



The Impact of Globalization on Human Resource, Employment & Education in India

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Abstract

Globalization has various and deferent definitions in deferent domains of knowledge, sciences and arts. Globalization occupies a significant part of the world competition which is increasing by the time. Globalization is an influential and highly effective phenomenon in public and private sectors on India's economy in the contemporary. Human resource development strategies are influenced and changed by the manifestation of globalization significantly. In this paper, the researcher is going to analyze and study the effects of globalization and its traces on the human resource management in India. This study shows that after controlling for fixed capital, human capital, in the form of higher education and health infrastructure, is emerging as a significant contributor for labor productivity, its growth and growth of employment.

Keywords: Globalization, Human resource, Employment, Education

Introduction:

What is the definition of human resources?"William R. Tracey, in The Human Resources Glossary defines Human Resources as: "The people that staff and operate an organization ... as contrasted with the financial and material resources of an organization. The organizational function that deals with the people ..."Human Resources evolved from personnel as the field moved beyond paying employees and managing employee benefits. The evolution made verbal the fact that people are an organization's most important resource. People are an asset that must be hired, satisfied, developed, and retained (Flamholtz 1999).

Human Resource Development (HRD): is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development (Thurik 2001). Human Resource Development can be formal such as in classroom training, a college course, or an organizational

planned change effort. Or, Human Resource Development can be informal as in employee coaching by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases. Human Resource in India is a one-stop solution provider who can help modern organizations to overcome their business challenges. The competitive modern industry has created entirely new challenges in managing Human Resources business. Many social scientists believe that evaluating human resource is hard work. Experts caution that people should not be sensitive to value others put on them, because a car will never react to a value higher or lower than its capacity, but an employee will show a reaction to any changes. Therefore, this category must always be taken into account when dealing with this valuable asset (Dawson 1994). Hence, studies emphasise the crucial role of technology and innovations in promoting growth (Grossman and Helpman, 1991; Mankiw, Romer and Weil, 1992; Romer 1994; Helpman, 1998). In this context it is important to note that the current technology, which is human capital and knowledge intensive, cannot be used in the absence of skill development. Several studies show presence of skill bias in the new technology and argue that persons with less education would remain unemployed (Salvanes and Forre, 2003). Feliciano (2001) found increased wage inequalities in Mexico due to new technology and liberalisation of the economy. For the Latin American countries, in general, Kim (1998) found that the inflow of investments consequent to liberalisation created jobs mainly for skilled labour. For India, Pandit and Siddharthan (2008) showed that employment increased mainly in skill and technology intensive industries.

Human Capital and Employment

Knowledge-based employment. Lepak and Snell (1999) argued that human capital in quadrant 1 is most likely to be viewed as core to the firm. Because of their value, these employees are able to contribute to a firm's strategic objectives. When human capital is both valuable and unique, it represents the knowledge base around which firms are most likely to build their strategies (Snow & Snell, 1993; Stewart, 1997). These workers are those most likely to represent a firm's knowledge workers—those “people who use their heads more than their hands to produce value” (Horibe, 1999, p. xi). In these instances, firms are likely to rely on a knowledge-based employment mode that focuses on internal development and long-term employee commitment for their core employees (cf. Lepak & Snell, 1999; Rousseau, 1995; Tsui et al., 1995). Lepak and Snell (1999) used the term “internal development” to describe this quadrant. While the term “internal” describes employment, the term “development” connotes an orientation toward training, education, and other skill-enhancing activities. To keep employment modes and HR distinct for purposes of research, we use the term “knowledge-based employment” for this quadrant to reflect an employment mode that is structured around the skills and competencies of employees rather than the execution of programmed tasks and job routines. *Job-based employment*. Human capital that has strategic value but limited uniqueness falls within the bottom right quadrant of the HR architecture. As with quadrant 1, the value of human capital in quadrant 2 provides an incentive to employ these workers internally. At the same time, these workers' skills are not particularly unique to the firm and thus, cannot serve as a differentiating source of competitiveness. In other words, workers within this quadrant are able to make significant contributions to a firm while possessing skills that are widely transferable. As with

quadrant one, the notion of an acquisition approach suggested by Lepak and Snell (1999) also confounds employment with HR. The term “acquisition” implies a focus on staffing (vs. development). We use the term job-based employment to reflect the fact that employees are hired to perform predetermined tasks.

