

# An Empirical Study of Human Resource Management Challenges Faced by HR Managers

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## ABSTRACT

This study empirically examines the challenges faced by Human Resource (HR) managers in contemporary organizations. A quantitative research design was adopted, and primary data was collected through a structured questionnaire from HR professionals across various industries.

The study identifies key challenges such as talent acquisition, employee engagement, technological adaptation, and compliance management. Statistical analysis reveals that employee retention and engagement are the most critical concerns affecting organizational performance.

The findings provide practical and theoretical insights by linking observed challenges with Strategic Human Resource Management frameworks. However, the study is limited by sample size and geographic concentration. Future research may expand the sample and incorporate qualitative methods for deeper insights.

**Keywords:** Human Resource Management (HRM), HR Challenges, Employee Engagement, Talent Acquisition, Employee Retention.

## INTRODUCTION

In the contemporary business environment, organizations are operating in an increasingly dynamic, complex, and competitive landscape characterized by rapid technological advancements, globalization, and evolving workforce expectations. Within this context, Human Resource Management (HRM) has emerged as a critical strategic function that significantly influences organizational effectiveness and long-term sustainability. No longer confined to administrative roles, HR managers are now expected to act as strategic partners, contributing to value creation and competitive advantage.

The importance of HRM is strongly supported by theoretical perspectives such as the Resource-Based View (RBV), which posits that human resources are valuable, rare, and inimitable assets that can provide sustained competitive advantage, and Human Capital Theory, which emphasizes the economic value of employees' skills, knowledge, and competencies. Furthermore, Strategic Human Resource Management (SHRM) highlights the alignment of HR practices with organizational objectives to enhance performance outcomes. These theoretical frameworks underscore the need for effective management of human resources in achieving organizational success.

Despite its strategic importance, HR managers face a wide range of challenges in managing human capital effectively. Key issues include attracting and retaining skilled talent in a competitive labour market, maintaining employee engagement and motivation, adapting to technological advancements such as HR analytics and automation, ensuring compliance with evolving labour laws, and managing workforce diversity and inclusion. Additionally, the shift towards remote and hybrid work models has introduced new complexities in communication, performance management, and employee well-being.

While existing literature provides substantial insights into HRM challenges, much of the research remains conceptual or based on secondary data, with limited empirical evidence reflecting the real-world experiences of HR professionals. This gap highlights the need for primary research that captures the perceptions and experiences of HR managers across different organisational contexts.

Therefore, the present study adopts an empirical approach to examine the key challenges faced by HR managers and analyse their impact on organisational performance. By collecting primary data from HR professionals, the study aims to provide data-driven insights and bridge the gap between theoretical understanding and practical realities. The findings of this research are expected to contribute to the existing body of knowledge in HRM and offer actionable recommendations for organisations to enhance their HR practices.

## LITERATURE REVIEW

Human Resource Management (HRM) has evolved from a traditional administrative function to a strategic partner contributing to organisational effectiveness and competitive advantage. The theoretical foundation of HRM is strongly influenced by the Resource-Based View (RBV), which argues that human resources can serve as a source of sustained competitive advantage when they are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Complementing this, Human Capital Theory emphasises that employees' knowledge, skills, and abilities are critical assets that enhance organisational productivity and performance (Becker, 1964). These perspectives have significantly shaped contemporary Strategic Human Resource Management (SHRM), which focuses on aligning HR practices with organisational goals (Guest, 2011).

One of the most widely discussed challenges in HRM is **talent acquisition and retention**. According to David E. Guest (2011), organisations continue to struggle with identifying and retaining high-quality employees, particularly in competitive and knowledge-driven industries. High employee turnover not only increases recruitment costs but also disrupts organisational stability and performance. Similarly, research indicates that employer branding and effective recruitment strategies are essential in attracting skilled talent (Sharma & Kumar, 2022).

Another critical issue is **employee engagement and motivation**. Studies suggest that engaged employees contribute significantly to higher productivity, job satisfaction, and organisational commitment. However, maintaining engagement has become increasingly complex due to changing workforce expectations and evolving work environments. Momin and Mishra (2016) highlight that organisations are increasingly adopting HR analytics to measure and improve employee engagement, thereby enabling data-driven decision-making.

The integration of **technology in HRM**, particularly HR analytics, has transformed HR practices in recent years. HR analytics enables organisations to make informed decisions regarding recruitment, performance management, and employee retention. However, Valecha (2022) argues that despite its benefits, the implementation of HR analytics poses challenges such as data privacy concerns, lack of technical expertise, and resistance to change among employees. This indicates that technological adoption in HRM requires both infrastructural readiness and cultural adaptation.

