

**REVERSE GLOBAL RECESSION: ADVANCEMENT FOR GROWTH****Mr. Ravichander Reddy***Asst.Professor, Department of Hotel Management, T. John College, Bangalore.***ABSTRACT**

*The consideration and significance of training staff development in economic uncertainty & recession. The paper will be particular relevance to all those engage in Human Resources Management and in the Business schools, together with an extent audience organization require motivated competent staff whose work support is the need of local community and provide a globally flexible workforce.*

*A feature of the 'retrenchment' programmes implemented by many companies is that the content varies a good deal from company to company. In responding to the recession, companies are not adopting a similar suite of policies; rather they are adopting an à la carte approach, using particular policies that allow them to navigate their own pathway out of the recession.*

*Whilst instincts preserve financial capital, a failure to invest in staff development result is a lack of response to current needs for innovation and change. Consequently, there is an inability to seize future potential when financial climates improve. Ways to improve recruitment, enhance professional development and reduce attrition rates are also discussed.*

*The recruitment for quality of staff is considered in the control of corporate social responsibility and corporate governance. In multi-national organization In particular, the establishment of core values and mission ensure an integrated approach to human resources management and the achievement of productivity.*

**Keywords:** *Human Resources Management, Staff Development, Retrenchment & Recruitment, Good Governance, Corporate Social Responsibility, Core Values & Motivation.*

**INTRODUCTION**

During the period 2008 and 2009 saw the worst recession of any of us can remember and many organizations have failed to withstand the economic and financial pressures of recessions. Traditional responses are no longer appropriate – simply responding to change or pressure is not enough and those organizations which are in developing new ways of operating can emerge from the period of crisis stronger and fitter. In the context of social responsibility and good governance, organization require motivated competence staff whose work supports the needs of local community and provide globally flexibly workforce. If as it is generally assumed, education prepares graduating for entry to the world of work, and there by contributes to the intellectual capital and economic success. It must be relevant and delivered effectively, university must review their provision to ensure the cases, and organizations need to be agile. Innovative and smart in order to survive. Having identified these needs the central questions are how can these needs being met and how should organizations behave differently? The paper identifies key issues and suggests how organizations can change to turn recession into advancement for growth and emerge better prepared for the future. In particular of examine the current challenges comforting education managers in the sector. **According to the 2009 National workplace survey conducted by the National Centre for Partnership and Performance (NCP)**, the majority of the employers questioned have a fairly bleak view of business conditions: about 2/3rds consider business times to be bad and unlikely to improve in the foreseeable future. However, what also emerges from the survey is an acute awareness amongst many employers that in responding to the crisis they had to develop strategies that combine initiatives to reduce cost with measures to improve innovation product or service quality.

## OBJECTIVE

The economic downfall has affected all the major sectors in India including IT, aviation, banking, real estate, tourism, outsourcing, telecommunication, educational Institutions etc with its consequence mainly on the HR policies of these industries.

### This Paper Discusses

1. Impact of economic slowdown on employment in India and other countries.
2. The emerging challenges of human resource management in the global recession situation.
3. The strategy adopted by HR personnel to deal with these challenges.
4. Help to building blocks of global recession between education-employment & teaching and learning.

## HYPOTHESIS

In today's economic meltdown where job cuts, loss, pay reduction, last come first go, insecurity of employment atmosphere prevail, HR has special responsibility to create ease environment to the affected by counseling, displaying care and concern, preparing them for multi skill task, engaging and deploying in other required areas of functions like security, crisis management team, etc.

1. Global recession has raised various emerging challenges for Human Resources Management, Business Schools and Institutions widely.
2. HR needs to be proactive & innovative and try to come up with early interventions as for any organization to survive during recession.

## REVIEW OF LITERATURE

“The global economic crisis is expected to lead to painful cuts in the wages of millions of workers worldwide in the past and coming year. It predicts that the slow or negative economic growth, combined with highly volatile food and energy prices, will erode the real wages of the world's 1.5 billion wage-earners, particularly low-wage and poorer households. Between the years 1995 and 2007, for each one per cent decline in GDP per 2 capita, average wages fell even further by 1.55 percentage point, a result that points to the possible effects on wages in the current crisis. [International Labor Office (ILO), 2007-08].

