

# Human Resource Practices in India- What Needs to be Done?

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**Abstract**—The Indian companies perform on the basis of certain Indian values and ethos prevailing in our country. The Mahabharata is the compendium of management skills and practices for the smooth running of the society which can be adopted in Indian companies along with the western management principles. A blend of western and eastern management policies will be of utmost importance and all the more needed in the present business conditions surrounded by trade cycles affecting the industry. The impact of under consumption coupled with inflation worsens life of common man.

The HR practices if followed in letter and principle, the betterment of company practices, smooth banking activities and excellent college and university management will be visibly noted. Of all factors of production, labour is the difficult one to be managed and compensated for its service. In this regard, the principles of Henry Fayol may be followed along with Japanese management techniques.

**Keywords**— Human Resource, Knowledge Economy, Japanese management techniques, Indian Ethos.

## I. INTRODUCTION

PRESENTLY the mentoring and the human resource concept coined by Gary Becker occupy the pivotal role in the development of companies and the national alike. The knowledge economy requires leadership development, work life balance, inclusion of women in work force, imparting of right skills to the workers and the bench mark setting would make the management an enjoyable and easy task. 360 degrees or multi-rate feedback problems may be adopted in Indian companies for its growth and sustenance. The workers should imbibe the knowledge with dedication and have empathy.

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Sri Krishna in the Bhagavad Gita clearly states the management principle of doing our work. ‘Do your work and do not expect the result’. To the modern management people it

may sound a little bit different. But he insists on performing our work efficiently. When we emphasize the target, often unachievable target it creates a stress in the mind of the workers. So here we have to strive for achieving the target and complete the deadline, but not the results. It may lead to better output and reduced stress level among the top brass of the companies who are always very busy.

The workers are expected to be dedicated and this is only the reciprocity expected from the management. The top level managers need to have kind-hearted and giving ear to the workers plea, not just providing salary. Now-a-days in most companies the owner and managing director is in one place and the workers spread in different areas leaving a small or no room for direct contact. The top brass should take pains to visit even the remote areas where the factory and its outlets are located and a word of love and affection will turn the committed workers into loyal workers. A word of appreciation is more powerful than the lavish monetary reward bestowed on him. A mix of appreciation and monetary incentive will be the real motivating factor in the recession hit economies a lot.

## II. REVIEW

The present supervisor is not expected to act as supervisor alone, but he/she should have the patience to act as the guide, friend and philosopher. At least he should exhibit the friendly attitude towards the workers to attract, retain and get the work done in time. This in turn would significantly improve the prospects of the Indian companies to be included in the list of blue-chip companies. “There is no magic in the success of Japanese companies in general and Sony in particular. The secret of their success is simply the way they treat their employees” [1].

Human Resource management is succinctly stated as, “that function of all enterprises which provides for effective utilization of people to achieve both the objectives of the enterprise and the satisfaction and development of the employees” [2].

The knowledge society requires more from the workers. “The global economic crisis is expected to lead a painful cuts in the wages of millions of workers worldwide in the coming year. It predicts that the slow or negative economic growth, combined with highly volatile food and energy prices, will erode the real wages of the world’s 1.5 billion wage earners, particularly low-wage and poorer households. Between the years 1995 and 2007, for each one per cent decline in GDP per

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capita, average wages fell even further by 1.55 percentage point, a result that points to the possible effects on wages in the current crisis.

The recruitment is the important task of any HR manager. But what is more important is the retention of the talented employees as the attrition rate is more in IT and high technology solution areas expecting green pastures. A study on shipping industry visualizes this fact. "The retention strategy is to provide an intellectual capital environment to attract more young seafarers and officers. Much needed benefits to be given to Gen Y" [3]. The attrition rate is the malice of the knowledge era. This could be tackled by proper care and strengthening our workforce on the principles of work ethos and values.

