

REFERENCES

1. Макроэкономические аспекты обеспечения сбалансированности национальной экономики: монография / А. И. Лученок [и др.]. – Минск: Беларус. навука, 2015. – 371 с.
2. Быков, К. Р. Сбалансированность развития предприятий легкой промышленности Беларуси / К. Р. Быков // Весн. Беларус. дзярж. экан. ун-та. – 2018. – № 3. – С. 73–85.

JEL Classification: M5

HUMAN RESOURCE MANAGEMENT CHALLENGES IN THE 21st CENTURY

Inas Elsaleh

Arts, Sciences & Technology University in Lebanon, e-mail: Inas.al-saleh@aul.edu.lb

ABSTRACT

HUMAN RESOURCE MANAGEMENT, LEBANON, TALENT SELECTION, RECRUITMENT AND HIRING, TALENT MANAGEMENT, EMPLOYEE RETENTION

This article discusses the HRM challenges in the 21st century with a focus on Lebanon. HRM department is indispensable because it influences both short and long-term organizational performance. Three challenges have been identified in this article, including the selection of the right talent, talent management, and employee retention. The article recommends the adoption of technology to facilitate talent selection processes, development of reward and compensation systems to improve retention and adoption of organizational learning to solve the challenge of talent management.

INTRODUCTION

Human Resource Management (HRM) department is a vital organ of any organization in the contemporary business environment. In the 21st century, companies require a formidable set of skills to survive and compete with other players. Nevertheless, HRM is experiencing major challenges emanating from both internal and external factors. Human capital should be equipped with pertinent technologies and techniques to overcome the challenges of the 21st century. There are many demands on companies in the contemporary environment such as competition, globalization, technological advancements, and shifts in working methods. As a result, companies have a huge pressure and HR is mainly under pressure to perform critical roles that enable the company to move towards the achievement of its mission.

Currently, HRM is experiencing tremendous changes since there is a shift in HR managers' roles from handling personnel issues to designing and implementing strategies for their companies. The managers are increasingly facing the challenge of ensuring the organization has the right talent to help in the achievement of goals. Indeed, some companies have less qualified employees due to this challenge. The issue of talent development is also emerging as an important challenge for HRM in this century. Unlike in the past years, HR is increasingly expected to nurture and develop talent. Employee retention is another challenge of HRM in Lebanon. The challenge of getting the right employees will be discussed in the first section of this article. In the second section, the article will discuss the problem of talent development in Lebanon. Employee retention challenge will be discussed in the third section. In the last section, the article offers recommendations that can assist HRM to address the 21st challenges.

SELECTING THE RIGHT TALENT

The selection of the right talent is among the most important challenges of the HRM in the 21st century. In the past few years, hiring and recruiting the right people were not a key challenge for the HR because there was a small pool of talent. However, HR professionals have to deal with the challenge of selecting employees from an expanding pool of brilliant and marginal employees (Zaraket & Halawi, 2017). Besides, there is an increasing pressure of choosing temporary and permanent employees in the current century. The irony is that the talented highly-skilled workers are progressively entering the labor market annually. In this case, the HR might be unable to scan multiple applicants and still choose people who will help the organization to achieve its short and long-term goals.

Although new job candidates are being released into the market continuously, the supply of talent in Lebanon is still limited. For instance, there is a limited supply of human resource for health across Lebanon (Alameddine, Khodr, Mourad, Yassoub & Abi Ramia, 2016). Further, Alameddine et al. (2016) assert that a large percent of general practitioners in Lebanon are graduates from medical schools with no specialization. There is also a scarcity of nursing workforce across the country since some of the highly qualified nurses work abroad. A study by El-Jardali, Tchanghchagian, and Jamal (2009), shows that the lack of qualified personnel is an essential challenge for the HR in Lebanon. In fact, respondents in this study argue that there are a few candidates for different positions such as safety officers and quality managers in their healthcare institutions (El-Jardali et al., 2009). As such, the ability of the healthcare system to offer quality care to patients is crippled. In terms of the supply of job candidates, there is also the lack of person/job fit in Lebanon (El-Jardali et al., 2009). The HR in medical fields may be unable to select the right talent for their organizations due to these challenges.

Indeed, the quality of the hired workers relies on the effectiveness of the recruitment

and selection processes. The HR might experience various obstacles in the process of selecting employees such as the costs of advertising job vacancies and communication gaps (Nasir, 2017). Another issue that complicates the process of selecting the right talent is biasness (Nasir, 2017). Most experienced HR professionals are influenced by their beliefs, social views, and values when selecting employees, meaning that there is a possibility of biasness.