“The economic slowdown of the advanced countries which started around mid-2007, as a result of sub-prime crisis in USA, led to the spread of economic crisis across the globe. Many hegemonic financial institutions like Lehman Brothers or Washington Mutual or General Motors collapsed and several became bankrupt in this crisis. According to the current available assessment of the IMF, the global economy is projected to contract by 1.4 per cent in 2009. Even as recently as six months ago, there was a view that the fallout of the crisis will remain confined only to the financial sector of advanced economies and at the most there would be a shallow effect on emerging economies like India. These expectations, as it now turns out, have been belied. The contagion has traversed from the financial to the real sector; and it now looks like the recession will be deeper and the recovery longer than earlier anticipated. Many economists are now predicting that this ‘Great Recession ‘of 2008-09 will be the worst global recession since the 1930s’. [Choudhari 2008]

“The financial downturn that is impacting developed economies is likely to get worse as the European countries, the US and others go into a deeper depression due to the increase in Job losses which often follows recession. The slump in the market and increased job losses will have some important implications for the changing tasks of human resource professionals. As the unemployment continues to increase, HR professionals are likely to be dealing with more stressed employees who are the sole wage earners in their families”. [Mujtaba, 2008]

## THE KNOWLEDGE THUS GATHERED

Business and consumer confidence and the prices of many commodities and assets, such as property, are lower during a recession. This also affects the values of businesses which may be attractive acquisition targets. So astute

entrepreneurs with access to the vital assets of investment of capital can acquire other businesses or their assets are keen prices to build up a position for strategic growth.

There is a need to prepare for growth once financial recovery begins as well as a need to preserve current resources. The impact of depression or recession provides opportunity to review and reconfigure organizations. During or after times of crisis innovating is often at its peak. The first and Second World War and the depression were all triggers for new movements in art and music as well as employment patterns medical advances and technology. **History repeats where lessons are not learnt. FERGUSON (2008)** suggests that there is no escape from a 21<sup>st</sup> century depression reminiscent of the 1930's. But now it's a time to review and implement these lessons in particular the need for change and anticipation of the future demand.

Until the G20 on conference in London (2<sup>nd</sup> April, 2009) countries took desperate and individual action to respond to the financial situation. In Asia for ex: Srilanka adopted a 'wait and see' approach with government believing that they would be no direct affects (**Noble 2008**) whilst in the west politicians in various countries formulated rescue packages. The Srilanka stance was totally changed by the emergence of the ceilinged and tourism which was then expurgated by the global situation.

Though geography separates the countries finance is interdependency and the consequent global context yet countries can't remain isolated without weakening their economy (Abeyrathne 2008) In the same way as countries must work together to identify solution at the macro-level. A team approach of collaboration and cooperation is required which is only possible when supported by the necessary organizational culture.

### **MANAGING TO MOTIVATE**

Top management should motivate employees instead of scaring them about the recession and always lead from the front, said C.K. Ranganathan, Confederation of Indian Industry - Tamil Nadu State Council (CII-TNSC) chairman, on 2 July 2009. (**The Hindu –News Paper**).

Value added is more often intangible at critical to success now a days. Understanding of the value of unquantifiable yet valuable associated activities needs to be raised organizations if staff commitment to new approaches is to be assured. In particular staff issues such as training and development, retention and recruitment in a time of economic uncertainty and recession must be accepted as being significant challenges. A typical response to economic downturn is cutting cost (HIRSCHKORN 2009). Associated with this are redundancies reduction in advertising staff development investment in staff facilities and the removal of staff incentives. Whilst such measures generally viewed negatively. It can be argued that the major changes experienced by the staff and employees could provide opportunities for paradigmatic shift leading to desirable attitudinal changes and ensuring organization culture.

In a time of recession employers must use new methods of reward incentives and alternatives what then should employers do in order to attract and retain key staff? Motivation is vital for business success and yet, as my survey indicates, it is invariably a tough challenge to get it right. Recognizing and rewarding staff needs to take account of both financial and the intrinsic, non-financial rewards. In this survey managers emphasize how important non-financial aspects can be. "My organization would achieve much more if it offered more non-cash benefits –more holidays, flexible working, etc." Another manager highlights an environment where so-called „bonuses“ are actually for relatively small amounts of money and this therefore contributes to negative, demotivated atmosphere. Company culture, the caliber of the leadership team, the relationship with the boss, and the level of support provided to managers and whether the management style is one where „thank you“ or „thankless“ prevails, are all issues likely to impact on motivation. There may also be a certain amount of lethargy among employers with too much reliance placed on annual or six monthly appraisal processes. Motivation needs to be a continual, rather than just a yearly, process. Certain incentives introduced no doubt with the best of intentions can also backfire, "we use an employee of the month scheme. This means that only one person can be