**Workforce diversity and inclusion** have also emerged as key areas of focus in modern organisations. A diverse workforce enhances creativity, innovation, and decision-making; however, it also presents challenges in terms of managing cultural differences and ensuring inclusivity. Research suggests that organisations must implement structured diversity management practices and training programs to foster an inclusive work environment (Sharma & Kumar, 2022). Failure to effectively manage diversity may lead to workplace conflicts and reduced organisational cohesion.

Another significant challenge is **compliance with labour laws and regulations**. As labour laws continue to evolve, HR managers must ensure that organisational practices align with legal requirements to avoid penalties and reputational damage. This requires continuous monitoring, policy updates, and training initiatives. Guest (2011) emphasises that compliance is not merely a legal obligation but also a critical component of ethical HR practices.

Recent studies have also highlighted the impact of **external factors such as globalisation and the COVID-19 pandemic** on HRM practices. The pandemic accelerated the adoption of remote work, creating new challenges related to employee supervision, communication, and work-life balance (Sharma & Kumar, 2022). Organisations are now required to develop flexible HR policies and digital capabilities to manage distributed workforces effectively.

Despite the extensive literature on HR challenges, a critical gap remains in terms of **empirical validation**. Much of the existing research is conceptual or based on secondary data, limiting its applicability in real-world organisational contexts. There is a growing need for primary research that captures the lived experiences of HR professionals and provides data-driven insights into HR challenges and their impact on organisational performance.

Therefore, this study aims to address this gap by conducting an empirical investigation into the challenges faced by HR managers, thereby contributing to both academic literature and practical HRM applications.

### **Objectives**

1. To identify major HR challenges faced by HR managers.
2. To analyse the impact of these challenges on organizational performance.
3. To examine HR strategies adopted to overcome these challenges.

### **HYPOTHESES**

H1: HR challenges have a significant impact on organizational performance.

H2: Employee engagement positively influences employee retention.

H3: Use of HR technology significantly improves HR efficiency.

### **RESEARCH METHODOLOGY**

**Research Design:** Descriptive and analytical research

**Data Type:** Primary Data

**Data Collection Method:** Structured questionnaire

**Sampling Method:** Convenience sampling

**Sample Size:** 50 HR professionals

**Target Respondents:** HR managers, HR executives, and HR professionals

**Data Analysis Tools:**

- Percentage analysis
- Mean score analysis

**Tools Used:** Google Forms / Excel / SPSS

### **Data Analysis and Interpretation**

The present study is based on primary data collected from HR professionals using a structured questionnaire.

The data has been analyzed using percentage analysis and mean score analysis to examine key Human Resource Management (HRM) challenges and their impact on organizational performance.

**Table 1: Demographic Profile of Respondents**

Variable	Category	Frequency (n)	Percentage (%)
<b>Age Group</b>	Below 25 years	8	16%
	25–40 years	28	56%
	Above 40 years	14	28%
<b>Gender</b>	Male	26	52%
	Female	24	48%
<b>Industry</b>	Manufacturing	15	30%
	Services	20	40%
	IT Sector	15	30%
<b>Work Experience</b>	Less than 3 years	10	20%
	3–10 years	27	54%
	More than 10 years	13	26%
<b>Job Title</b>	HR Executive	20	40%
	HR Manager	18	36%
	Sr. HR Manager	12	24%

