

# Hrm during recession

[Business](#), [Management](#)



Human Resource Management is about the valuation of labor and giving due credit to the tangible and intangible contributions of a workforce. Successful Human Resource Management is about the recognition of the invaluable contribution of each individual employee and striving to create an environment that would only encourage their loyalty and productivity.

The recent slowdown of the economy has removed the idea of successful human resource management and has replaced it simply with the idea of survival. As such, employees have been regarded as commodities, replaceable, substitutable versus what they are - investments.

In *The Big Squeeze on Workers*, Luthans (2006) highlights the current state of employment in times of economic slowdown and brings to fore the imbalance of power created by the economic recession. At present employers are forced to result to lay-offs and downsizing because the economic demand does not rationalize a bigger workforce or company profitability does not allow it.

This is of course to balance demand and supply. As a result employees need to hunch down, log in more work hours and struggle for increased productivity. They do so first, ensure the profitability of the company and second, to protect their job security. People are simply scared of losing their jobs. Because employment is at threat employers have better bargaining power, giving them the ability to devalue the idea of successful human resource management.

Yet in the same line of balance, when the economy begins an upward shift, the imbalance will likely remain but this time power will be with the

employees. The big difference with the economic boom of the nineties and that of today is current technology and its involvement in business. Employee lifestyles and ideas of work-life balance challenge the perception of a traditional employee (Challenger, 2000). Simply put, job loyalty is no longer a big priority. The surge in temporary jobs, telecommuting and flex-time has formed an employment culture that offers the employee more choices and demands far beyond the size of their pay checks.

When the time comes and the demand for labor increases, employees will simply be more fastidious. We see that now when class actions where employees are unwilling to devalue the work they put into their jobs (Luthans, 2006). When the more bargaining power is gained through improved economy, more workers will be as demanding.

As such human resource management will likely be more challenging than it is today. As Luthans (2006) points out many of those currently employed feel that productivity is "riding on their backs" and while they may be open to bear this during poor economic times, they feeling may not be the same when the economy gets better. Retaining valuable employees will be more than simply offering sizeable wages but also about creating jobs that challenge, attract, empower and encourage growth.

According to Rutledge (2006), in the future, when more jobs are available in the market the work of the Human Resource Manager will mimic that of the investment manager. The biggest challenge would be the retention of employees. In the future managers and employees will not only be tasked with the issue of making their workforce productive but also in finding ways to encourage employee loyalty so that they are not only productive at the

current time but remain productive in the company over a long period of time.

Human Resource Management becomes more than just a process of hiring people and ensuring productivity. It becomes the process of hiring people and ensuring that productivity is maintained throughout a long period of time as a form of investment for the company. In the future not only does Human Resource Management need to consider job descriptions and find a qualified match, they also need to consider how new technologies can improve jobs and how employees can be improved while performing their jobs.

#### Reference List

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