„good“ no matter how many have done great things!”Some managers in the survey describe an environment where the individual is expected to take responsibility for their own motivation –virtually a DIY, „do-it-yourself“, approach. Such a laissez-faire approach is dangerous, and talented staff may be more easily attracted by organizations which take motivation more seriously and offer more transparent structures to help with career development opportunities. A headline for recruitment at one major employer is, „we take your career as seriously as you do“ and this may seem more attractive compared to an employer with little interest in such issues. Organizations with a clear strategy and vision for motivation, talent management and employee engagement are in a view is more likely to be successful.

**Figure: 2 - Represent the relationship between Managers and Staff**



The majority of managers, seven in ten say that it is to motivate the staff that report to them.

12	Strongly agree
63	Agree
23	Disagree
02	Strongly disagree

**Tips:** How to intact your employee during recession?

Here is how to keep your employees with you and away from your competitors during tough economic times:

- Differentiate Between Your Good and Average Employees
- Redirect Your Employees to Other Departments (Job Rotation)
- Listen to Your Employees
- Keep Them Motivated and Busy (Communicate-Communicate and Communicate)
- Show them the long term vision

The above steps will enable the employer to hold its team together during a recession, and will even make bond between all of you stronger. Employees should be motivated enough to stick to the employer during tough times and put in the extra effort required for the organization growth.

**TALENT SCENARIO AND MANAGEMENT FOR INNOVATION**

The law of demand and supply mercilessly applies to human resources, also. During the economic downturn, companies were able to downsize by getting rid of redundant work force and dead wood. Employers restructured the employee compensation (mostly by decreasing) to stave off financial losses. Only those employees were retained who proved their worth. The employees had to accept all kinds of compensation-related compromises while maintaining the same or even higher level of efficiency and productivity. They could thus survive the financial tsunami. These survivors got the opportunity to handle a variety of tasks that further sharpened their skills and made them multi-skilled. Thus, overall quality of talent has increased. At the same time, those who were out of job lost this opportunity to hone their skills in a new challenging environment. Adding to our woes, slashing of training and development budgets has led to a depletion of the number of skilled employees within the companies.

Such steps from companies have created an altogether tricky scenario: The quality of talent within the companies has increased (raising the bar of the talent), while the quality of skills available in job market has dwindled. Now, recruiters can hire the required quality talent not from outside but from inside their competitors' workplace.

While many have forgotten the term “**War for Talent**”, the phenomenon is slowly re-emerging. “A study by Accenture has found that more than two-thirds of executives are now deeply concerned about not being able to recruit and retain the best talent. In today's global and highly competitive economy, the war for talent is now global, not local. It may be worth noting that great companies such as Infosys responded to the downturn by investing more in training. Instead of fearing of financial losses, these corporate focused on improving the quality of their employees' skills. And the effect is visible in their financial results. Member of Infosys' board of directors and head of HRD and Education and Research, **T V Mohandas Pai** said, “In response to the economic crisis, we had stepped up our investment in training. This has made us more competitive in fulfilling clients' needs today.”The demand for talent in the market will never cease. Retention will always be a challenge.

The need for new thinking for innovation often to produce the effective talent management of staff is very important. Where there is a dominating emphasis on rationality and logic instinct and creatively are shifted. Innovation is Hallmark of success in organization but during business government and academic are less willing to commit to risk taking and the associated shorter costs. Whilst “sticking to the knitting” is not a policy fitting to 21<sup>st</sup> century there is a difficulty on balancing risk (change) with security (familiarity) whilst instincts preserve financial capital. A failure to invest in staff development results in a lack of response to current needs for innovation and change consequently. There is a inability to seize future potential when financial climate improves.

If staffs are not becoming risk argue then failure or lack of conformity to organizational norms in pursuit of entrepreneurial or innovative development can't be seen as cause for blame. This can be avoided by establishing a culture of trust and mutual support and regarding success. Senior management need to encourage ‘**Blue sky thinking**’ Recession is not the time fight the bloodied waters of intense competition of and time to seek new fishing waters. (**SCHOEMAKER 2008**) argues the case for ‘disruptive innovation’ using he analogy of a shortly rather than a longed span, in areas adjacent to the main business with a high failure rate of new projects of companies should not put all investment and faith and any one idea.