In this regard, Yahchouchi and Salloum (2015) argue that gender stereotype tends to affect employment decisions in Lebanon. Recruitment Decision Maker (RDM) impacts the hiring decisions when selecting between job applicants of different genders (Yahchouchi & Salloum, 2015). In Lebanon, there are stereotyping attitudes toward kinds of employment whereby men are perceived as more suitable for particular job profiles. As a result, male candidates tend to secure more prestigious jobs than female candidates. In relation to the selection of talent, gender stereotyping might prevent a company from hiring the right person because of his or her gender. For instance, a research involving a population sample of 52 respondents in Lebanon shows that 72 percent of the participants choose men applicants for the position of financial manager and 74 percent select women applicants for the HR position (Yahchouchi & Salloum, 2015). Notably, a less qualified person might be chosen for a certain position because they are perceived as suitable based on their gender.

Some hiring and recruitment methods might be detrimental in selecting the best candidates. Research indicates that a substantial number of Lebanese banks practice internal recruitment (Afiouni, 2007). Employees entering the job from external sources tend to have more education and experience than those hired through internal methods (Bidwell, 2011). Hence, internal recruitment and hiring might allow a firm to get the best talent, however has been shown to be less disadvantageous.

TALENT MANAGEMENT

Talent management is focused on recruiting and improving the top skilled and brilliant employees in the company. Importantly, talent management can also be perceived as human capital management and it entails viewing and treating employees as an asset (Aslam, H., Aslam, M., Ali & Habib, 2013). Chiefly, talent management is a challenge in the 21st century because human capital is not integrated into the business strategy. Talent management is a growing challenge for many Lebanese companies. Most companies are struggling to link their human capital to the business strategy and there is also the lack of ability and accountability for talent development, which worsens the issue of employee development (Hejase, Eid, Hamdar & Haddad, 2012). One research done on 10 Lebanese banks found that HR managers are included as strategic players in strategy development (Afiouni, 2007). Apart from being involved, HR managers in the banking industry think that their departments do not have an impact on strategy formulation.

In Lebanon, only a few organizations have embraced the concept of talent management, although most managers are aware of its benefits. One study involving respondents from service companies, the banking industry, retail sector and non-profit organizations found that approximately 33 % of companies in Lebanon do not have talent management initiatives (Hejase, H., Hejase, A., Mikdashi & Bazeih, 2016). Fundamentally, training in a number of banks in Lebanon is unplanned meaning that training workers are randomly selected for advancement opportunities (Afiouni, 2007). In these banks, career paths often exist at the managerial levels or at all levels across the bank, which affect future talent development.

In this case, non-profit organization and the banking sector are more likely to have a formal talent management plan than the other industries (Hejase, et al., 2016). The results also indicated that many organizations lack formal succession plans regardless of their orientation, whether local or international. These companies will likely have a bigger challenge in the future in regard to talent management because of the growing turnover rates as well as the war of talent among companies mainly in the banking, IT and telecom industries.

Many companies do not offer the essential tools required to improve and develop talent, such as workforce planning, recruiting, training and development, retention etc... Furthermore, companies fail to provide employees with the pertinent support and incentives to achieve success, although such companies conduct a performance appraisal and provide career development plans. The lack of pertinent skills among the HR professionals is another factor that impacts talent development. About 56.7 percent of respondents in a research on HRM challenges in Lebanese hospitals assert that they require training in certain HR skills to assist them in their role of career development (El-Jardali et al., 2009). One study involving 10 Lebanese banks found that the HR managers in five banks do not have an academic background in HRM and even lacks professional experience in the HRM field (Afiouni, 2007). As such, these five banks do not have career paths for workers and compensation is not aligned with performance (Afiouni, 2007). Hence, the lack of sufficient skills among the HR professionals tends to negatively influence employees' management initiatives.

There is also a gap in «Total Talent Acquisition» in most Lebanese organizations. In this context, Total Talent Acquisition refers to the process of viewing and treating all people working for the organization as talent and improving their skills to achieve high performance (Hejase et al., 2012). The gap in Total Talent Acquisition implies that most Lebanese companies have not identified the real talent of their employees. All employees, including internal workers, external employees who work on a full-time basis, contingent employees, offshore labor should be considered as important talent pools of an organization (Hejase, et al., 2012). Most organizations do not have Total Talent Acquisition plans leading to poor talent management programs.

The nature of the workplace environment in Lebanon tends to inhibit talent development in most organizations. Jamali and Sidani (2008) found that Lebanese companies have not made deliberate efforts to align their reward systems with learning. In many cases, workers are not given rewards for taking place in learning activities, acquiring new skills or seeking to increase their knowledge on a certain subject (Jamali & Sidani, 2008). Nevertheless, this association between learning and reward might undermine learning processes. A different dimension is that reward systems and structures are critical because they tend to increase motivation, which shapes workers' learning orientation (Jamali & Sidani, 2008). Many employees tend to adopt learning initiatives if they are promised a reward and this aspect is essential in talent management.