**Total Respondents (n) = 50**

**Interpretation**

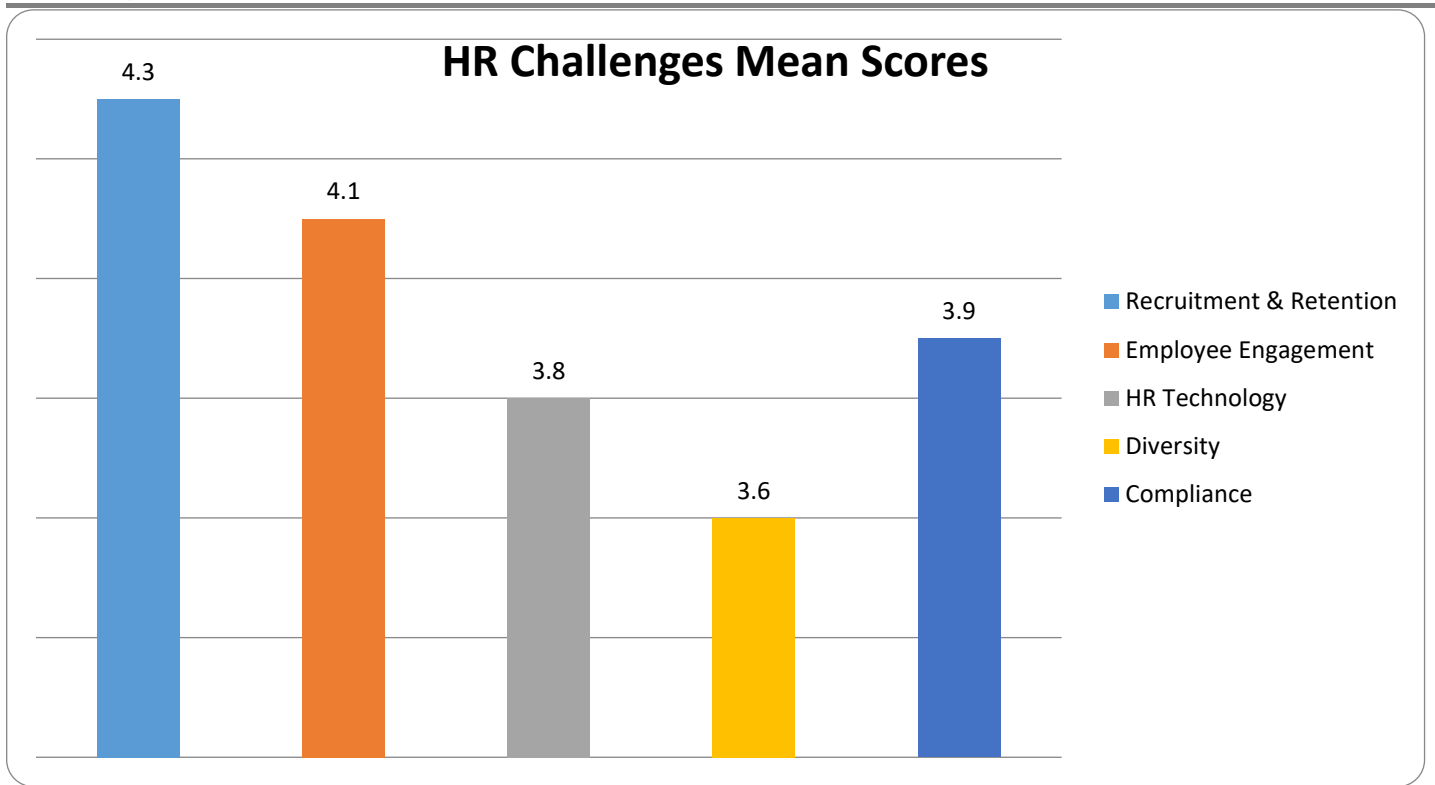
The demographic profile indicates that a majority of respondents (56%) fall within the 25–40 years age group, representing mid-level HR professionals. Gender distribution is relatively balanced, with 52% male and 48% female respondents. The sample includes participants from diverse industries such as services (40%), manufacturing (30%), and IT (30%), ensuring sectoral representation.

In terms of work experience, most respondents (54%) have 3–10 years of experience, indicating a knowledgeable and experienced sample. Overall, the diversity in demographic characteristics enhances the reliability and generalizability of the study findings.

The majority of respondents are **HR Executives (40%)**, followed by **HR Managers (36%)** and **Senior HR Managers (24%)**. This indicates that the study captures perspectives from both operational and managerial levels, providing a balanced view of HR challenges across different hierarchical positions.

**Table 2: Analysis of HR Challenges (Mean Score Analysis)**

HR Challenge	Mean Score	Interpretation
Recruitment & Retention	4.3	High Challenge
Employee Engagement	4.1	High Challenge
HR Technology Adoption	3.8	Moderate Challenge
Workforce Diversity Management	3.6	Moderate Challenge
Compliance with Labour Laws	3.9	Moderate-High



**Interpretation:** The mean score analysis highlights the intensity of key HR challenges faced by organisations. Recruitment and retention (Mean = 4.3) emerges as the most significant challenge, followed by employee engagement (Mean = 4.1), indicating difficulties in managing talent and maintaining workforce motivation.