### **FIVE IMPORTANT TALENT RETENTION FACTORS**

Let us consider five factors that can help organizations retain talent to meet the client and business requirements in post-recession era,

1. Clear Goals, Targets and Expectations
2. Balanced work environment
3. Track Performance Goals and Provide Analysis
4. Fair Evaluation of Performance
5. Compensation to Maintain a Decent Lifestyle

In higher education sector this could be an example embrace. Short career, non-accredited programmes and bespoke programmes for individual customers accredited career at undergraduate and post graduate level. Short accredited by professional associations, Open lecturers and seminars. A recent example of innovation and recognition of the need for change in the UK is that the “association of business executives “(ABE) In early 2009 ABE established the “association of witness practitioners “(ABP) which enables students to gain credit for short careers (frequently in-house staff development).which can be used as a credit for entry into masters level programmes at universities.

Yet as noted earlier, many organizations do not get it right when it comes to motivating their managers. Why? A good starting place perhaps is to consider what manager's say demotivates them. There are few surprises in the

responses (shown in the box below) to this question. Not being valued, and not being given feedback are definite turn-offs. The quality of leadership also makes a difference. An organization with a poor leadership team is likely to be one with low staff morale such as the situation described where “acknowledgement work is only being given to top managers.

#### **WHAT DOES YOUR ORGANIZATION DO TO DEMOTIVATE YOU?**

##### **Poor management/leadership, slow decision making, risk aversion at the top**

“risk averse and will always err on side of caution”, “going back on decisions”, “lack of leadership from immediate manager”

##### **Poor top managers and leaders**

“too many people who lack the skills to be top managers and leaders”, “who avoid positive feedback in these litigious times”

##### **Not valued, lack of feedback**

“lack of acknowledgement/acknowledgement of wrong people”, “not valuing what we do”, “not given feedback often

So what needs to happen in order to create the right climate for employee engagement? The quotes below indicate just how important communication is and the need to empower individuals.

#### **WHAT DOES YOUR ORGANIZATION DO TO MOTIVATE YOU?**

##### **Autonomy, empowerment, trust and freedom**

“trust being shown in me to deliver important outcomes”, “freedom to create”

##### **Shares the vision, values and beliefs; engaged**

“clear communicated picture of expectations of our division”, “clear values which are shared”

##### **Involved, consulted and values my opinions**

“values my contributions”, “informs me and involves me”, “I can suggest changes and be listened to”

##### **Pay and rewards**

“acceptable level of reward”, “salary (obviously!)”, “a reasonable financial package”, “an OK salary”

#### **UPWARDS AND AHEAD**

The demand for both customer choice and profit similarly require attention the late Henry ford recognized the requirements of Industry and Commerce and offered his customers his cars “in any color so long as it is black”. This initiative based on fact that black way the color of paint which dried fastest) required strong marketing strategy to win over customers and achieve maximum economy.

In today’s society car manufactures tailors –make cars by allowing customers to specify personnel additions the technical term for this is co-creation, lever brothers identified the economic status of Indian house wives and marketed their products in small units. A prime example being that of soap powder offered in sachets sufficient for one family wash suppliers must adapt their products to match the reduced capability of the market, there by opening up new markets. Tough decisions may need to be made pending projects that do not delivered value stream lining processes to be more efficient and increasing productivity (Ulrich 2008).

Questions need to be asked such as what are the processes we have to identify and eliminate waste? Could procedures be improved? Are there best practices that we could use more widely? Are competitors retreating from

opportunity that we can seize? The answers to such questions enable organizations to follow the six “S” plans to become simpler, speedier, smaller, smatter, more secure and socially responsible.

Those characteristics observed in organizations which manage financial pressure with least toxic side effects are those demonstrations collaboration, co-operation excellent communication skills and the ability to accept and resolve conflict of particular , Importance are what could be described as “feminine” management styles and associated skills such as listening empathy and a willingness to admit mistakes and reverse decisions organizations structure .Leadership and culture are the cornerstones of effective organizations , if organizations are to face the future they need to be prepared to change to reinvent themselves though re-branding , re-structuring and proactively developing a positive and supportive culture the concept of the “great leader” is replaced by flattened organization structures with a reduction in the number of lawyers of management and decision making processes taking place as low down the organization as possible. Jung et al (2008) propose six key actions for coping during recession ,they are to assess risks and strengths .Sharpen early warning systems – monitors the landscape for danger signs adopt a lean mindset in times of plenty create a prioritized action plan keep competitors off guard by avoiding obvious strategies and stay flexible and ready for the unexpected.

