

Global Strategies for Challenges in Business Management and Impact of FDI in Economic Development: FDI in Retail

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Abstract

Business Environment is changing rapidly, and so the opportunities and the in order to grab the opportunities the global business environment should bring the radical change in the workforce/ manpower. In this research paper, we there for aims to provide some reasonable information about how the Human Resource being an significant resource towards global strategy in order to overcome from the business challenges.

Not only to the retail markets, but in order to improve the economic growth, we will also been providing some useful information on how the FDI is being introduced in term of Retail Market and its impact on Human Resource. FDI in retail sector can expand markets by reducing transaction and transformation costs of business through adoption of advanced supply chain and benefit consumers and suppliers. Thus the FDI has also ensured a number of employment opportunities by aiding the selling up of industrial units in various corners worldwide.

Keywords: Global, FDI, HRM challenges, development, resource)

I. INTRODUCTION

We are aware of the facts that the globalization of commerce and trade have been significantly increased in the era, and so as the result of this, the global trade in goods and services has reached to 26% of the total world's GDP. But if we consider the manufactured goods, international trade has multiplied by more than 200 times since 1945. Though various strategy were adopted before and after the commitment to international level but the constant improvement and flexibility is still required to adopt the changing process at state, regional, national and international level. We therefore in this paper tries to identify the major

issues affecting the HR policies that has been affected through the FDI integration in the market and the various challenges that are facing by the business environment and relatively how various strategies were implemented to resolve it out.

Conversely, the potential benefits of FDI for various of countries include human capital development and higher wages. In addition, what is generally seen as a more important potential benefit, namely the dissemination of technology from developed to developing countries, may itself depend in part on the extent to which the FDI has promoted human capital development.

II- OBJECTIVES OF THE STUDY:

1. How HR challenges has being traced out by the industry.
2. HR policy tackling with the regulations and hiring laws in spite of various business challenges,
3. To study the emerging challenges in FDI in Indian Retail sector.
4. To study the trends of FDI, Human Capital Formation and Wage inequalities in India.
5. To recommend certain suggestions for growth of FDI in Indian retail sector.

III- HR CHALLENGES:

A-Finding Local Level Skills:

It has been a trend of various of companies to identify skill candidate through their resume and curriculum vitae, but in order to gain a competitive advantage the companies need to go beyond this trend and traditional mindset. They need to hire or look for the skills which are being presented in the curriculum vitae by the person. But to identify such

personnel and skillful candidate will not be an easy task to do at. So, this sort of work or to find skills at this level is a major challenge for HR, especially when entering new markets and geographies.

Most of the HR practices are quite similar in current scenario. So, to the skill manpower are not getting the right profile and the companies are not getting such skills manpower. So, HR practice should act as a mediator between this issue and held hand to find a right target for the right job. At work place managing emotion is one of the challenges and the work involved in managing emotions in the workplace by either displaying appropriate emotions or suppressing inappropriate ones, is termed "emotional labour" (Humphrey, J. (1993)

B-To Obey the Hiring Laws and Regulation of Hiring:

Every company has hire two sorts of employees, one of permanent nature other being temporary nature. So, hiring process of these employees are requires to follow the hiring laws. Every country has their own policy of hiring the temporary and permanent employees in their company. So, the HR practice should also involve the study of regulation and hiring laws in order to set the criteria for hiring these employees. As in Indonesia, for example, does not recognize the concept of part-time workers, who are consequently entitles to the same rights as full-time workers. Temporary workers, too, must receive the same benefits as permanent workers.

So, the HR's practice has a challenge to understand these laws and regulation and treat these employees according to the laws. Either the temporary or the permanent, both should be benefited as per the law.

Regulations become murkier when the employment process is conducted through online crowd sourcing or other, less traditional recruiting methods, further increasing the risks while demanding greater understanding of compliance from HR.

