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Impact of Globalization on Human Resource Management - A Case Study of Indian Industries

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ABSTRACT:

In the pre-liberalization period India had pursued a shortsighted policy in the name of self-reliance, blocking out the rest of the world in the manufacturing and services sectors. Relying on bureaucratic controls, through licensing and centralized planning, the government had imposed restrictions on the capacity of business units, their location, choice and source of raw materials and so on. It had also kept a check on corporate take-overs and mergers, through the monopolies and Restrictive Trade Practices Commission (MRTP).

India had actively discouraged foreign investments in its capital markets to protect domestic industries. It had also denied itself access to international capital, technology and markets; Unlike the Asian Tigers who went on to beat the first World nations at their own game. However, as seen by the recent downslide in the South Asian economy and the currency crisis in Indonesia, this access to international capital and markets has been a mixed blessing for these countries. Notwithstanding this, the tremendous progress made by the Asian Tigers during the last three decades can certainly serve as an example to developing countries such as India.

KEYWORDS: Globalization, HR Challenges, Potential future development, Strategies, HR Policies.

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INTRODUCTION:

The new economic programme has opened up the economy to a greater degree of international participation and investments. The service industry has taken significant strides in areas such as tourism, hospitalize or medicine, banking and financial services. Consequently, not only have more players come into India, but mergers and acquisitions of a large number of India companies have also taken place. This has compelled Indian companies to sit up and re-examine their strategies and practices, as also the type of business they are in. Such a shake-out is indeed in stark contrast to their attitude in the recent past, where cornering a license mattered more than a company's product or competence. Liberalization has thus resulted in paradigmatic shift¹.

Globalization is the closer integration of the countries and peoples of the world brought about by the enormous reduction of costs of transportation and communication, and the braking down of artificial barriers to the flows of goods, services, capital, knowledge, and human resource across borders. Globalization as an effective instrument of international exchange of goods and services has to have a human face, based on ethical consideration rather than on cut throat competition. It should play a positive role in reducing economic and social disparities within and among, the nations. It should be also effective tool for improving sustainable development. In the era of globalization, with the increasing competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. And within this change in environment, the HR professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization dig picture and be able to influence key decision and policies. In general, the focus of today's HR mangers is on strategic personnel retention and talents development. In today's aggressive global market it has become necessary for organization to expand internationally to gain competitive advantage².

Globalization has forced organization and their human resources functions to redefine their strategies. It is necessary for the management to invest considerable time and amount, to learn the changing scenario of the Human Resource Department in the 21st century. In order to survive the competition and be in the race, HR Department should continuously update itself with the transformation in HR suitable HR Policies that would lead to the Achievement of the organization as well as the individual's goals should be formulated³.

HR Practitioners of every organization and also for those who have significant interest in the area of Human Resource Management should realize the growing importance of human resource and understand the need to build up effective HR strategies. Peoples are important assets. Placing this value on employees, requires the organization to emphasize on human resource practice, including reward for superior performance, measures of employee satisfaction, careful selection of employees, promotion from within, and investment in employee development³.

Just taking care of employees would not be enough; new HR initiatives should also focus on the quality needs, customer-orientation, productivity and stress, team work and leadership building. The researcher has thrown light on the emerging HR trends and discusses HR issues in various industries like Financial Services, IT, Power, Healthcare etc.

It is valuable for practicing HR managers of every organization and also for those who have a significant interest in the area of Human Resource Management, to realize the growing importance of human resource and understand the need to build up effective HR strategies to combat HR issues arising in the 21st century⁴.

OBJECTIVES OF THE STUDY:

1. To study the impact of globalization on Indian Human Resource Management.
2. To study the Challenges in Human Resource Management that Indian Industries are facing.
3. To provide recommendations and suggestions for effective Human Resource Management.

METHODOLOGY OF THE STUDY:

The present study has been descriptive; the data for this study were obtained from secondary sources. The secondary has been collected from various references which already existed in published form; part of the paper is based on literature review the method comprising of collecting all the available papers relating to the them and selecting relevant papers/books for the review purpose. Selection of the paper is done on the basis of their relevance and contribution to the body of knowledge. The author has made an attempt to do primary reading of the selected papers which will constitute the core of this review study^{4,5,6}.

FINDINGS AND DISCUSSION:

1. *Changing Workforce Dynamics:*

Frequently, physical relocation is required. The increasing number of dual-career professionals limits individual flexibility in accepting such assignments and may hinder organizational flexibility in acquiring and developing talent. Some demographic changes in the workforce having their own implications to the HR managers⁶.

2. *Changing Employee Expectations*

Employees demand empowerment and expect equality with the management. Previous notion on managerial authority are giving way to employee influence and involvement along with mechanisms for upward communication and due process. If we 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 even accusing the management of malpractices⁶.

3. *Globalization*

Many Indian firms are compelled to think globally, something which is difficult for managers who were accustomed to operate in vast sheltered markets with minimal or no competition either from domestic or foreign firms. Indian firms need to move one end of each continuum to the other end.

4. *Managing Diversity*

Its value is getting more important issue because of increase in the number of young workers in the workforce, increase in the number of women joining the workforce increase in the proportion of ethnic minorities in the total workforce increase in mobility of workforce international career and expatriates are becoming common, international experience as a pre-requisite for career progression to many top level managerial positions⁷.