Knowledge and education equips people to deal with the unknown with threats and challenges, “Learning new skills will give people a better chance of getting back into work as early as possible and can also safeguard existing jobs”(Parker 2008)but employers are not solely responsible. Responsibility for equipping future employees with appropriate skills also resides in the higher education sector. Universities have a dual responsibility for not only must they must implement effective change management and leadership. They to are at risk in times of financial crisis and must revive traditional hierarchies and processes to ensure their own survival.

### **EDUCATION FOR EMPLOYMENT**

Whilst down fall of interest rates and increasing cost put pressure on higher education institutes. The recession brings opportunities in the UK “there has been a scramble for university places” (**woolcock 2009**) with an increasing of 8 % in application for full time study.

Recession and rising unemployment have been cited as the cause with potential students deciding to invest in education and training and increase in mature students applicants who ups-skill during a difficult time in the job market. Secondary of increase students numbers include research and publications, at the UK government cap on students numbers reduce the numbers of places available in a time of crisis strategies must be able to respond appropriately and speedily to fast changing climates “to bear the cost of additional university places now than to shoulder the Burdon of long term unemployment rather” (**woolcock 2009**).

There is a need for education to reinvent itself identify new opportunities for engagement with employers together with the community and other universities. Operating in macro environment recent examples of the new approach to knowledge transfer is that of university partnerships working with local organization and collaborating on research development projects. If education is about learning then it is argues that the new role for universities it to ensure students and employers to see beyond the currently economic problems and to identify Opportunities, new learning skills and leveraging the recession to create a brighter future. Whilst many would argue that employees are suffering during a time of worldwide financial recession. The situation of new graduates entering saturated employment market with often irrelevant qualifications and on absence of work life silks is compounding the issues. Industry needs tem workers who can analyze the problem and people who can communicate (Jones 2008) governments continue to fund educational institutions which do not provide a work force to meet the economic demands of fast changing world. Successful companies supply the needs of their consumers, so education and training must do likewise. Pursing the nation of co-creation meeting the need of the customers even if the customers do not yet knew what they need. Sometimes it seems there is a mismatch between the skills required to obtain employment and the skills are required to do a good job. There must be aligned.

Educating intelligent students to prepare for employment should convert ability to employment through contextualized and work related studies. Rising recession and employment generally more students seeking an advantage in the recruitment arena and education is seen as the path way to employment. As with other product this belief will not be sustained if universities failed to identify the needs of the students and of employers and if education is not for purpose. There is an urgent need for audit and development of new skills requirement. by preparing for the future organizations ready to confront challenges and to lead once the current crisis is over. Old ways will not fit the future post-recession.

### **COLLABORATING FOR MUTUAL BENEFITS**

Tri-partite collaboration is required between the employer's academics and student's education providers must engage with employers and identify the skills sets required and students must be encouraged to give feedback to improve programmes. Employers must work and education adviser from industry and commerce should collaborate with academics on the design and delivery of programmes and provide case studies based on their experience. For students in employment the use of work base agreement enables employers to benefit from their employees studies with students acting as consultancies to advice on current issues or problems with ensuring benefits their three relationships will improve the caliber of graduates. The quality of education and provide advantages to employers who can than select and recruit staff from applicants known to them. Cost savings through improved recruitment and retention in the work place will result.

### **EDUCATION AND GLOBALIZATION**

Students must be able to work in a global context. This evolving student's profile call for new curricula. Similarly not only the content of degree programmes needs review, but also the learning and teaching strategies used for delivery to reflect the needs of matured students.

It requires innovation and rigor quality assurance in a global economic recession management skills must be transnational. Managers in the 21<sup>st</sup> century who reached the higher echelons of management will be managers who have experience of working in two or preferably three cultures to be effective (Jones 2008). As at February 2009 glaxo smith Kline is headed by Frenchman Renault by a Brazilian (who formally ranked Nissan). Coca-Cola by an Irish man (who has also work in Zambia south Africa, Australia and Germany). Kellogg's a Cuban and L'Oreal a Welshman. Higher education enables students to contextualize their learning environments and the sensitive to cross-cultural difference. According to the council for excellence for management and leadership of the 4.5 million people with management responsibility in the UK. Only one in five new managers has relevant qualification. Since national growth is determined by output per person, effective management training is essential.

