strategies. Hence, the role of HRM will be more significant in future due to emerging scenario.

### 9. Conclusion

Human resources management system can play an important part in a company’s HR function. To conclude it can be said that HR is facing various challenges like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes, globalization, etc., and these challenges can overcome through cross cultural training, motivation of employee, technological and information training to HR employees. The HR professionals should learn how to manage effectively through planning, organizing, leading, and controlling the Human Resource and be knowledgeable of emerging trends in training and employee development.
In nutshell, when HR works enthusiastically by keeping all the practices in mind, competitive advantages can thus be accomplished, the value of human resource can be improved, organization efficiency can be enhanced, and the organization will sustain to survive.

10. Reference