

## Role of Human Resource Management in Globalization

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### Introduction

Globalization of the world's economic activities is the dominant driving force in the world economy. It has brought a multifaceted change in the business. The high-tech information based economy defines globalization and shapes the business cycle within it. It facilitates free flow of trade and factors of production across national borders. It aims at market maximization, free flow of investment, faster growth, liberalization of trade having less trade barriers and more competition, technology and effective communication through internet and electronic communication technologies and increased rate of population mobility. Globalization necessitates economic liberalization and privatization of business. Competitive advantage orientation is the two essential mantras for the survival of organization change scenario. Thus the impact of globalization has become a major force in business, in general, and in human resource management, in particular. In this paper we focus the role and impact of human resource management in globalization.

### Role of Human Resource Management in Globalization

Today's organizations are going through incredible pressures because of increasing globalization and technological changes. Organizations that continue to seek solution to their competitive by downsizing, outsourcing and weakening their organizational culture are now "on borrowed time" and will not sustain for long.

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Organization need to match HR policies and practices with long-term business strategies required to compete in the global market place, and generate employment commitment and retention over a long-term. Enterprise. The attitudes knowledge and skills of the workforce of the enterprise and its contractors and suppliers will determine the quality of the human system and processes behind its product and services.

- Quickly turn strategy into action – be bold and agile.
- Manage processes intelligently and efficiently.
- Maximize employee contribution and commitment.
- Create conditions for seamless change.

### **Impact of Globalization on Indian Industrial Sector**

Due to globalization the liberalized economic policies have increased the competitiveness among Indian industrial units in a significant way. The production units are using the sophisticated technology along with the human resource to achieve the production target in the competitive age. As a result the national economy is growing as better quality products are released to the national as well as international competitive market. Besides this it has some adverse effect on Indian industrial units as the industries are bound to follow the effective measures in order to survive in the highly competitive economy market. Some of the major factors which are influencing the production centers are:

- Dis-investment
- Privatization
- Merger
- Re- structuring and re- engineering
- Technological up-gradation, outsourcing, subcontracting and downsizing.

The role of HR manager today is to recognize the best talent and achieve significant productivity gains over a period of time. Technological advances, globalized, competition, demographic channels, the information revolution and trends toward a service society have changed the rules of the game significantly. In such a scenario, organization with appropriate set of resources gains competitive advantage through effective and efficient management of human resources. The role of HR manager is shifting from protector and screener to the planner and change agent. On today's competitive word, highly trained and committed employees are often a firm's best bet. HR professionals play key roles in planning and impending downsizing, re-structuring and other cost cutting activity. They enable a firm to be more responsible towards product innovations and technological changes. The focus of HR policy lies on seeing people from positive and proactive angle. In general, we can say that the HRM department of each and every organization plays a vital role in order to achieve organizational objectives and targets. Now-a-days the HR professionals lay more emphasis on the key areas, enlisted below.

- **Compensation:** Fair and equitable pay pattern: the level of pay assigned to various jobs is important to an organization because of its impact on morale, retention and the ability to attract capable employees. Compensation level determines employee's life style, status, self-worth and attitude towards the organization.
- **Working Conditions:** Suitable sophisticated and hygienic working conditions: This leads toward reducing fatigue, boredom and ultimately affects the health of the worker and to avoid decline in productivity which is detrimental to the success of organization improvement systems.
- **Job Enrichment:** Challenging, innovative and interesting jobs: vertical job loading with innovativeness generates among employees for better performance and motivated efforts.
- **Training and Development:** Continuous up-gradation of skill, career development, individual and group development: the process of training and development must be tied to the overall strategic objectives of the organization. Every organization follows the up-to-date scientific methods to impart to their employees. It not only emphasizes on improvement of skill but also on personality development, teamwork, leadership, etc.
- **Human Resource Planning:** See the future and plan the requirements: this should be the best process for attracting, utilizing and maintaining best manpower in an organization for best performance. The HR professionals should make plans for future manpower requirement in the competitive age by keeping their eye on production schedule, market condition demand forecasts, etc.
- **Career Planning:** See the career goals and show the career path integrated with organization goals: the career development activities are to integrate the needs of employee with the goals of the organization. The person has need for challenge, job satisfaction and growth. Career development is an important way to utilize the vast supply of untapped human resource potential.
- **Communication: Transparency, Involvement and Understanding:** In recent years, management has to give much more attention to communicate business information to their concerned employees. The moral communication the better the understanding. Organizations use various effective communication systems such as upward and downward communication, all channel networks, grapevines for avoiding the conflicting situation. The sound communication system makes the employees honest and loyal to their management.
- **Involvement and Empowerment; More Democracy and More Decentralization:** The employee's participation in day to day organizational

matters which indicate the success of industrial democracy is a must. The employees have every right to participate in the decision making process by giving the appropriate for various reasons which include (i) increasing employees trust and commitment to organization, (ii) to provide a forum through which employees can express their beliefs and attitudes about daily operations (iii) to enable employees to identify and solve problem so that they can improve their own performance.

- **Outsourcing:** Using specialist/expert services: for proper growth and development, outsourcing helps by hiring external services on contractual basis in required situation. This helps in cost- effectiveness and service-effectiveness which is required for the organization.
- **Downsizing:** Reducing the surplus manpower and rightsizing the organization: in today's competitive economic environment, the organization is going for re- structuring themselves by rightsizing their existing manpower or workforce. In order to survive in the competitive situation, the labour redundancy process is going on by adopting the systems like VRS, ESS and CRS. Presently this is adversely affecting the scenario, but in the long run it will enhance the product gain and growth process.

### **Some Model of Global Scenario**

- **The Japanese Continuous Improvement Model**

It took Japan almost thirty years to master the art of producing quality and earn a world- wide reputation. The American quantity foundation, found that the Japanese strive for perfection, and have the patience for the slow and continuous process, the Japanese seem to have one constant model for qualify which is continuously upgraded and enhanced with new learning's over the years.

- **The US Re-engineering Model**

AQF study reports that quality to American means something other than perfection. They want it to work. It was also clear that any model has to produce results fast, to gain acceptance in the US. The advent of re-engineering a revolutionary re-designing of the process of an organization has resulted in delight the customers. Most corporate leaders opt for re-engineering and tend to view employees as a part of an extended family, and search for solutions where all employees have a place.

**UK:** The country that gave us the concept of "bureaucracy" is pioneering the standardization effort. The softer aspects of quality are not making much headway in countries like West Germany with high technical focus. To the Germans, quality means- standards. Here the focus has been on ISO 9000, and many companies are reviewing their procedures and upgrading them in line with what the world standards might be. By the way, this standardization has been largely resented and rejected by

many Japanese and US firms, who have been very successful with quality improvement.

- **Indian Model – Little Bit of Everything**

With the advent of liberalization, privatization and globalization Indian business suddenly found that they are now in the global arena and are in the process of determining what their approach should be. There for there is a lot of experimentation going on with new ideas which have worked elsewhere in the world. The search is on for a model that might gain acceptance in India. There is no major study on what Indians consider to focus on change. Experts in the field say that Indians want reliability and cost effectiveness.

### **Conclusion**

The role of HR manager today is to recognize the best talent and achieve significant productivity gains over a period of time. Technological advances, globalized, competition, demographic channels, the information revolution and trends toward a service society have changed the rules of the game significantly. In many organizations, adequate information and data base may be must, therefore, be given first priority, which many managers neglect lacking, this is a serious threat to accuracy of information without which HRM practice is difficult. Globalization necessitates economic liberalization and privatization of business. Competitive advantage orientation is the two essential mantras for the survival of organization change scenario.

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