

World economy and human resource: Enterprises in India

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Abstract

In recent years, India has emerged as an important player in the world economy, more commensurate with its demographic size. In the past, the organizations were categorized by their number of employees and the amount of data or storage they managed. Currently, however, as the organizations grow—and the amount of data they oversee increases exponentially—the ways in which we categorize companies has changed as well.

Medium-sized enterprises and the large family businesses are the trump cards for the German economy. A good 20% of all those employed in SMEs work in the small and medium-sized industrial enterprises. This puts Germany ahead of many EU countries (FR 17% and GB 15%). Industry is even more heavily represented among the large sized businesses. In recent years, the medium-sized enterprises have become more involved in the export business. While the foreign activities of the large sized businesses tend to focus on the dynamic emerging markets, the export map for SMEs does not yet really project the new growth areas in the global economy.

Keywords: world economy, human resource, India

1. Introduction

In recent years, India has emerged as an important player in the world economy, more commensurate with its demographic size. In the past, the organizations were categorized by their number of employees and the amount of data or storage they managed. Currently, however, as the organizations grow and the amount of data they oversee increases exponentially—the ways in which we categorize companies has changed as well.

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The large sized businesses have already taken up the challenge, while the SMEs still have a lot of work to do to adapt. Significantly more than 90% of the large sized businesses offer an occupational old-age pension, compared with only around 40% of the SMEs. While 28% of the employees in SMEs participate in professional further training, this compares with around 50% in large enterprises. Almost 80% of the large sized businesses regard investment in further training among their most important long-term personnel policy strategies.

Medium-sized enterprises are rightly regarded as the trump card of the German economy. Many of the successes achieved in the recent years provide impressive evidence of this. So far, the medium-sized enterprises have coped well with the crisis in the euro area. Companies continue to generate the significant revenue and enjoy the healthy balance sheets. Smart, far-sighted decisions, for example in the difficult year of 2009, the global alignment of many medium-sized enterprises, and the

traditional strengths such as flexibility and the customer orientation are once again paying off.

Small and medium-sized enterprises do not represent the whole picture in terms of the differentiated enterprise structure in Germany. There is a tendency to overlook the larger family businesses in particular, although this group is especially important. Unlike SMEs, family businesses cannot be defined by numbers of employees or revenue levels. Instead, qualitative features apply here, such as the power structure and the specific corporate culture. These features do not depend on the size of the company, nor are they lost when an enterprise exceeds a certain size.

The economic environment for medium-sized enterprises is currently dominated mainly by the difficult situation in many markets because of the crisis in the euro area. The risk of a collapse of the euro area, still considered high last summer, has been sustainably reduced thanks to the decisive intervention of the European Central Bank. In addition, the crisis-ridden peripheral countries are reporting progress with the necessary changes, such as improving their competitiveness.

In a SME, there are more full time employees to manage the data and IT infrastructure; however, these individuals typically have less expertise than the IT gurus. The typical titles of these people are system administrator, network administrator or IT manager.

Large scale industries are the instrumental in supporting the economic backbone of the country. In India, the large scale industries are those that have over Rs. 100 million as the fixed asset. Usually the industries involved with the fertilizers, power, oil and gas, heavy engineering, agricultural products, infrastructure, food processing, banking, information technology, manufacturing, engineering, tourism etc. are segmented as the large scale industries.

Large scale industries refers to those industries which require the huge infrastructure, man power and a have influx of capital assets. The term 'large scale industries' is a generic one that

including the various types of industries in its purview. All the heavy industries of India such as Iron and steel industry, textile industry, automobile manufacturing industry fall under the large scale industrial arena. Due to the IT boom and the huge amount of the revenue generated by it, in the recent years the IT industry can be included within the command of the large scale industrial sector. Moreover the telecoms industry also forms indispensable component of the large scale industrial sector of India. Indian economy no doubt, is heavily banks upon these large industries for its economic growth, generation of foreign currency and for providing job opportunities to millions of Indians.

In a large enterprise, because the business model is so comprehensive, the company often has full-time IT staffs that possess specific expertise to manage specific applications or parts of the IT infrastructure. This mastery is essential in the large enterprises. The larger the organization, the larger would be customer service department has to be and the more robust the call centre solutions should be.

1.1 Current status in large scale industries

When compared to small and medium-sized businesses, large-scale organisations (LSOs) are unique. This is a result of the context in which they operate. Because of their size, the LSOs have a great deal of political power. Some organisations are so large that they have more influence on the economy than the governments in power. The sales and revenue of some multinationals, such as Wal-Mart and General Electric, are bigger than the economies of several small countries. LSOs are able to produce the goods and services in bulk at low cost, because they have the financial means to pay for the required technology and huge staff needed to produce the good or service.

