

Research Paper—Economics



SEPT—2009

GLOBALISATION AND HUMAN RESOURCE MANAGEMENT



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Introduction

From everyday considerations”, such as which restaurant to dine in or which store to shop at to more substantial concerns, such as which technology to adopt or which research project to undertake, decision making is susceptible to social influences ‘which may lead individuals to do what the others are doing irrespective of their own private experiences or informations. This type of behaviour among individuals is commonly known as herd behaviour.

But such behaviour is not confined to individuals alone. Most of the states and other groups are also susceptible to it. Since the second half of the 1980s almost all countries of the world are following the policy of Globalisation, liberalisation and privatization (LPG) is the classic examples of this herd behaviour. To a casual observer, the apparent irrationality, yet pervasiveness of such behaviour may be always seen as undermining the value of traditional economic modelling. Yet such a conclusion can be wrong. As a matter of fact, herd behaviour can be viewed as the outcome of a perfectly rational decision making process.

Globalisation is defined by many people in a different way. We understand under globalization the expansion of power in various fields of political, economic, and public life, which intends to have an impact on the world as a whole, irrespective of cultural, ethical, or ecological barriers. Within the process of globalisation, the initiative of power is willful act, which is planned and executed by a source of power, which is sometimes known and sometimes hidden. A hidden source of power is of dangerous nature, because it does not openly •-declare its aims and objectives due to reasons of negative consequences to a group or groups of people inflicted. The Western view reflects values that are liberal, internationalist, and bourgeois. For countries like India that have experienced a dramatic policy shift away from the inward looking protectionist policy regimes of yesteryears, globalization has had significant if not fundamental impacts on the structure. Pattern and growth of industry. This has had secondary impacts on the environment and on energy demand.

While hardcore proponents of globalization may argue that Indian policy makers have

largely toyed with the idea of globalization and not really made any serious effort to efficiently put the appropriate policies in place, very few will dispute that the shift in policy stance is easily perceptible.

It is also important to distinguish between the two ways in which the environmental damages occur as a consequence of economic activities. This distinction is crucial for understanding both the inter-relationship and the nature of the optimal and/ or ecoprotectionist policy. First environmental degradation may be caused by a production activity. Air pollution generated by the production of manufactured goods such as steel, and water pollution caused by a chemical factory or tanneries are typical examples. The second way the environmental damage can occur is through consumption of goods. Air pollution by vehicle transport is the typical example of this kind. Implications of environmental standards have often been viewed as non- tariff barriers imposed by developed countries to restrict exports by LDCs. From the LDC point of view, this usually lead to fall in domestic employment and foreign exchange earnings. The last quarter of the twentieth century has seen a wave of economic policy reform in the developing world, with one country after another taking the liberalization cure, often imposed by the international financial institutions. This wave of reform had been preceded by a quarter-century of state-directed effort at economic development, during which time the goals of economic self-reliance and Import Substitution Industrialization (ISI) were the hallmarks of development strategies in the less developed countries. These goals seemed particularly justified, given the long experience of these countries with colonialism and the agricultural nature of their economies. There was, besides, intellectual support for

them from Keynesianism and the new discipline of development economics, especially in view of the historical memories of the massive market failures of the Depression years. However, all this seemed to be overtaken by the subsequent surge of liberalization.

The recent wave of economic policy reform in the developing world has been seen as a necessary consequence of a changed world economic system. The key feature of the changed world economy is the element of heightened economic globalization, which provides new external challenges as well as opportunities for development. As globalization has accelerated, it has come loom large in the perceptions of policy-makers, and adjustment to it in the form of economic liberalization and the shrinking of the state has moved on them. The phenomenon of economic globalization provides the widest possible context for the examination of economic policy reform. However, as a concept in contemporary social science, it appears in many variants.

A softer version of the concept, which informs the present study, treats globalization less as an end-stage and more as a process in which the 'international' economy becomes more closely integrated, with domestic economic agents increasingly oriented to the global market rather than to particular national economic advancement. Regardless, economic globalization represents only one-part of the equation. Equally necessary to the understanding of economic policy reform in the opposing social force in the form of economic nationalism. While diverse meanings go with the term, economic nationalism's core is constituted by the para-mountcy of national economic interest against the claims of other nations.