### **TEACHING AND LEARNING**

Changing students profile call for teaching modes and delivery which is best suit the adult learners and can accommodate part-time and full-time working. Student's employment situation is likely to change during a three years under-graduate programme. So, there must be opportunities to change study hours to intermit with teaching taking place during weekends block teaching evening hours or relevant combination of all. Admission with credit base on previous experience or qualification supports the increasing numbers of matured students. To facilitate admission and the use of recognized traffics of credit rating is beneficial during a time of financial hardship. If students are to study at variable speeds, fees must be payable in amounts which are viable; based either on numbers of units to be studied or alternatively on hours of teaching to be given. The challenge for universities lies not only in responding to current requirement for the workforce but also in anticipating those of the future responding to a changing employment environment and economic. The public sector in the UK is of the view that... "education and training will play a vital role in softening the impact of economic recession and giving people the skills that can underpin a sustainable economic failure ... cuts in educational provision will underline the government's own objectives in alleviating poverty increasing social mobility and building for renewed economic prosperity " (HUNTETAL 2009) Universities are under financial pressures for ex: In UK new funding



mechanism demand new initiatives changing demographics and falling birth rates will result in a changing student profile and wider recruitment base calling for new strategies. International mobility calls for cross- cultural skills for students providing opportunities for franchises and partnership agreements. This cooperation and collaboration between universities facilitates staff and students exchange as well as research, knowledge transfer partnership are a useful vehicle for community involvement universities. Resulting in raised brand image demonstrating social responsibility and offering opportunities for future consultancies.

In the UK final year 'top up' degrees must be encouraged. By acknowledging and giving credit against prior learning at other institution (or through professional awards)a strong economic model emerges increasing students with a low cost option for students wishing to achieve the UK degree. A relationship with professional bodies provides opportunities for mutual benefit. The use of university accommodation for professional body events is financial attractive to the professional body and this increased communication between universities and professional bodies likely to enhance the relevance of programs offered reflecting a better understanding of the profession. Close working relationships between professional and universities prompt the use of admission with credit (AWC) proving cost effective access to higher education. Similarly universities need to have an ongoing dialogue with employees in commerce and industry to identify the skill sets required and incorporate this in to their programmes. This opportunities for information exchange can be a two way process with university staff and students contributing to work based consultancies. Internships and other means of knowledge exchange. Assessments provide students with a link between theory and practice to demonstrate their abilities using realistic scenario. The antithesis of role based learning examination students need communicational skills acquired through giving presentation participating in group work and undertaking projects enabling them to join the work force as confident contributions. Underpinning all teaching must be the principles of corporate governance ethics and social responsibilities without such changes higher education remain a dinosaur .consuming government funding but failing to contribute to the future economic stability and growth.

### **A CULTURE TO BENEFIT ALL**

Culture is the biggest binding force in any organization it is the glue that keeps the organization together shared values provide the building blocks for organizational success building loyalty. Increasing job satisfaction and encouraging creativities (Wilkes 2008). In a time of recession or depression the dangers of the negative work culture are increased and positive action must be taken to discourage this employee's must not lower faith in the organizations future (BLASS 2009). A success manger ensures the clarity of understanding of what is important a shared value system which reflects the mission and core values of the organization. This is more likely to take place where recruitment process ensures that there are shared by both employer and potential employee. Rather than merely qualification specification complaints.

Financial crisis are time for reflection a time to realize the true nature of the society in which we leave (**PIERIS 2009**) when options are limited individual are required to reconsider and redefined the goals, both personal and organizational. Everything happens on the wave of financial successes ethics are disregarded but in a time of crisis organization are forced to take stock , identify purpose and direction to decide the best root to take to review and reconsider the vales and mission in the prevailing climate often this brings the benefits of change which jettisons inappropriate systems. The failure of various financial institutions to demonstrate financial rigors and to operate outside accepted norms of behavior as lead to challenges to good governance and a loss of confidence in leader ship and democracy. Leaders must build up trust in the good times. It is the foundation of effective leadership and essential for the introduction of change in the down turn (**lenhart 2008**) until this is established both moral and motivation will suffer-(**GRUNWALD-2008**) argues that acknowledgement of the deterioration of stake holders trust in finance and politics could be the starting point for national renewal.

