



New Dimension of HR Role in the Global Recession

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Abstract

This paper suggests the New dimensions of HR Role in global recession in organizations through different cases. Since 2008, the Global economy is grappled with the most severe Financial Shock. Indicative of the magnitude of the shock, Equity market volatility is unprecedented, corporate Bonds yield are extremely high compared to U.S. treasury yield, stocks and equity Prices have plummeted all time high. With the Global Financial System deleveraging and the U.S. Economy in the midst of a severe recession, the biggest challenge for companies and especially Human Resource Department under this economy downturn is to survive and still remain competitive. Companies have been reorganizing and reengineering to reduce waste. Investments in human capital are not likely to be a high priority for companies whose very survival is threatened by the global downturn. Organizations have been buffeted about like leaves in a storm by many trends; recently the recession is one of the major results of it. Every time as recession unfolds, create the need for HR Practitioners to take a fresh look on there traditional model. Traditional Model of human resource management focuses on administrative functions: application processing, benefits, compensation benchmarking, dispute resolution, employee grievances, performance review, and rules compliance. It is the time to step back, understand the actual needs of the employees and the employers, strike a balance, redesign and innovate the New Roles of HR policies as per the need of company objective and market Environment.

Key Words: Human Resource Management, Recession, Compensation Benchmarking, Reengineering.

1. Introduction

In economics, a recession is a general slowdown in economic activity over a long period of time, or a business cycle contraction. During recessions, many macroeconomic indicators vary in a similar way. Production as measured by Gross Domestic Product (GDP), employment, investment spending, capacity utilization, household incomes and business profits all fall during recessions. Uncertainty is the key word for 2009. The global economy is shaky at best. And, according to the Business Europe employers association, an estimated 4.5 million Europeans risk losing their jobs this year. In the US, more than 650,000 new unemployment claims were filed in the month of March 2009 and the total of continuing unemployment claims is now 5.5 million. Not surprisingly, the economy is the top macro socio-economic pressure facing organizations globally in 2009 by more than two-to-one. However, according to 60 percent of executives surveyed by Aberdeen, it is also increasing the importance their organizations place on Human Capital Management (HCM) this year. Like every other part of the organization, HCM will be required to do more with the same or less resources. However, 42 percent of best-in-class organizations expect a budgetary increase for HCM (which includes processes, programs, and technology) in 2009. And best-in-class are 55 percent more likely than all other organizations to anticipate a budgetary increase for HR Cost in 2009.

1.2 Affect of Recession on Human Resource

The recession has affected many HR Processes and they need to be adapted to the new situation and they have to be ready for the new reality. The impact of the recession is different in different Industries depending on their HR processes. The recession is an opportunity for HR professionals to step and contribute strategically. In the classical strategy paradigm, we establish which strategic factors HR influences directly through case studies.

The recruitment process is the first HR Process to be affected by the recession. The recruitment freeze is usually the first top management decision, when the sales numbers go down. As the top management wants to keep the cash-flow under the control, the recruitment freeze is the first logical decision.

The recruitment process after the recruitment freeze is more selective and the company has to clearly decide about its priorities as the organization can not carry additional people on its payroll. The top management decides about the new strategy and the management is allowed to hire just the missing skills and competencies.

The training and development is the second HR Process to be affected by the recession. The management decides about the cuts in the investments and Human Resources have to find a way, how to keep the knowledge in the organization.

The company can survive without training and development for a limited period of time. The cost savings can be huge and the organization feels no impact of the lower training budget. But the period has to be really limited as the organization does not lose the talents and the internal know how.