Economic globalization and economic

nationalism are, then, the two fundamental forces that have been shaping the world's economic terrain over last few centuries. The two forces are obviously related to each other, with globalization both opposing and provoking economic nationalism as well as transforming and transcending it, even as its own apparently inexorable pace of expansion and possible eventual triumph has been continually interrupted and redirected by nationalism. Both contending forces are integrally linked with markets and states, for both have been fundamentally rooted in the rise of markets and states in the modern era. Indeed, economic globalization is simply a fuller expression of the expansion of one or more markets to world scale, while economic nationalism is nothing but the manifestation in the economic arena of the consolidation of states in the international system. They thus simply represent another level of the working of markets and states. At the same time, each by itself as well as in interaction with the other generates pressures for economic policy reform which, in turn, has principally to do with the roles of states and markets in economic affairs. One of the vital questions for the developing world at the dawn of a new century, therefore, becomes precisely the relationship of globalization and nationalism to economic policy reform. The Industrial Revolution began in Great Britain in the late eighteenth century and spread to America in the early nineteenth century. Industrialization completely changed the way people earned their living.

One of the primary innovations of the Industrial Revolution was the development of the factory system. The factory was central to the process of nineteenth-century industrialization and to the development of the practice of HRM. Factories were places of

production based on free or wage labour and fixed capital. In general, the factory greatly expanded production and created a new class of workers and managers. In addition, the factory system eventually led to the shift from an agriculturally based society to an industrial and manufacturing based society.

Under the laissez-faire form of management, personnel practices were autocratic, based upon a commodity concept of labour, and reflected little concern for the working conditions, safety, or job security of workers. Seen as merely another factor in production, labour was purchased at terms designed to maximize the employer's profits. Consequently, there was an overall neglect of the human factor; the focus was upon materials, markets, and production. The subject of ethical behaviour has been with us for several millennia. There are few, if any human resources practitioners who have not had to deal with an ethical, issue at some point in their careers. In this paper an attempt has been made to identify these ethical challenges and to provide a framework for dealing with them. Beginning with a brief overview of business ethics which argues that the human resources manager is particularly involved because of the diverse and sometimes paradoxical role HR plays in the organization. Several Schools of philosophical thought regarding ethical behaviour are discussed and their relevance to the problems faced in HR assessed. It is the main contention that the HR practitioner, working in the often ambiguous and sometimes chaotic business arena, needs an ethical framework more pragmatic than unbending, more immediately responsive than subject to leisurely reflection. In more recent years ethicists have turned their attention to the micro level, where we deal with the ethical behaviour of individuals in

organizations, rather than the behaviour of organisations or their cultures. The behavioural orientation of the HR function has in the past attracted people with a great interest in and sensitivity to the needs and aspirations of individuals.

Human resources practitioners, in addition to their behavioural orientation occupy a particularly sensitive role that is different from that of managers in line functions and in other functional areas. The HR executive often walks a fine line that divides the sometimes conflicting interests of the employees. Complicating this is the fact that the top HR executive often deals directly with a boss with important influence over his or her career whose interest focus broadly on the successful performance of the enterprise and may not always be receptive importance of specific ethical issues raised by HR. Nor is the HR staff reporting to the top HR executive exempt from these pressures because actions of the staff—especially mid-level practitioners—reflect on the entire function. Recent expansion of the HR role has brought another important contradictory element into play- the growing strategic involvement of the HR function. The HR leader, in occupying a strategic position in addition to the traditional administrative/operational tasks,

has often become a member of the top management team forcing him or her to focus more on the integration of the strategic business issues with human resources issues.

Values are derived from one's upbringing, social pressures, religion experience, conscience, and the need to get along with others. Values engender principles, the standards by which individuals and corporations conduct themselves. Often, in spite of documented principles, unwritten principles—norms can vary dramatically. Thus employees may view the organization's documented principles as "what we're supposed to do" and the unwritten principles as this is what we really do." The width of the gap between organizational principles and norms is often directly related to integrity of leadership. Integrity of leadership has been characterized as a necessary prerequisite to an ethical organization. In such an organization the successful leader has integrated his or her values into philosophy and day-to-day actions that communicate the principles and norms which shape ethical behaviour. "The main leadership task is to energize followers' actions that support higher corporate purpose and not their own self interests".

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