5. *Outsourcing Human Resource*

The trend towards outsourcing has been caused by several strategic and operational motives. HR departments are divesting themselves from mundane activities to focus more on strategic role. Outsourcing has also been used to help reduce bureaucracy and to encourage a more responsive culture by introducing external market forces into the firm through the bidding process. It is a big challenge

before the HR manager to prove that his/her department is as important as any other functions in the organization.

6. Making HR Activities Ethical

Hiring ethical strong employees is only the beginning. The need to institute mechanisms to ensure ethical conduct of employees is increased a lot with the passage of time. The HR manager needs to carefully screen applications for jobs, weed out those who are prone to indulge in misdemeanors and hire those who can build value driven organization⁸.

7. Organizational Restructuring

Peter Drucker prophesies in his book (The New Realities) is showing its colour and many big companies has reduced their number of management grades, elimination of layers, and redrawing reporting lines within their organization. ITC, HLL, Godrej & Boyce, RPG Enterprise, Raymond Woollen Mills, Shaw Wallace, Ballapur Industries, Compton & Greaves are some of the companies that are doing so.¹

8. Work Life Balancing

Balancing work and life assumes relevance when both husband and wife are employed. Travails of a working housewife are more than a working husband, thus balancing it is becoming a major challenge for HR manager. So a programme aiming balancing work life is required and aresupposed to include; childcare, Job sharing, Care for sick children and employees, On site summer camp, Trainingsupervisor to respond to work and family needs of employees, Flexible work scheduling, Sick leave policies, Variety of errands from dry cleaning, dropping children at school, making dinner reservations etc and many more like the same or other.

CHALLENGES OF HUMAN RESOURCE MNGEMENT IN INDIAN INDU

1. Management of Workforce Diversity

In order to effectively manage workforce diversity, Cox (1993) suggests that a HR Manager needs to change from an ethnocentric view (our way is best way) to aculturally relative perspective (lets take the best of a varietyof ways). This shift in philosophy has to be ingrained in the managerial framework of the HR Manager in his/her planning, organizing, leading, and controlling of organizational resources.

2. *Maintaining Workforce Diversity*

The future success of any organization relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset if an organizations able to capitalize on this melting pot of diverse talents.

3. *Managing EIS*

As information is the basis of decision-making in an organization, there lies a great need for effective managerial control. A good control system would ensure the communication of the right information at the right time and relayed to the right people to take prompt actions.

4. *How To Retain The Same Level Of Recruitment Even In Recession*

The biggest challenge for HR is to maintain the company reputation which it gained over the period by recruiting a large number of new employees every year.

5. *How To Absorb All Recruiters*

Though there are recruitments in large scale, they do not have enough projects to absorb all the new recruited employees. In order to tackle this situation they are calling the new recruited employees in small batches rather than 2-3large groups.

6. *How To Motivate Employees*

The development of an appropriate organizational reward system is probably one of the strongest motivational factors. This can influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented motivational factors in an organizational context include working environment, job as a result of the rewards received.

7. *Performance Management*

Driving the organization's and its member's progress by establishing objectives related to committed work against which performance can be measured, ascertain capability development assistance required to continuously enhance performance.

8. Career Development

To ensure that individuals are provided opportunities to develop their competencies that enable them to achieve professional and personal career objectives within the organization's goals.

9. Competency Development

This starts with identification of requisite competencies at the organization level which are ultimately dependent on competencies that are needed to be identified, built or enhanced in the individual Birlasoftian. Enhancing constantly the capability of Birlasoftians to perform assigned tasks and responsibility in turn uplinks to the organization capability building.

10. Compensation

To provide all individual with remuneration and benefits based on their contribution and value to the organization in a fair and transparent manner. Competitiveness of the compensation offered in comparison with the prevailing market's reality is the driving force.

11. Training & Development

To ensure that the identified competency requirements are built through a systematic and focused approach.

12. Participatory Culture

A myopic outlook of utilizing talents of people only in the delivery of assigned duties has two broad undesirable effects; it prevents people from developing as well rounded professionals; and it denies the organization the readily available multitalented internal resource pool that could potentially contribute to most of the challenges and opportunities facing the organization.

CONCLUSION:

HR professionals can't wait for change to occur. HR leaders must anticipate new developments, embrace them and develop the strategies necessary for their organizations to succeed. To drive organizational success, HR professionals must understand the implications of these trends not only for HR, but also for their organization as a whole. HR leaders will find opportunities in these developments and must put programs and practices in place today to meet the challenges of tomorrow. It is time for

Human Resource practitioners to rethink their role and that of the HR department, not only for the purpose of contributing to the organization's bottom line, but also for their own survival. HR continues to balance the demands of several different roles: business partner, internal consultant, operational and administrative expert and both employee and employer advocate.

SUGGESTIONS & RECOMMENDATIONS:

1. Employers must increase awareness of liabilities.
2. Employee needs more encouragement and support from employer.
3. HR has to play very important role in future (BusinessPartner, Strategies, OD Specialist, System Integrator, andResearcher).
4. Traditional Marketing policies.
5. The amount you invest in selling yourself to your clients.

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