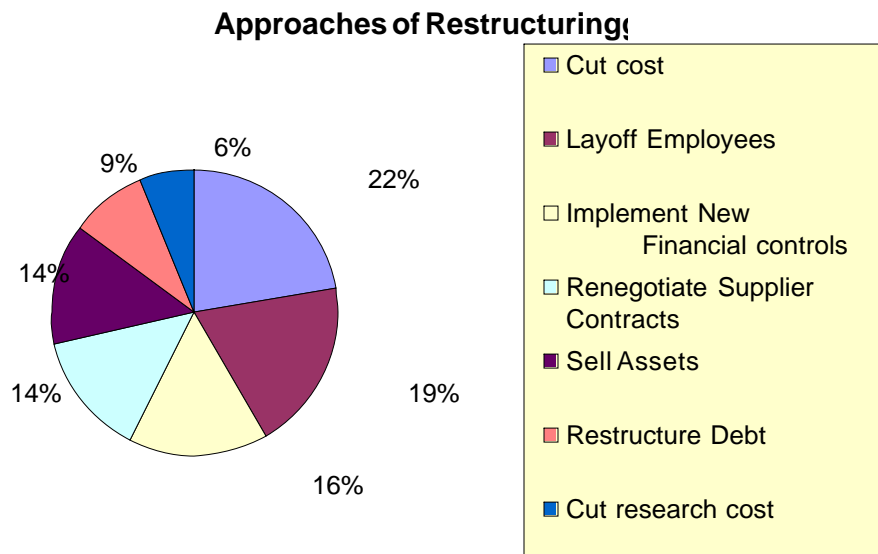
The compensation and benefits is the HR Process, which is heavily affected by the recession. The bonuses are not paid and the base salaries are under a huge pressure. The compensation and benefits specialists are under the pressure as they have to identify the areas in the organization to realize the redundancies. The recession is a good opportunity for Human Resources to introduce the changes to the organization. But the reaction of HR has to be quick as the internal opposition has no chance to form their forces.

2. Approaches to Restructuring in Recession: A Solution of Recession

Cost cutting is also one of the HR challenges which comes in the scenario when company is not earning much. At this time company has to introduce Innovative idea for reduce operating cost without affecting operations.

Cost cutting is linked closely to restructuring in today's business lexicon. A recent survey on corporate restructuring documented this relationship: All of these companies surveyed which were at the time restructuring or had recently restructured, did so to cut cost. The approaches taken to restructure are included the following.

Fig: 1: Restructuring Approaches (Source: Strategic Human resource Development)



In Economic meltdown, Cost cutting is one of the best ways to save company from over expenses. It is the phase when every company wants to correct themselves from huge expenses. Companies reduce cost through different ways i.e. from salary, allowances, traveling cost etc.

The most recent survey, which was conducted among 117 employers in early December, found that other popular cost-cutting measures included:

- Downgrading/canceling holiday party (35 percent)
- Eliminating/reducing seasonal workers (28 percent)
- Organization-wide restructuring (23 percent)
- Restructuring HR function (14 percent)
- Implementing a salary freeze (13 percent)
- Having a mandatory holiday shutdown (13 percent)
- Reducing/eliminating other employee Engagement programs (12 percent)

The percentage of employers that have already implemented salary freezes jumped from 4 percent in October to 13 percent in December, 2008. Sixty-one percent of employers reported that they reduced their planned merit increase for the financial year 2009-10 from 3.8 percent to 2.5 percent. Lay off is one another ways to reduce cost. Layoff is the temporary suspension or permanent termination of employment of an employee or (more commonly) a group of employees for business reasons, such as the decision that certain positions are no longer necessary or a business slow-down or interruption in work. There are some statistics of different companies and sectors that lay off employees

Table 1: Lay off Employees from Different companies (Source: Magazines and articles from Wall Street, Financial Express)

Company	Laid Off Employees	Location	Industry	Date
Motorola	3000	Bangalore	Manufacturing	11/4/2008
Cleartrip.com	42	Mumbai	Web	9/11/2008
BMW	850		Automotive	2/16/2009
General Motors	10000		Automotive	2/10/2009
TCS	500	India	IT	N.A
IBM	700	India	IT	N.A
Reliance Retail	900	India	Retail	4/12/2008

About 1.3 million people are likely to lose jobs in the export units in the current financial year due to recession in the developed countries, an UNCTAD study said.

As these figures are stating about the great depression world wide. But there are few sectors where this recession is not able to hit. Like Health care, FMCG etc.