Sometimes workers could not find work-family life balance. This is the most important to be addressed even though it is out of purview of the management. The issues in work place and family will be influencing each other in a significant way. At times this may distort the entire work life balance. They must be provided stress free job environment as far as possible and every possibility of yoga, rest room facilities and counseling centre will be of utmost useful to them. The gender is a sensitive term and the inclusion of both men and women in workforce will be the stepping stone for success and a knowledge pool of multi-cultural and multi-talented persons will enrich the rich resource base of the company and in turn the economy.

The evaluation of the worker's performance should not be just on the report of immediate superior alone which is the normal case in many Indian companies. On the other hand, it must be based on the 360 degrees method for better appraisal and the successful running of the firms. This would ensure success for the firms in human resource management. "Every activity of any enterprise are initiated and determined by the persons who make up that institution. Plants, office, computers, automated equipments, all else that a modern form uses are unproductive without human efforts and direction" [4]. The division of labour is an important one and at the same time routine work will suck away the very life in man. Hence he should be offered job rotation to avoid any monotonous work. We need the proper mix of labour and capital to increase the productivity. The collective work called the team work will ensure success in any organization. Swami Vivekananda says the invention of ship as not an individual work. "No one in particular. That is to say, like all machinery indispensable to men – without which they cannot do for a single moment, and by the combination and adjustment of which all kinds of plants have been constructed – the ship also is the outcome of joint labour" [5]. This clearly emphasizes the joint effort needed on the part of everyone in the company to achieve the result. The organizations should respect each and every individual, but it is not based on the effort of a single individual, but the group as a whole. Hence the group dynamics is important and relevance to the present day conditions.

### III. THE INDIAN WORK SYSTEM

Indians prefer security of job rather than high compensation. This normally leads them to aspire for joining public sector enterprises and government institutions. But the modern youngsters prefer to join IT and service sectors. Still many have an interest and eye on the government services. The major factors responsible for this are security of job, relaxed work and social security measures. The private companies instead of moving on the efficiency line alone may think of job security as a measure to retain the young and talented in our Indian companies. Another special area that deserves our attention is to concentrate on the training programmes and effective development of skill set of Indian workforce.

The appraisal system in India needs to be strengthened and the weakness if any in the workers and officials can be debugged by proper implementation of training, appraisal and reward techniques. We have to assess the capabilities of the workers not only on the established international standards but also on the society wherefrom they come and the values too. The Indian big business houses TATA and Infosys insist on core values along with the skill set of the employees. This reflects the impact of value system they have cherished from a long time. The present seniority system may be suitably modified to accept the talented and innovative persons into the top level so as to avoid stagnation of work. An admixture and pool of senior candidates and the talented young people would turn the company into real force to be reckoned with.

The i4 group includes the ingenious, idea, incubation and implementation may be followed in Indian companies along with the principles of Henry Fayol. Formal Indian work system is beneficial for the labour class.

The Indian corporate world is more hierarchy based and formal in nature. Still the caste system plays a subtle role in selecting the candidates for the job. This needs to be broken down to infuse vitality in the Indian human resources. Many Indians believe in astrology and they consult astrologers for the business venture, collaboration and observe strict rituals in their business operations. They view the Goddess Lakshmi as the benefactor and provider of wealth. Indians expect more allowances and their salary structure is devised in such way to include Dearness Allowance, House Rent Allowance and Medical Allowance. The retirement age for the central government job is 60 in general, for university professors it has been enhanced to 65. Some state governments maintain the retirement age from 55 to 58. The life expectancy of Indian populace has increased and this may be considered while revising the age limit without affecting the prospects of the youngsters entering into the portals of public sector companies.

The central government has introduced the contributory pension scheme in lieu of regular pension scheme for those joining after 2003. The private companies may also introduce some sort pension scheme for the benefit of the work force and it may be individually managed by an efficient common board as corpus fund. This may be done on collective level.

Each nation has core strength areas and some countries may exhibit this in trade and industry. For India it is the culture and no company can go away from the culture and traditional practices. If they are beneficial for equal treatment of employees, increase in the productivity of workers and increase in the output beneficial for the company it may be adopted with modifications to suit the modern Indian conditions.