Research further indicates that Lebanese companies tend to prioritize the development of current competencies rather than developing long-term oriented talents. Based on the research done by Jamali and Sidani (2008), the issues of constant experimentation and continuous learning got the lowest rating in Lebanese organizations. These issues are essential because they allow firms to integrate knowledge into actionable learning systems and make sure that learning is promoted on an ongoing basis. Ideally, experimentation thrives where there is a supportive learning environment.

In case experimentation is not promoted, a supportive learning environment might drive and facilitate an organization's learning initiative (Jamali & Sidani, 2008). Indeed, experimentation opportunities are generally missing in Lebanese companies and this is characterized by the lack of opportunities for pursuing new ideas, questioning and experimenting with alternative assumptions (Jamali & Sidani, 2008). On the contrary, the Lebanese environment does not value systematic worker development by allowing for the advancement of distinctive competencies. Only the educational interventions that are essential to supplement skills acquisition and usage are given attention in Lebanese organizations (Jamali & Sidani, 2008). Essentially, a large number of Lebanese firms do not create opportunities for talent development.

EMPLOYEE RETENTION

Most organizations in Lebanon are experiencing the challenge of employee retention. Retaining skilled employees is an essential practice because it builds the organization's labor force, increases performance and prepares the organization for future challenges in the market. Recent research shows Lebanese companies do not have initiatives to retain highly qualified talent leading to high employee turnover. In fact, El-Jardali et al. (2009) found that poor employee retention is the biggest HRM challenge in Lebanese hospitals. Based on their research, 56.7 percent of the respondents said that poor employee retention is affecting nearly all healthcare institutions across the country. Employee retention strategies are often used in combination with performance appraisal. El-Jardali et al.

(2009) assert that 77.3 percent of hospitals perform annual performance evaluation for all workers. Nevertheless, performing performance appraisal is a requirement in Lebanese hospital accreditation programs; thus, most hospitals do not acknowledge its significance for the workers. Even though a substantial number of hospitals do not conduct performance appraisal, certain employees are appraised as needed. These workers include medical staff, technicians, specific nurses and heads of departments across the hospital (El-Jardali et al., 2009). Therefore, there are major gaps that affect employee retention efforts in most organizations.

Employee retention is becoming a challenge in the 21st century because many companies do not have practical retention strategies. According to Hejase et al. (2016), approximately 47 percent of the respondents indicate that their companies do not have formal budgets for retaining workers. The most affected organizations are those that operate in the service industry as well as non-profit organizations. Ideally, this issue reflects the fact that the service industry, specifically depends on soft skills of workers and not technical skills; thus, investing in soft skills as well as customer care training is cheaper compared to technical training done by IT and telecom companies (Hejase et al., 2016). In this case, it is notable that the service industry is reluctant to invest resources in creating retention initiatives. In the study conducted by El-Jardali et al. (2009) only 26.8 percent of the participants said that their healthcare institution has a retention strategy. However, their study notes that many people might be unaware of the availability of employee retention strategies in Lebanese healthcare institutions.

Unsatisfactory work environment tends to increase employee turnover rate across all industries. Currently, retaining the best employees has become a key challenge in HRM because of poor work environment and conditions. A recent study involving nursing directors in 76 healthcare organizations in Lebanon found that unsatisfactory salary and working hours are major retention challenges (El-Jardali, Merhi, Jamal, Dumit & Mouro, 2009). Employees are likely to quit or shift to competitors if they are subjected to low salaries and benefits. For instance, studies show that about 80.8 percent of nurses in Lebanon are likely to quit because of poor pay (El-Jardali, 2009). Scheduling and working hours tend to present a challenge in retention in the healthcare sector. The clinical workforce may be exposed to long working hours or unpredictable shifts due to the shortage of certain professionals. In this case, the healthcare professionals are likely to quit, which increases turnover rates in the long-term. In fact, 27.4 percent of the nursing directors indicate that nurses are likely to leave because of heavy workload (El-Jardali, 2009). Thus, that better opportunities and heavy workloads are important retention challenges.

CONCLUSION

This overview highlights three challenges in the 21st century with a focus on Lebanon.