3. Case Studies on Human Resource Problems during Recession

3.1 Case study 1: Restructuring Problems in Hyundai Motor Co.

The Hyundai Motor Co. (Hyundai), South Korea's largest automobile manufacturer was in the midst of acute labor problems in the late 1990s and early 2000s. Until the mid 1990s, Hyundai had been successful in handling South Korea's traditionally disruptive labor unions. It had kept strikes at bay with nearly double-digit pay hikes and other benefits. But the Southeast Asian crisis and the general slump in the automobile industry in the late 1990s forced the company to restructure and cut down jobs. However, the Hyundai labor union and workers rebelled against the management's efforts to restructure the organization and the company faced strikes and worker unrest repeatedly from late 1990s to early 2000s.

Members of the Hyundai group such as the Hyundai Construction and Engineering and Hynix Semiconductor were also facing financial troubles at the time, and were on the brink of insolvency. Founder chairman of the Hyundai Group, Chung Ju-yung commented, "We are losing our international competitiveness." Regretting the continuous labor unrest, he said, "Wages have doubled in three years and productivity has gone down." The labor problems Hyundai faced were not an isolated case in South Korea. By the late 1990s, the chaebols had grown into large mismanaged structures with many having several unprofitable units. During the economic slump of the late 1990s, most of these chaebols felt the need to downsize.

There was also mounting pressure from the IMF on the South Korean government to undertake strict economic reforms and restructuring measures. The labor unions, which have traditionally been very strong and influential in South Korea, felt threatened. Since jobs were being cut, social unrest and a feeling of insecurity among the labor class was rising. The unions resorted to extreme measures in an effort to establish their authority. Although, all over South Korea, companies were facing labor unrest, Hyundai was among those that were hit the most.

3.2 Case Study 2: Laying off Employees problems faced by Jet Airways in 2008.

The case is about the retrenchment drama that unfolded in one of India's leading aviation companies, Jet Airways (India) Limited (Jet), in late 2008. After showing the door to more than 1000 employees in a bid to streamline its operations, Jet was faced with immense criticism and opposition by various organizations and political parties. Jet's chairman Naresh Goyal (Goyal) reinstated the employees a day later saying that he was not aware of these sackings. The Indian aviation industry was going through a tough phase and experts felt that it was in the interest of the company to retrench employees to remain competitive.

Experts largely felt that Goyal had capitulated under pressure from external parties while others felt that all may not be well with the organizational communication mechanisms at Jet.

4. Lessons from the 'Downsizing Best Practices' Companies

Workforce reductions/Employee downsizing are often necessary to keep companies solvent during difficult times but mishandling the process can make an already bad situation even worse which happened in Hyundai and Jet Airways. Here are few points according to best practices of companies to keep in mind when you're gearing up for layoffs.

The study provided many interesting insights into the practice and the associated problems. It was found that the formulation and communication of a proper planning and downsizing strategy, the

support of senior leaders, incentive and compensation planning and effective monitoring systems were the key factors for successful downsizing. (Refers to this study)

In many organizations (not like Hyundai and Jet Airways) where downsizing was successfully implemented and yielded positive results, it was found that senior leaders had been actively involved in the downsizing process.

Though the downsizing methods used varied from organization to organization, the active involvement of senior employees helped achieve downsizing goals and objectives with little loss in quality or quantity of service. The presence and accessibility of senior leaders had a positive impact on employees – those who were downsized as well as the survivors. According to a best practice company source, "Managers at all levels need to be held accountable for – and need to be committed to – managing their surplus employees in a humane, objective, and appropriate manner. While HR is perceived to have provided outstanding service, it is the managers' behavior that will have the most impact."

Senior leaders were provided with key indicators (such as the effect of downsizing on the organizational culture) for their respective divisions. Some organizations tracked the progress and achievement of every division separately and emphasized the application of a different strategy for every department as reaction of employees to downsizing varied considerably from department to department. Though the above measures helped minimize the negative effects of downsizing, industry observers acknowledged the fact that the emotional trauma of the concerned people could never be eliminated.

The least the companies could do was to downsize in a manner that did not injure the dignity of the discharged employees or lower the morale of the survivors.

4.1 Appropriate Planning

The biggest mistake a leader can do is to layoff the employees quickly for cost saving. In the Recession every company does the same. But the leader faces the problem when the market rises and organization wants a good employee. At this point of time the potential employees already laid off in the recession. This can be a mess later on if you discover that you have cut a critical employee and now need to hire that person back at possibly higher wages and different organization culture. So you'll need to look closely at employee skill sets, his achievement and capabilities how unique are they in terms of the current and future needs at your company? And consider performance: If you can avoid laying off top-performing people who have a solid track record with your company, do so. Cost might also become a factor. So when a company planning to go for lay off employees better to lay off some highly paid employees or non potential employees with proper plan according to future market.