Globalization and its consequences:

Globalization requires attention to —more than conducting business across national borders but also entails expanding competition for almost every type of organization presenting management with the challenge to operate in diverse cultural settings|| (Edwards, 2006). O’Keeffe contends that the advent of the global economy has brought a realization that the only lasting competitive advantage is an organization’s ability to effectively exploit human resources. HRM has become a significant factor in the management for organizational success. The multinational companies (MNCs) and other international organizations face the challenge: what kind of a new form of —glue|| helps to manage HR worldwide? The idea emerging from organizational behavior literature in recent years will help to find the answer. It comes from the work of Paul Evans and Yves Doz from INSEAD business school in France. Evans and Doz have described the managerial challenge in complex international organizations in terms of balancing the opposing dualities (Evans and Doz, 1999). They believe that the pace of change and the new complexity of globally operating companies create the need for harmoni-zing seemingly opposing forces, such as (Figure 1):

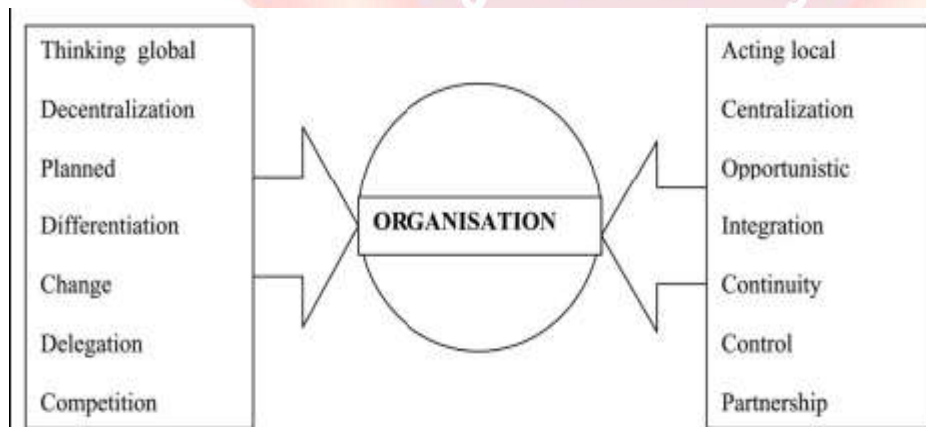


Figure 1: Opposing forces managers need to balance in international organizations.

Human Resource Development Initiatives in the India Republic Service:

For the purpose of this paper, discussions on human resource development (HRD) go beyond education and training. Training and development in any organization is often an integral part of overall human resource management strategies. It should be linked with recruitment, selection, career planning and development, performance appraisal and the remuneration system. The interactions of these various aspects of human resource management strategies have practical consequences for public service performance.

The following paragraphs outline the major HRD-related initiatives, which have been formulated and implemented by the India Public Service in its efforts to upgrade and enhance its service delivery through the use of technology and people. The scope of discussions will cover the system of remuneration, training and development activities, and the use of information and communication technology in the public service.

The Public Service Remuneration System:

The India Remuneration System has placed greater emphasis on knowledge acquisition, skills development and inculcation of good personal values among public service employees. The achievement of specific competencies or proficiencies related to the job will be given due recognition and reward in the form of salary progression and career advancement. Hence, under the MRS, competency becomes one of the main elements in determining the progression of careers and salary in the public service.

In addition, the Coordinative Panel for Performance Appraisal and Salary Progression under the NRS is replaced by a Human Resource Development Panel, which has been established in respective government departments. Besides determining the salary progression of the employees under their jurisdiction, this Panel has been given a wider set of responsibilities including identification of training needs and recommendation of counseling for employees.

Improvement of career development:

The MRS also offers more opportunities for the public service employees to be promoted by introducing five additional promotional grades within the remuneration system.

These additional grades, however, will not add additional layers to the organizational hierarchy. The regarding and additional grading has resulted in the total number of schemes being changed. Under the exercise, 4 new schemes have been formulated, 58 schemes were modified while 9 schemes have been abolished.

Allowances and perquisites:

The four basic principles and ten criteria for the provision of allowances and perquisites under the NRS are still relevant for the MRS and need not be amended. Nonetheless, the provision of different rates within the same grade for allowances and perquisites introduced under the NRS needs to be revised. In this regard the Government agreed that different rates of allowances and perquisites within the same grade streamlined based on the higher rate. The allowances and perquisites that were streamlined are Fixed Entertainment Allowance, Incentive Payment for Public Health Officers, and Incentive Payment for Hospital Administrators, Specialist Incentive Payment, Vacation Leave and Ward Eligibility and Charges.