C-A Brief Introduction of FDI with Retail Industry in India:

An emerging FDI scenario has been lodge in India,

on or after the October, 2011, when the Indian government accepted its multi-brand retail, introducing the foreign groups in the market after forbidding their ownership and convincing other retail stores. In such scenario many international market were introduced in India, but some of the major players are: Wal-Mart, Carrefour, Tesco and IKEA

As defined by various agencies, "The retail Industry is the sector of economy which is consisted of individuals, stores, commercial complexes, agencies, companies and organizations, etc, involved in the business of selling or merchandizing diverse finished products or goods to the end-user consumers directly and indirectly. Goods and products of the retail industry or sectors of commerce and economy of a country."

IV- FDI IMPACT:

Either by buying a company or by selling the product in other country or expanding their operation in another country, FDI is investment directly into production in a country by a company located in another country. It is also being consider as a cross boarder Investment where assets held in foreign are being invested into the organization of either domestic market or retail market. But it should exclude the investment in stocks.

Through this investment impact the unemployment ratio has been decreased to some extent. There is generation of employment where youth pass out is increasing either directly or indirectly. The employment might be generated in the fields of agriculture, manufacturing, service industry which consists of GDP. The more people get employed would rehabilitate the economic cycle.

V- MAJOR CHALLENGES IN HUMAN CAPITAL MANAGEMENT:

- A huge study or research has provided an information that today the Indian organization are being facing the most critical challenge in upbringing the employee engagement.
- Though skills manpower are being hired but to retain them with the company is another goal of the company. But due to increasing outside demand and packages Indian organizations are unable to hold these employees with their organizations.
- Developing leadership capability is another significant challenge for Indian companies to achieve great success.

TRENDS OF FDI AND HUMAN CAPITAL FORMATION, WAGE INEQUALITY IN INDIA

Though as per 2014-15, India has been emerged as the 3rd most attractive destination for FDI, but the critical issues like job handling, retaining the employees and managing the wage equality with the other organization are still not targeted.

Still different organization has different wages for the same level of employment. So, FDI should be introduced in order to provide an equal length of wages to the workforce in order to stabilize the growth of the economy and boom the retail market.

Unless the human resource strategy is appropriately formulated and skillfully implemented, success of the organization is at risk (Belcourt and McBey, 2010). In these roles, the human resource professional contributes to the formulation and the accomplishment of the organization-wide business plans and objectives, and formulates the human resource business objectives to support the attainment of the overall strategic business plans and objectives.

VI-SWOT ANALYSIS OF FDI POLICY IN ECONOMIC DEVELOPMENT:

Strengths:

- Ø Boost up competition
- Ø Benefit to Farmers
- Ø Benefits to consumers
- Ø Generate Employee opportunities
- Ø Efficient Banking services
- Ø Large scale investments
- Ø Annual growth

Weakness:

- Ø Lack of infrastructure
- Ø Volume of sales is very low
- Ø Rising retail real estate rentals
- Ø Inadequate merchandise mix

Today, globalization implies the opinion of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital frontiers. However, it does not include unhindered movement of labour and, as suggested by some economists, may hurt smaller or fragile economies if applied indiscriminately. According to Arthur (1994) see globalization in the tendency of businesses, technologies or philosophies to spread throughout the world, or the process of making this happen. Globalization is interaction among the countries of the world in order to develop the global economy. Globalization refers to the integration of economics and societies all over the world. Globalization involves technological, economic, political and cultural exchanges made possible largely by advances in communication, transportation, and infrastructure. It means for exposure of practices the HRM domain has to be globalised. However, the higher productivity of FDI holds only when the host country has a minimum threshold stock of human capital. Thus, FDI contributes to economic growth only when a sufficient absorptive capability of the advanced technologies is available in the host economy (Boresztein, 1998)

VII- CONCLUSION:

In the light of above discuss, it is necessary to conclude that though the FDI integration is increasing but the impact of FDI is not positive in term of HR policies. The HR practices are still facing challenges in term of hiring process and maintain the laws and regulation. Now when we monitor other expects then it has been extracted that, various study done for the HR management and it has been reviewed that the role of hiring and keeping stability of workforce is crucial for the FDI market and in order to overcome from the business challenge HR policies should be so tactful that global strategies should be clearly reflected in its prospect. There is effect of FDI on human capital, due to need for adoption of technologies coming through FDI.

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