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# Post-Covid Structural Changes and its Impact: Key Environmental Concerns of Emerging Economies

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## ABSTRACT

*The paper attempts to project the key concerns of emerging economies in the post-covid world. It looks at government policies, the economic situation, organizational climate and the societal role of the company. Today, the business patterns are largely determined by the technological changes and competition in the environment. Besides that, a shift in government policy in emerging economies towards greater interconnectedness is shifting the competitive conditions in industries.*

**Keywords:** Environment, Digitalization, Competition, Policy.

## I. INTRODUCTION

The future is unknowable. A look to the future growth in emerging economies should focus not only on external environment condition but also on internal issues of the company. Seeing the environment clearly and defining and carrying out competitive strategies effectively will continue to be the keys to successful management in emerging economies. The following paragraphs look into the key concerns in emerging economies in the dynamic environment that currently these economies are facing as a result of post-covid situation and sudden structural changes.

## II. DIGITALIZATION OF TECHNOLOGY

Digitalization of Technology is arguably the most important input in the production of goods and services, since it determines the manners in which capital, workers, and other factors are utilized.

An important aspect of digitalization is its impact on the workplace. The clearest tendency is that such change generally leads to a reduced need for production inputs, changes in the amounts of certain inputs needed, or greater satisfaction of consumer demands, in each instance raising the economic welfare of the society. Though the tendency is same in emerging economies, high level of unemployment and highly skewed income distributions will continue to limit the

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benefits of digitalization in such countries.

A specific change in workplace activity that is underway and promises to continue into the future is use of artificial intelligence. Artificial Intelligence is supposed to revolutionize the performance of many business tasks resulting in greater decentralization of work and also radically altering how people do their jobs. The indications in emerging economies firms are that those firms that carry out this transition most effectively will gain a competitive advantage over rivals.

### **III. GOVERNMENT – BUSINESS INTERFACE**

In recent times, emerging economies have turned away from the strategy of inward-looking development, characterized by heavy emphasis on import substitution, to a more outward-looking view that permits greater participation and interconnectedness with the global markets. The broad sweep of openness is quite clear from all the high-performing economies.

A strong trend toward global flow of supply chain is under way from manufacturing to public services. As a result, opportunities are growing for Global companies to enter directly in formerly restricted industries in the emerging economies and work via licensing, management contracts, and other creative “strategic alliances”.

The phenomenon of privatization has become a very important worldwide signal of governments’ willingness to permit the private sector a greater role in economic development. This process is continuing today with increasing public –private partnership as state-owned firms are partially sold to large private companies and the public-private joint ventures then make their way forward.

### **IV. CORPORATE SOCIETAL ROLE**

While market-oriented government policy has become more widely accepted in recent years, so too has the demand for greater corporate responsiveness to national concerns such as pollution control, fair labour relation practices, and so on. Firms undoubtedly will face growing demands for accountability for their actions.

Despite popular movements that favour smaller firms and a less bureaucratic society, large companies with competitive advantage play an increasing role in businesses of emerging economies. On balance, one may conclude that small local firms and large companies will continue to coexist in emerging economies.

## V. INDUSTRY STRUCTURE

Industry structure is today becoming more changeable. Recent years have witnessed a dramatic rise in very large corporate mergers and acquisitions.

One result of this merger and acquisition activity is that newly formed competitors often shake up previous industry structures. When a chemical company buys an oil company, for example, the vertical linkages involved affect competitive conditions in both the oil and the chemical industry. The chemical company obtains a guaranteed source of supply of raw material at a relatively low price, and the oil company gains a customer for a substantial part of its output. This kind of competitive positioning is sure to continue especially in emerging economies.

Perhaps the most striking shift in emerging economies industry structure that has developed in the past few years is the use of strategic alliances. Global companies are entering into cooperative agreements with emerging economies companies to produce product and services or develop new product and market.

## VI. ORGANIZATIONAL CLIMATE

One of the most intractable problems of emerging economies has always been the alienation of workers from their jobs. Over time, industrial psychologists and other investigators have developed ways to reduce the severity of this problem. One way to involve workers in company decision making is through worker representation on plant councils, through quality circles, or through the Japanese *ringi* system of consultative decision making. The goal of all these techniques is to create a more productive, more satisfied work force.

The problem is far from solved, as demonstrated by the occurrence of strikes and demonstrations from time to time in emerging economies. The future human relations problem of companies will tend to relate to fair treatment and participation in decision making.

## VII. CONCLUSIONS

Structural changes in emerging economies have resulted in greater competitions as barriers to market entry are removed. Hence, the need for a competitive strategy based on some sustainable advantage (such as proprietary technology, differentiated products) will become increasingly important. One key source of future competitive advantages in the emerging economies will be the skill to manage human relations within the firm so that employees are motivated and productive and the human capital investment they exemplify is challenged and tapped. Likewise, organizational climate will become a greater concern as firms seek such competitive advantages as higher worker productivity and peace between labour, management and societal

concerns.

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