Improvement to terms and condition of service several terms and conditions of service are modified as follows:

1. Starting salary of employees who have been confirmed in service and after appointed to another scheme of service, is to be at least one salary increment higher than the previous position;
2. Probationary period of 3 years under the NRS is modified to 1 year including for those under Promotion through Appointment;
3. Employees who have been approved full pay study leave are to be granted actual salary progression during the duration of their courses; and
4. Employees who are approved for alternative salary range due to various reasons such as study leave or chronic illness are granted notional salary progression of not more than 3 times during their entire tenure of service.

Public Service Training and Development Program:

Training and development is an important component of human resource development in an organization. It is necessary to maintain and improve the capability and capacity of the public sector workforce to deliver their services. Continuous staff training based on the training needs is critical to adapt skills for future organizational needs, improve individual job satisfaction, redeploy staff, and enhance career and employment prospects and to take advantage of technological progress.

Training activities undertaken by the India Public Service are guided by a Training Policy as spelt out in the Service Circular No. 6/1984. The main objectives of the Training Policy are: -

- To develop capable and qualified officers;
- To ensure enhancement of skills, efficiency and productivity;
- Able to provide high quality results; and
- To develop employees who are able to produce output of high quality.

The National Institute of Public Administration, a division under the Public Service Department is the premier public service training institution entrusted to conduct training courses for all levels of public service personnel. However, INTAN which is ISO 9000 certified since has gained considerable experience and established its niche in the provision of executive development programs and leadership training for the public sector executives.

In a highly globalized environment that is characterized by rapid and unprecedented change, the role of leadership in bringing about national transformation to achieve global competitiveness is of utmost importance. Therefore, it is imperative that the public sector should give more attention on developing leaders who are capable of harnessing the forces of change to ensure our nation can compete effectively in the era of globalization.

The following paragraphs of the paper focuses on the issue of executive development and highlights the training programs that are being implemented by the National Institute of Public Administration to enhance the capability and effectiveness of public sector leaders in fulfilling their role as a strategic integrator in the process of enhancing national competitiveness in a highly globalized world.

Application of ICT in the Public Service:

Davidson, Gellman and Chung (1997) in their book —Riding the Tiger|| stated, —You can no longer enjoy the choice of ignoring information technology. Both public and private sector organizations are run today with people and procedures, and silicon and software. According to them, —Managers are riding a technology tiger. This makes for an uncomfortable place to sit. If you fall off, the tiger will eat you alive. If you master the tiger, you can outpace your competitors.

It is a fact that the public service managers the world over, either willingly or reluctantly, are riding the technology tiger. Massive financial resources have been allocated to use modern technology to improve customer service, to make work easier and more rewarding to employees. However, many have claimed that the benefits of technology have not matched the costs of investment in it. It is later learnt that technology per se is not productive and does not add value unless there are people who have the knowledge and expertise to use it productively.

In the case of the India Public Service, the government has embarked on the design and development of a Human Resource Management Information System (HRMIS). It is one of the six projects under the Electronic Government flagship, which in turn is one of the seven flagships under the Multimedia Super Corridor (MSC) program. The integrated human resource information system will enable the sharing of reliable information quickly. It will also allow for better and faster communication among all the agencies involved. Human resource activities that are less productive can be reduced and greater emphasis can be given to more productive work that enables human resource management to function at the strategic level.

Conclusion:

Globalization occupies a significant part of the world competition which is increasing by the time. Globalization is an influential and highly effective phenomenon in public and private sectors on India's economy in the contemporary. Human resource development strategies are

Influenced and changed by the manifestation of globalization significantly. In the present technological globalised world, organization should be able to adjust to the demands and requirements of the changing environment for survival and competition increasingly. The major role of globalization would be to facilitate competition in an environment in which productivity and quality of the products are highly crucial. In the broader prospective, the capability and the capacity of the government to upgrade human resources effectively and efficiently is critical vital to enhance nation's competitiveness. India as one of the influential powers of the Middle East region will play an effective role in the globalized era in order to enhance its capability to adjust human resource management strategies.

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