Compliance with labour laws (Mean = 3.9) is perceived as a moderate-to-high challenge due to regulatory complexities. HR technology adoption (Mean = 3.8) and workforce diversity management (Mean = 3.6) are considered moderate challenges, suggesting ongoing adaptation and implementation gaps in these areas.

**Table 3. Impact of HR Challenges on Organizational Performance**

Statement	Agreement (%)
HR challenges affect organisational productivity	82%
Employee turnover impacts performance	78%
Engagement improves organisational outcomes	85%

**Interpretation:** The findings indicate a strong impact of HR challenges on organisational performance. A majority of respondents (82%) agree that HR challenges affect productivity, while 78% believe that employee turnover negatively impacts performance due to increased costs and workflow disruptions.

Additionally, 85% of respondents highlight that employee engagement improves organisational outcomes, emphasising its critical role in enhancing productivity and overall performance.

**Table 4. Analysis of HR Strategies and Practices**

HR Practice	Mean Score	Interpretation
Training & Development Programs	4.2	Highly Effective
HR Analytics Usage	3.9	Moderately Effective
Employee Engagement Initiatives	4.1	Highly Effective
Diversity & Inclusion Practices	3.7	Moderately Effective

**Interpretation:** The analysis highlights the effectiveness of key HR strategies in addressing organisational challenges. Training and development programs (Mean = 4.2) and employee engagement initiatives (Mean =

4.1) are perceived as highly effective, indicating their significant role in enhancing employee performance, motivation, and organisational productivity.

In contrast, HR analytics usage (Mean = 3.9) and diversity and inclusion practices (Mean = 3.7) are rated as moderately effective. This suggests that while organisations are adopting these modern HR practices, their full potential is yet to be realised due to challenges such as limited expertise and implementation gaps.

## **FINDINGS OF THE STUDY**

The analysis of primary data collected from 50 HR professionals reveals the following key insights:

### **Demographic Insights**

The majority of respondents (56%) are aged 25–40 years, representing mid-level HR professionals. The sample shows balanced gender representation and includes respondents from diverse industries. Most participants (54%) have 3–10 years of experience, indicating reliable and informed responses.

### **Key HR Challenges**

Recruitment and retention (Mean = 4.3) is identified as the most critical challenge, followed by employee engagement (Mean = 4.1). Compliance with labour laws (Mean = 3.9) is a moderate-to-high concern, while HR technology (Mean = 3.8) and diversity management (Mean = 3.6) are moderate challenges.

### **Impact on Organisational Performance**

A majority of respondents agree that HR challenges significantly affect performance. About 82% believe productivity is impacted, 78% highlight the negative effect of turnover, and 85% confirm that employee engagement improves organisational outcomes.

### **Effectiveness of HR Strategies**

Training and development (Mean = 4.2) and employee engagement initiatives (Mean = 4.1) are the most effective practices. HR analytics (Mean = 3.9) and diversity & inclusion (Mean = 3.7) are moderately effective, indicating scope for better implementation.

## **CONCLUSION**

The present study highlights that Human Resource Management has evolved into a strategic function that significantly influences organisational performance. The findings indicate that HR managers face multiple interconnected challenges, with recruitment and retention and employee engagement emerging as the most critical issues.

The study further establishes that HR challenges have a direct and measurable impact on organisational productivity and effectiveness. High employee turnover and low engagement levels are key concerns that organisations must address to maintain stability and competitiveness. At the same time, employee engagement is identified as a crucial driver of positive organisational outcomes.

In terms of HR practices, traditional approaches such as training and development and employee engagement initiatives are found to be highly effective, while modern practices like HR analytics and diversity management are still in the developmental stage and require stronger implementation.

Overall, the study emphasises the need for organisations to adopt a strategic and integrated approach to HRM, combining people-centric practices with technology-driven solutions. By addressing key HR challenges and strengthening HR strategies, organisations can enhance employee performance and achieve sustainable competitive advantage.

However, the study is limited by its sample size and geographic scope. Future research should incorporate larger and more diverse samples, along with advanced statistical techniques, to provide deeper insights into HRM challenges and practices.

## RECOMMENDATIONS

- Strengthen recruitment and retention through better employer branding and competitive benefits.
- Enhance employee engagement using recognition, feedback, and participation.
- Invest in training and development to improve skills and performance.
- Effectively utilize HR technology with proper training and tools.
- Ensure compliance with labor laws through regular updates and audits.
- Promote diversity and inclusion with structured policies.
- Align HR practices with organizational strategy for better performance.

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