4.2 Face-to-face communication recognized as more important

The most severe fallout from the current economic recession is its toll on the workforce. When faced with the need to contain labor costs, an employer could resort to several different strategies, none mutually exclusive: layoffs, wage freezes, benefit reductions, or hiring freezes.

All these approaches demand sacrifice from the staff in the form of reduced income or heavier workload. Therefore, whatever strategy management chooses, communication, education, and accountability are critical to maintaining morale and financial stability.

As in above stated case of Hyundai and Jet Airways, some companies are not open on sharing information on economic crises or involving ground employees about any decision during the economic crises time. Company executives are often paranoid when it comes to releasing information internally about the company's financial performance or possible layoffs, fearing that the information will get into the public domain. Yet employees are invested in the future of your company and deserve to know the truth. They should be aware of real risks so that when layoffs do occur, they don't come as a complete surprise. According to a survey, 79% of the respondents revealed that they mostly used letters and memorandums from senior managers to communicate information regarding restructuring or downsizing to employees. However, only 29% of the

respondents agreed that this type of communication was effective. The survey report suggested that face-to-face communication (such as briefings by managers and small group meetings) was a more appropriate technique for dealing with a subject as traumatic (to employees) as downsizing.

4.3 Consider Timing

Jet Airways should have considered the time as well when they laid off the employees. It was around October 2008 near Diwali (Indian Festival). 'We have all commiserated with friends who've been laid off right before the Diwali holidays or on the weekend scheduled with barbecues and outings with friends. At a time when Employees are planning to go out say at weekend or during festival, it can create a big issue as happened in Jet Airways. Some HR experts advise against Friday layoffs for that very reason. Others believe it's better to do layoffs later in the week to avoid the "postal" worker situation of a disgruntled employee coming back the next day for some type of revenge. But here's one piece of sound advice from Shawn Oglesbee, managing partner with ON Search partners in Cleveland: "Do this late in the day or when surviving staff is not around, so those getting laid off don't do the walk of shame." But at the last day if the layoffs are more in numbers the issue rises. So to avoid issues consider time to layoff.

4.4 Help Laid off Employees

"Be as generous with severance packages as circumstances possibly allow," says Jackie Saad, president of Inter-Change Consulting Inc., an HR and organizational development consulting firm in Toronto. "Make sure that anyone fired for layoff reasons knows that you will offer them a reference letter and have spent at least 15-30 minutes and treat whole session like a counseling which lacked in Jet Airways case. Companies can include some compensation for the laying off employees in their companies as part of HR Policies. Some companies give up to three months of gross pay as well. Some companies help the employees in finding the new opportunity. This will increase morale in the employees who are working in the organization and the laid off employee as well.

4.5 Be organized, professional, and sensitive when you tell them about restructuring

This time HR professional should be very organized with their plan and counseling session. It's best to schedule meetings time with employees, then make sure you have the entire exit documentation ready at the time of the meeting. And you can provide the material like water, etc at this time. The most important thing is to be brief: "Practice the art of the two-minute termination. Deliver the news in a forthright manner, hand the person the paperwork with all the details in it, make a statement of regret, and get on your feet." That may sound harsh, but it's not.

And after the whole session convince the employee to leave the office as soon as possible without knowing others.

5. HR in Recession: The LG Case Study

The human resource division at electronics major LG Electronics India is leveraging technology and developing a talent pool to beat the economic crunch.

With this technology-driven initiative, the company's focus areas include operational excellence and talent retention. "Performance management is one of the most vital systems of any organization. It enables employees to be self-managed and to understand key roles. At LG, performance evaluation is done through an online system, which gives transparency and awareness to the employees," said Y. V. Verma, director-HR and management support at LG Electronics India, in an exclusive communication to CXOtoday. Mr. Y.V. Verma recently won the Global HRD Congress Award-2009 for the best employer.