The challenge of getting the right employees, the problem of talent development and employee retention. HRM in Lebanon is experiencing intricate challenges that can be solved systematically. Most organizations are facing major challenges in selecting the appropriate employees, regardless of their recruitment and hiring process. Although employment processes might prevent organizations from getting the right talent, the Lebanon context tends to affect hiring processes because of a low supply of qualified talent. Furthermore, many organizations are still unable to develop their talent because of the nature of the work environment, lack of resources and strategic policies. As such, the challenge of employee retention has emerged. Lebanese companies tend to experience high turnover rates because employees are not motivated. Essentially, HRM in Lebanon should restructure its strategies to counter the emerging challenges in the 21st century.

RECOMMENDATION

The focus on Lebanon implies that HRM practices should be improved to allow for the selection of the best talent, allow for talent development and enhance retention rates. In this case, effective screening processes should be utilized to ensure the right employees are brought on board to assist the organization in realizing its mission. Technologies including social media have been adopted successfully in HRM functions such as recruitment and selection (El Ouiridi, El Ouiridi, Segers & Pais, 2016). Hence, hiring processes should be automated through technology to solve the challenge of selecting suitable job candidates. Organizations can adopt both intrinsic and extrinsic motivators to solve the challenge of employee retention in Lebanon. Notably, employee retention can be improved by involving employees in decision making and policy implementation.

The creation of practical systems for compensating and rewarding employees can also help to address the issue of employee retention. Workers should be rewarded based on the results of annual performance reviews (Zaraket & Halawi, 2017). Good performance should often be rewarded to keep employees in the organization. Besides, Lebanese companies should create clear career paths for employees to ensure there is an ongoing talent management. Companies should continuously support their employees to improve productivity and contribute to the achievement of the company goals (Aslam, H. et al., 2013). Implementation of organizational learning, which entails the detection and correction of errors, can help Lebanese organizations to deal with the challenge of talent development. In essence, HRM should be proactive to ensure the 21st challenges are addressed.

REFERENCES

Afiouni, F. (2007). Human Resource Management and Strategy in the Lebanese Banking sector: Is there a fit. *Journal of American Academy of Business, Cambridge*, 12(1), 63-69.

Alameddine, M., Khodr, H., Mourad, Y., Yassoub, R., & Abi Ramia, J. (2016). Upscaling the recruitment and retention of human resources for health at primary healthcare centres in Lebanon: a qualitative study. *Health & social care in the community*, 24(3), 353-362.

Aslam, H. D., Aslam, M., Ali, N., & Habib, B. (2013). Importance of Human Resource Management in 21st Century: A Theoretical Perspective. *International Journal of Human Resource Studies*, 3(3), 87-96.

Bidwell, M. (2011). Paying more to get less: The effects of external hiring versus internal mobility. *Administrative Science Quarterly*, 56(3), 369-407.

El Ouiridi, M., El Ouiridi, A., Segers, J., & Pais, I. (2016). Technology adoption in employee recruitment: The case of social media in Central and Eastern Europe. *Computers in Human Behavior*, 57, 240-249.

El-Jardali, F. A. D. I., Merhi, M., Jamal, D., Dumit, N., & Mouro, G. (2009). Assessment of nurse retention challenges and strategies in Lebanese hospitals: the perspective of nursing directors. *Journal of Nursing Management*, 17(4), 453-462.

El-Jardali, F., Tchaghchagian, V., & Jamal, D. (2009). Assessment of human resources management practices in Lebanese hospitals. *Human resources for Health*, 7(1), 84.

Hashim, M., & Hameed, F. (2012). Human resource management in 21st century: issues & challenges & possible solutions to attain competitiveness. *International Journal of Academic Research in Business and Social Sciences*, 2(9), 44-52.

Hejase, H., Eid, A., Hamdar, B., & Haddad, Z. (2012). Talent Management: An Assessment of Lebanese Employees' Knowledge. *Universal Journal of Management and Social Sciences*, 2(9), 21-38.

Hejase, H. J., Hejase, A. J., Mikdashi, G., & Bazeih, Z. F. (2016). Talent Management Challenges: An Exploratory Assessment from Lebanon. *International Journal of Business Management & Economic Research*, 7(1), 504-520.

Jamali, D., & Sidani, Y. (2008). Learning organizations: Diagnosis and measurement in a developing country context: The case of Lebanon. *The Learning Organization*, 15(1), 58-74.

Nasir, S. Z. (2017). Emerging Challenges of HRM in 21st Century: A Theoretical Analysis. *International Journal of Academic Research in Business and Social Sciences*, 7(3), 216-223.

Yahchouchi, G., & Salloum, L. (2015). The Influence of Gender Stereotype and Attitudes on Hiring Decisions in the Lebanese Workplace. *European Journal of Business and Management*, 7(11), 169-175.

Zaraket, W. S., & Halawi, A. (2017). The effects of HRM practices on organisational performance in Lebanese banks. *Journal for Global Business Advancement*, 10(1), 62-88.