Classification of the large and small scale industries refers to size of a company in terms of the number of employees and sometimes the annual turnover. Depending on the country and the industry, a small-scale industry employs between 250 and 1,500 people. Anything above that is a large-scale industry. Any industry exceeding these limits is a large-scale one. Those are, for example, the multinationals with production facilities in many countries, or big retail chains, such as Wal-Mart.

1.2 Challenges in large scale industries

In terms of quality management, large-scale companies must manage enterprise-wide quality processes and at the same time control local processes in individual business entities. The high-tech company that has made five acquisitions that might find itself with five separate systems. The pharmaceutical company with a different division for each product in development might have a wide range of the compliance needs that are not fully met by a single enterprise-wide system.

Management in large scale industries plays important roles in planning, employing, and controlling all resources of the industry. The roles ensure success of mission of the industry to meet the vision. However, we found some lacks of such components or skills in managements are detected as the challenges.

- **Human relationship:** Lack of sense of the human relationship in communication among human resources, contributes in emerging of gap among engineer, supervisor and enterprise. Cultural differences also contribute in the lack of personal relationship. While one's

background differ with others, the communication will be difficult to be built. Another barrier is the personal position within company organization. Each level of it has differs community. So, it is much difficult to communicate crossing differ community. The barrier is when the policy should be socialized to differ the level and community, it will be refusing from others. Since the social communication is very crucial in achieving the objective, management must be having a policy in developing good human relationships.

- **Engineering and Technology awareness:** Routine activities cause less of time to enrich engineering and technology ability. These causes less of pretension or these could be rejection to implement new technology. An understanding of technology will replace human work than help human work also cause this refusal.
- **Optimization and efficiency awareness:** Optimization is a product of the management policy. A policy implements some instruments of the optimization such as data monitoring and validation including data processing as information technology to achieve efficiency on human resource performance and production supporting resource utilization.
- **Process production planning:** Planning and simulation awareness before deciding a policy on a process production are an instrument to measure how efficient the policy actually is. It is needed to ensure that we know number of the resources to be used and the revenue to be accepted.
- **Lack of financing:** Generally, level of management think to achieve the high revenue is by input-output analysis which comparing the number of resource to be used and the number of revenue to be accepted. This analysis is not quiet wrong, but it is producing insignificant the number of the revenues. An implementation of the optimization instrument is needed to calculate holistic resources to achieve an efficiency of production process. Efficiency means to optimize the number of supporting production resources, time of work, human resource, etc. It needs a logic financing policy to support the optimization efforts.
- **Asynchronous objective:** Each department in the large scale industry has an operating objective refer to the root or enterprise objective. It means that each sub objective should be synchronous and supporting to the enterprise objectives. The barrier is each sub system or the department has partial objective that is occasionally asynchronous with the root objective. Sometime it is causing overproduction in some subsystem and it is assumed as achievement than barrier.
- **Knowledge and information awareness:** It covers the limited information and (technical) knowledge at company level and facilitating organizations, but also a limited access to and availability of knowledge and information. Company information on the energy and resources is crucial because only then the improvements after implementation of options can be measured, and management is more likely to continue with resource and energy efficiency if quantitative data on savings are available.
- **Lack of policy and legislation and enforcement:** While companies hold the key to reduce their energy consumption, government policy certainly has a big

influence over the organizations. Limited policies, poor enforcement and conflicting the economic and environmental policies were identified as challenge.

1.3 New roles for HR managers

Human resources department has a very important role to play in the operations of a firm. The emerging important roles are:

- a. Linking role: HR managers need to play linking role by linking HR activities to the strategic goals of the organization with an emphasis on long-term activities.
- b. Monitoring role: HR departments are responsible for the implementation of HR programs fairly and consistently in an organization.
- c. Innovator role: HR manager has to adopt innovative methods and solutions to improve productivity and quality of work life.
- d. Culture builder role: HR departments need to undertake activities to build a strong culture and to inculcate values such as quality, service and innovation to which the employees associate them with.

HRM is about developing people and enabling them to make the best use of their abilities in their own interests, as well as those of the organization. HRM matches human resources to the strategies and operational needs of the organization, and ensuring the full utilization of those resources. The key role of HRM function is to play a part in the creation of an environment which enables people to make the best use of their capabilities and to realize their potential to the benefit of both the organization and themselves. HRM is essentially a business-oriented philosophy concerning the management of people in order to obtain added value from them and thus achieve competitive advantage.

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