The bench mark practices and holistic responses are expected from the employees and on their welfare alone lies the organizational excellence. The Gas Authority of India Limited (GAIL), a public sector energy company is an excellent example of bench mark HR practices in India. The transparency is also high and it contributes two per cent of its PAT (Profit after Tax) for the uplift of society.

We cannot live apart from our environment. It is a source of livelihood for many and provides inputs for many industries. But the folly of man leads his life to miserable condition. We have to leave a better tomorrow for our future generation. The companies must adopt green energy methods to cope with the existing systems. In this regard, a note may be made on a sect of the north Indian tribal people who venerate the nature as their God. This is also prevalent in South Indian culture. Manu in his manusmriti says, "Even plant and soil have life". It is our duty to protect the environment. Companies can earmark a proportion of their revenue for the rehabilitation of the lost soil wealth and environmental quality wherewith the health of the workers will improve and in turn their productivity and the overall organizational excellence is possible.

#### **IV. EXTENDING HR PRACTICES TO ALL LEVELS OF ORGANIZATIONS**

The economy consists of various areas and organizations where the best HR practices may be introduced and followed for the overall development of employees, organizations, the society and the economy. All the stakeholders in it must be provided the benefits of it. The HR practices if followed in letter and principle, the betterment of company practices, smooth banking activities and excellent college and university management will be visibly noted. The proper compensation package could kindle the interest of the talented to join the corporate and take its growth to the zenith in the business world.

The Islamic banking concept may be followed to help the workers of economic need. No need to charge any interest on the loan amount in the interest of the company's long run growth and increasing the loyalty of the workers. The proper documentation is to be maintained by the workers to get their due from their boss. A copy of the service register may be provided to the employees for verification and acceptance. This would increase the transparency in work and work place.

#### **V. STEPS TO REVITALIZE THE INDIAN COMPANIES**

1. Recruitment as per merit and the proven international standards

2. Psychological and aptitude tests to determine the trustworthy of the right candidate
3. Incubation training supplemented by regular workshops to enhance skills of the workers
4. Frequent employer – employee meeting to remove the grievances, if any
5. The adoption of mentoring concept
6. Professional support in undertaking innovative work which will improve the morale of the employees and the profitability of the company.
7. Corporate Social Responsibility holidays may be allowed on trial basis for the employees to get involved themselves in social activities.
8. Job rotation and job enrichment may be followed to churn out the employees into the first rated workforce.
9. Laying emphasis on the high performance without stress and undue pressure on the employees
10. Leadership skill programme and making the workers to rise to the occasion to meet any trade cycle contingencies
11. Creating safe working environment with clear safety to the women members.
12. Include the local culture with global standards to ensure success
13. Stress management steps to workers to cope with the existing work pressure
14. Instilling the moral values and a sense of dedication for the flourishing of the company and the life of the workers
15. Treating the employees as co-workers not as the subordinates, share the HR practices and trade. This will ensure these two countries to lead in the years to come for the global employment and empowerment.

#### **VI. SUGGESTIONS AND CONCLUSIONS**

The managers of the companies must understand the changing business environment. The organization is the multi-dimensional one and the proper skills and attitudes for integrating the company. This must be in tune with the recent strategic decisions of the best companies in the world. The economic geography, working conditions, eastern values and western management techniques, the proper training and caring attitude with dedication imbibed by the people are the pre-requisites for the success of the company. The workforce must be provided the right education, awareness and achievable targets and the proper evaluation method to elevate them to higher positions and receive higher salary would serve to realize the cherished goals of Indian companies.

India and China have the demographic dividend in their favour and their trade would flourish if they utilize their employees in an effective manner. The life is to live and the companies have to exist and succeed in order to make the people and the nation succeed. A bilateral arrangement may be made to increase the International trade flow of knowledge between these two nations.

This would enhance the HR Skills of companies of both the country.

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