Stating that the company already has a positive HR strategy with a focus on employee enrichment, he said, "This is a system in which all the employees have to fill in their Key Performance Indicator (KPI). This system ensures trust and transparency and subsequently helps in boosting employee morale."

LG has a Tear down Re-engineering (TDR) from which LG try to bring innovative ideas, which help in improving the system a B3X team, which works on making the technology better and more useful and a 360 degree evaluation for team heads, which is being made online.

It is because of these technological processes that LG has become a better organization than its competitors. Even the global economic slowdown, which has affected corporate giants worldwide in a big way, has had a nil or very limited impact on LG Electronics India.

LG did not lay-off anyone, and moreover the company is ready to hire more employees in the near future to cater to the rising demand in the consumer electronics industry. In these turbulent times, the role of HR becomes more pronounced, as there is not only the opportunity, but also the need to provide leadership to the business.

The company is in the process of making role profiling of each individual employee an online process, which would give clarity of job responsibilities, performance enhancement and better job description and specification.

6. New dimensions of HR management in a global Recession: Lessons from LG

The recession is the time where HR should be innovative and creative and new dimension and help the business to sustain in the market. There are few New Dimensions of HR Management.

6.1 Reward and recognition in Recession

Rewards and recognition is one of the best tools to motivate employees, but recession badly hit the major areas of the Human resource. In Recession Cost containment and cost reduction are the major areas of organization's to focus, then HR should search out innovative ideas to attain such goals. Some companies are also downsizing their rewards, migrating from big-ticket items to lower-priced rewards, but rewarding more employees. In the time of recession the employee morale is too low which can change the culture of the organization. Rewards and recognition is only the tool which can change the Employee behavior and organization culture, but for that the companies should reward to more employees in the recession. There is a need to invest a little to gain a lot. Recognizing that well 'designed' values help to actualize the 'unique goodness' of an organization through the creation of an enabling culture, ensures that people who intend to contribute meaningfully are not hindered in any way from doing so.

6.2 Employees Relations

Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Employee's relations can be encouraged to reduce the overall cost of the organization by involving employees and communication directly the objective of company in the recession scenario. It is Important that how HR managing the relation with employees in this scenario so that employee should feel proud and gain a sense of ownership. In order to get through these rough times and keeping the right people actively engaged, performing well, and keeping them on board requires business owners of all sizes to use all the tools at their disposal.

6.3 Training and development

Focusing on the continual development of employee knowledge is an important step for businesses to take if they hope to stay competitive in the ever-changing global business environment. This becomes even more important during unstable economic times when businesses are looking to gain ground wherever they can. One successful way companies can stay competitive is to implement training and development programmes to help maintain a high level of knowledge and understanding among their employees.

It is the Time to enhance the employee's Professional skills and prepare employees to do Multitasking. This time HR should engage employees in lots of training in the respective and cross functional tasks. Utilizing slack time to engage employees in professional development and technical training programmes, serve both to sharpen skills and to preserve morale during tough times. Promoting cross-divisional and cross-functional collaboration, this improves utilization of human resources and encourages teamwork between employees who previously had little or no contact. Motorola spends about 4 percent costs on training and development. In the different

Training and development sessions employee should be train to think innovatively and creatively to reduce cost and increase the productivity.

6.4 Recruitments

Recruitment during recession seems a strange idea or even a stupid move. Normally, a downturn should be a state where everything in the business should be in freeze and have to wait until the storm is over. So the first challenge of the recruitment personnel is to convince management that a hiring freeze is not proper and may even be disadvantageous to the company.

Recruitments and selections are the most costly affairs in the HR Department. This time is to reduce the cost of per hire candidates. HR should think innovatively and create the ways to recruit the candidates with minimum cost. In this scenario Companies are looking the candidates who take ownership of the responsibilities and work as an entrepreneur for the company rather than always taking directions and guidance from the superior.

Recruitment during a recession is a strategic move. Recession is seen by several companies as an opportunity to be almost at level with those who already had an edge over them during normal times. The budget cuts and layoffs implemented by competitors may work to the advantage of companies which made the unusual move of recruiting for the best there is during bad times. It's almost like playing a game against a team who has no more reserved players and fatigue could tear them out.