There is a tension between preserving the status quo and implanting change. The average manger is assessed by his or her abilities to generate financial success as judged by stakeholders. in a world of increasing environment

awareness other criteria of success are commitment to the environment and green issues organization are measured in terms of environmental and social impacts. As WILKES 2008 suggest

The challenge is to build and maintain success organizations build around what is good for business for people and for society as a whole. Increasing the success of any organization will bring the integration of personal and organization values. It is acknowledging these conflicts of profitability and social value and demonstrating a commitment to both which enhances organization. This corporate accountability the moral and legal obligation of companies calls for transparency between the cost and benefit the society and the environment. In terms of financial crisis there is a danger that this is low on the list of priorities, yet failure to observe this need may be a cause of downfall as much as financial failure. The economic bottom line must become a triple line with profit balanced by environmental social responsibilities (**ELKINGTON 1997**).

Creative capitalization and term recently coined by bill gates (2008) when he argued that “capitalization has improved the lives of millions of people but it has left out billions more... We need a more creative capitalism: an attempt to stretch the market forces so that more companies can benefit from doing work that makes more people better of “it is this concept of benefit for all which expand traditional capitalism to embrace corporate social responsibility and good governance. It is no longer sufficient for governance to litigate against organizations. When they act unethically; organizations need to demonstrate their commitment rather than more compliance, customers can choose from a wide range of competitors in an overcrowded market and increasingly choose them to demonstrate commitment to social and environmental issues (LENTON 2008) this together with strategies which affect society and world problems for example: leadership needs consideration both in the work place and in the curriculum of management development programmes.

In the ever increasing numbers of multinational organizations establishing core values and mission ensures establishing approaches to human resource management and increase productivity. It provides the driver for common cultured and appropriate to the organization financial challenges reduce consumerism encourage reduction in waste re-cycling and recurring-an opportunity to become more environments friendly and to introduce culture change appropriate to the global environment challenges. It is the time to review our concept of work and to embrace a more holistic view of payment contribution and benefit in a context than wider than that of the individual one which includes colleagues and the community, **ULRICH (2008)** – suggest that the integration of effective human resources practices in a organization will support a culture which enhances productivity. He argues that employees needs include a sense of identity and with meaning and purpose of work rewarding relationship with meaning and purpose of work rewarding relationships with colleagues. Work challenges a positive work environment resource to deliver the work and finally, the need to find **joy in work**

The importance of communication cannot underestimate between the skill providers, employer’s higher education and employees. Without dialogue skill needs will not be met and existing graduates will not fulfill the needs of employers and the economy. Similarly failures to promote and enhance effective communication within the workforce with have an adverse effect on the organizational culture. Employee led social activities can be supported by employers as means of motivating staff and fostering a positive culture.

Negative, not only within the organization but also in a wider context must be addressed low morale and permission over the economic situation is helpful and self-perpetuating networking, rather than commiserating.

## CONCLUSION

To sum up we can say that the global financial recession which started off as a sub-prime crisis of USA has brought all nations including India into its fold. The GDP growth rate which was around nine per cent over the last four years has slowed since the last quarter of 2008 owing to deceleration in employment, export-import, tax-GDP ratio, reduction in capital inflows and significant outflows due to economic slowdown. In India, the impact

of the crisis has been deeper than what was estimated by our policy makers although it is less severe than in other emerging market economies.

Whatever the area-industry, commerce or education - organization cannot ignore the challenges of recession if they are to survive if these challenges are viewed as advancements success is more likely. Advancements for growth can be maximized by effective talent management and human resources management of the employment life cycle, from recruitment and selection through to handling redundancies and retirement. Successful strategies for any organization will depend on effective change management led by managers who can gain the commitment of their staff through an appropriate culture, operating in flexible structures. New perspectives on higher education generate fresh talent to meet the demands of a rapid changing economic environment and contribute financial recovery. Organizations must reduce unnecessary cost and waste, review their activities and develop a culture supportive of essential changes. Culture must enhance innovation and communication be fit for the purpose. Above all staff involvement is critical to success, achieving commitment and a sense of belonging, sharing organizational goals. As Rodriguez (2009) suggests "global financial crisis is not a calamity... it is an opportunity for smart business to re-invest themselves, cut of the fat and produce more". A bad economy is not excuse for inertia: rather it is a trigger for effective transformation.

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