

Innovative HRM during Recession—an Exploration through Psychological Contract Violation

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Abstract—Organizations use different methods like restructuring, role loading, lay-off, as measure for cost cutting during recession. Rigorous or placid, this brings hard times for employees and their families who lose their jobs and have to face tumult against their will. Prime question for organizations and for Human Resource Managers is to build a team that outlives the tremulous times and is upheld in constructive and assertive direction. Downsizing, the indispensable feat during economic recessions, creates a feeling of breach amongst employees and violation of their psychological contract, which may again add up woes to the already badgered situations. Not just employees that have been laid off, but even those who are retained experience breach indirectly. Need arises for HRM to affect innovative methods to deal with such times and come out winning.

This paper conveys HRM's (Human Resource Management) role during economic recession using Psychological breach as the basic construct to build the argument on innovative practices to reduce the impact of layoffs. It gives the commendations based on best practices reported in literature for managing feelings of violation and breach during the recession as well as ascertaining that the team members are positively motivated for growth when it revisits.

Keywords: Down-sizing, Innovative HR Practices, Psychological Contract Violation