Hiring could be a long and short term marketing strategy. During a recession there would be a lot of options for hiring and lot of candidates to choose from. Boosting your marketing personnel capacity should put you in a better position to increase productivity and establish a good standing for your company.

6.5 HR as a Profitability Contributor

The concept of the Human Resources department as a profitability contributor is fast gaining currency in U.S. businesses and deserves closer examination. Professor David Ulrich of the University of Michigan, a leading expert on HR competency models, sees the changing business world as a 20-20-60 proposition. Of executives surveyed, 20% currently use the HR department as active and innovative business solution partners. 20% believe that the HR department should remain as administrative overhead and only perform transactional work. But, 60% of the executives expect the HR department to partner with others departments to improve the company's core competencies and competitive advantages.

The current recession will push Human Resources to become even more business oriented than before. The age of the general and widespread prosperity is over and the competition among organizations and even nations will become tougher than ever. The recession is a situation which requires changing yourself with each perspective, or we can say that it is the phase to correct in the respective departments. Now the recession tells the HR department to involve in the business as well.

- a. The HR Professional will have to change as they can provide the Business solution to the Organization. Each initiative of the business will have to be properly evaluated from HR and other departments and the HR Professionals will have to issue their own statement on the return of investment.
- b. The HR Professionals will have to find the Business opportunities to make the business more profitable every day.
- c. The HR Employees will have to convert themselves from current Profile of a business function to become real experts in the business daily practice. Without the knowledge of the products, the sales and operations processes, the HR Employees will not be useful. So for upgrading the Business knowledge HR should be involved in daily Business.

6.6 Strategic HR Planning for surviving in recession

Strategic HR Planning and Innovation too seems to have taken a hit during the India's growth years. Effective HR planning and development practices bring quality and loyal workers who are committed and passionate about the success of their organization. Again, the early signs are good, with employers investigating and following the example set by firms with their working hours and pay cuts as an alternative to redundancies. In previous recession was that staff left that was necessary to the effective running of the organization. But through this recession HR need to be smarter: smarter because our Strategic workforce planning should be telling what future resources (quantum and skills).

Creativity and regulation, though, can come together in the area of selection for redundancy. Here the organization does want to protect itself against litigation and employee relations aggravation, but it also wants to staff the business with those best equipped to deliver a successful firm. So HR should lead the organization in considering how best to balance the management of legal risks with innovative ways of selecting those to stay that need to be retained.

The HR Management has to focus on unpopular innovations during the recession as the role of HR during the recession is to save money to the organization. The senior management expects all the support functions to bring innovative ideas and solutions which will lead to stronger organization, when the next growth era comes.

6.6 Financial Analyst

When the recession hits the organization, Human Resources have to be ready to provide necessary data to the Organization, solving the initial problems with the recession. Recession is the situation which comes immediately. So HR has to be ready with the course of action and solutions to bring costs of the organization down to the sustainable levels. Financial Analysis will become a necessity in Human Resources.

HR Department can be a strong financial analyst from, because they have data about their employees, hiring costs, cost of benefits and employee engagement cost etc. HR can contribute for restructuring process from employee point of view to maintain the morale and satisfaction of employees.

From this recession we can discover the new profile of HR which includes "The financial analysis" in the HR Job description. The HR Employees has to provide all the basic data about the Human resource costs of the organization. This information is usually available, but HR should also provide the dependencies on other costs and how they are driven by the performance of the employees.

Generally, the compensation costs should directly linked with the performance of the organization, but from last few decades of the constant growth could break the direct link and the total salaries of employees can be completely unlinked from the net profit of the organization and they can depend on much softer aspects. HR should revise the compensation of the employees in such a way that both (employee and employer) should feel satisfy. When some economic downturn comes the benefits are the first items to be cut and the employees should generally feel no significant impact on their personal income. So in this situation HR should propose a plan for cost cutting.

Very important part of the HR Financial Analysis in Recession is about communicating to employees about cost cuts as they can adapt their behavior to the new situation on the market. HR has to create a feeling of the urgency to save money and cut costs with in the employees.

6.7 Participate in making Policies and Procedure

The recession changed the behavior of the top management and it pushed Human Resources to offer new solutions. After of the constant growth of the organization, the HR had to deliver the initiatives to cut costs and to increase the performance of the staff. The recession introduces the new challenges and the HR has to adjust its policies and procedures to become successful. The new challenge is about an extreme cost control and it is about an extreme competition for the resources.

The HR will have to develop new procedures and take part in the policy making of the organization. The HR Managers will have to design new efficient HR Processes as the managers can quickly decide and they can manage the resources of the organization.

6.8 Strategic Human Resource management

HR professionals are still more focused on Traditional activities. In fact, the HR function, which executives believe is concerned with activities such as reward and benefits, performance evaluations and HR operating efficiencies is often seen as being unconnected with how a business will deal with key strategic HR challenges such as talent management, workforce productivity and leadership development.

On the other hand the HRM Function has to find innovative solutions for the following points.

- a. Identifying the real key employees and to keep them in the organization.
- b. Identifying the real top potentials and to strengthen their development program

These targets are to achieved with the minimum additional costs and would be a hard task to accomplish. The HRM Function has to have priorities in mind and the strategic impact of the HRM Innovations in the recession time. The role of the HRM Function is not to cut the costs for the time being, but to make the organization stronger and ready for the future growth.

6.9 Corporate Governance

In this New time i.e. after Recession HR should ensure good governance. Organizations are coming under increasing scrutiny from not only shareholders, but the public, politicians and the press. Fairness and transparency and value for shareholder or taxpayer money are paramount. Pay and performance need to reflect that agenda. HR needs to be a bold, critical friend to the board, providing guidance and minimizing reputational risk.

6.10 Future Prediction

The landscape at the other side of this recession will look very different and the workforce will need to look different. How many staff an organization needs, what skills they must have, what they do and where they do it may all have to change. Despite high levels of unemployment, those skills may not be readily available. So HR needs to develop a future-focused workforce strategy and a plan that shows how to build, buy or borrow resources.

6.11 HR Leadership

In many companies, consistent and committed leadership helped employees overcome organizational change caused by downsizing. HR managers in these companies participated actively in the overall downsizing exercise. They developed an employee plan for downsizing, which covered issues such as attrition management and workforce distribution in the organization. In recession there is a greater need of HR leadership in corporate enterprises to give a fillip to activities on the scientific and technological research front to develop new products, to launch determined campaigns to 'delight' customers and look for new markets, and to bring the stake-holders and the employees together and to imbue them with enthusiasm and vigour to put in their best in a collective endeavour to reach the agreed organizational goals.

The New role orientation is that of HR Leader. An HR function with a role orientation focuses on fitting the HR function to business strategy, and fitting business strategy to advantages provided by the organizations people. HR Practitioners with a leadership focus are highly assertive and comfortable with high risk efforts, and they demonstrate equally high interest in business and HR Issues. They operate in Long term (strategic) and short term (operational) modes with equal comfort. HR Leaders are self confident and knowledgeable about the business and the organization they serve, and they command respect and credibility among senior executives and line managers.

7. Recommendations

- a) Recommendations while your employer facing negative challenges during recession:
- b) Top management should know the contingency plan.
- c) Increase Brainstorming sessions with top management and contribute in their strategic planning.
- d) A complete or partial job freeze, but be open when communicate to the workforce that the company may recruit key individuals even in difficult times
- e) Review the employee performance evaluations to determine the key people that company cannot afford to lose.
- f) Flow of Communicate should be from top to down that will help in making conducive atmosphere within the organization.
- g) Make prepare yourself for individual and group concerns therefore there should be a proper counseling session.
- h) To maintain a calm atmosphere.
- i) Review all HR policies, processes and procedures to ensure that they are purposeful and contribute directly to the success of the company with minimum cost.
- j) Suppose the company has to lay-off staffs ensure that, the company having other opportunities for them in other functions or divisions of the organization.
- k) Advise managers to deal the process of managing changes.

8. Conclusion

Managing Human Resources (HR) in a difficult economic environment is even more demanding than working in times of rapid growth. As we saw from the above survey that restructuring is the only solution HR have in today's era. But there would be different innovative ideas can be implemented as LG done. Therefore the Human resource with Innovative idea and new dimension of HR will give a solution to fight with these economic crises and make HR one of the key factors of Organizational growth.

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