



MANAGEMENT OF HR IN THE CHANGED INDIAN SCENARIO WITH SPECIAL REFERENCE TO BEST HR PRACTICES IN IT INDUSTRY – A CASE STUDY OF TECH MAHINDRA LTD.

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ABSTRACT

In India particularly after adoption the economic and banking reforms since 1991 number of multinational companies have come to India and they have along with them brought not only the new technologies but also the management practices. Today, even the domestic companies have also adopted new technology and these management practices in order to remain in the business and to achieve higher market share in the fierce competitive environment. In the process the Human Resources Development has assumed greater importance than ever before. Today the department has to spend lot of time in retaining the talent in the organization for which they have to undertake Research and Development in introducing newer HR practices. Introduction of Best HR practices has therefore assumed pivotal role in the entire management set up. The expectations of the employees are growing high. Apart from the financial aspects of compensation there are certain other aspects not involving much costs but are effective tools for motivating the employees to bring out their hidden talent and potential. It is in this context the Best HR Practices have greater importance and the HR departments are rightly addressing it. The HR departments are on their toes to retain the talent in the organization as well as ensuring that these talented employees are well motivated to bring out their hidden talent and give their best performance to the organization. In a dynamic environment there are changes in the environment and for achieving success the organizations have to keep pace with the time and the demand for accepting challenges to attain newer goals.

KEYWORDS: Globalization, inflow of MNCs, changed role of Human Resources Development Dept. Talent retention, motivation, on-going R & D.

INTRODUCTION

During the year 2016-17 India has emerged as the fastest growing economy in the world. India's GDP during the year 2016-17 increased by 7.1%, and it is expected that the GDP during 2017-18 would be 7%. The down fall is the impact of demonetization and the implementation of Goods and Services Tax. Growth rate of industrial sector is estimated to moderate to 5.2 per cent in 2016-17 from 7.4 per cent last fiscal.

GROWTH OF THE INDUSTRIAL SECTOR

The pace of the Indian industrial sector gathered moment when the policy of globalization, privatization and liberalization was adopted. As a result of this policy there were two distinct changes were witnessed. One is flow of foreign direct investment and inflow of multinational companies and the other one is because of the liberalization the domestic industry also started the increasing trend. The foreign companies which entered on the Indian industrial canvas came with the latest technology as well as the management practices. The whole canvas of the Human Resources Development has undergone a sea change. It has received a global dimension. This led to the complex role of the Human Resources Department as they have to take into account various factors in handling their day to day functions.

Today, the Management of Human Resources Development department plays a pivotal role in any organization. This is the most important department in every organization. It takes care of recruiting the people, maintaining benefits to the organization and at the same time takes care of the all-important assets including the talent management for the organization.

The introduction of the "Best HR Practices" lies in the pursuit of dire need for the talent management. In the changed circumstances the prime task before the Human Resources Development has now become the talent management in the organization. The converse of this is to minimize the attrition rate so far as talented employees are concerned. Therefore, the HR departments are on constantly on their toes to identify what satisfies the employees to be attached with the organization. Therefore, the HR department has introduced

Best HR Practices which enables them to retain the talent. For this purpose the HR department needs to undertake on on-going basis innovative practices that will lure the talented employees to continue with the organization. “**Best practice is a method or technique that has constantly shown good results with other means and that is used as a benchmark**”.¹

TECH MAHINDRA LTD.

In the following few paragraphs brief introduction about the research universe i.e. the organization in which this study was conducted has been provided:

Of late Pune metropolitan city has become an IT Hub, wherein there are number of world renowned IT companies who have established their offices in Pune city. Tech Mahindra – which was earlier Mahindra British Telecom Ltd. which was established in the year 1986, is one of the leading IT company having its large establishment in Pune. The erstwhile Satyam Technologies – yet another IT company who had its large base in Hyderabad has been taken over by Tech Mahindra Ltd. British Telecommunications PLC (BT) from U.K. is in partnership with this IT Company.

Tech Mahindra Ltd. is listed on the Mumbai Stock Exchange and the National Stock Exchange. 51% of the capital is held by Mahindra, 36% is by British Telecom Plc. and the rest is with the general public.

The company’s offices have been spread over in Europe, North America, the Australia and New Zealand region and Asia Pacific.

After taking over the business of the Satym Technologies, Tech Mahindra has assumed higher business level in IT sector.

Company’s focus is on quality and solutions that add value to the client’s businesses. It is an ISO 9001:2000 certified and is assessed at SEI-CMMi Level 5. It is BS 7799 certified company across all development centres.

The thrust area of Tech Mahindra is providing solutions and services to the Information, Communications and Communication technologies sector.

Tech Mahindra has successfully implemented more than 18 Greenfield Operations globally and has over 151 active customer engagements mostly in the Telecom sector.

¹<http://www.businessdictionary.com/definition/best-practice.html#ixzz30Mb0fLWT>

In the Telecom sector, Tech Mahindra has niche and proven domain expertise, distinctive IT skills, research and development, innovative delivery models and approach to off-shoring.

The operations of this IT leading company are spread all over the world. Presently it has its presence in 31 countries which comprises of 17 sales offices and 15 delivery centers. The company has with it over 47,000 IT professionals who provide high expertise and in depth skills for the Tele Communication sector.

The company has a global presence and has operations in 31 countries with 17. The Awards / recognitions received by the Company during the year 2016-17 include:

- ❖ India Risk Management Award-CNBC TV 18
- ❖ Golden Peacock Award for Corporate Ethics
- ❖ One Globe Award for Digital Economy
- ❖ Top IT Exporters Award as part of HYSEA Summit & Awards
- ❖ Tech Mahindra Foundation received the Best CSR Practices Award and Best Corporate Foundation Award
- ❖ ASSOCHAM Second Corporate Governance Excellence Awards
- ❖ Drivers of the Digital Awards 2016 honors Tech Mahindra with “Best Digital Enterprise of the Year”
- ❖ Mr. C. P. Gurnani won the Asia One Global Indian of the year –Technology
- ❖ Recognized in 5 categories at 7th Asia Best employer Brand Awards 2016
- ❖ Awarded at NASSCOM HR summit for Excellence in HR Technology Adoption
- ❖ Firm Of the Year – IT/ITES at the CNBC TV18 India Risk management Awards
- ❖ Frost & Sullivan India ICT Awards 2016
- ❖ Golden Peacock Excellence Award – 2016 for outstanding Business Excellence Practices for its BSG division
- ❖ Coveted Economic Times Telecom Award 2016

OBJECTIVE OF THE STUDY

The objective of this study was to find out the impact of the company’s HR policies particularly with reference to best HR practices on the employees’ contribution to the performance of the company.

RESEARCH METHODOLOG

This research is based on the secondary data published in the form of Annual Reports for the temporal period of research i.e. 2010-2017.

In addition to the data available through the Annual Reports of the respective financial years the author had also interacted with a few officers from the Human Resources Development Department as well as a few employees of the esteemed organization from a cross section of the employees covering gender, seniority, management responsibilities etc.

In the table given below data relevant to the employees contribution to revenue earning and profit after tax per employee has been shown over the period 2010-2017.

Table 1: Total employees of Tech Mahindra during the study period 2010-17

Particulars	2010	2011	2012	2013	2014	2015	2016	2017
No. of employees	33524	38333	40763	83109	89441	103281	105432	117693
Total Revenue Rs. Mn.	46254	51402	54897	143,320	188,314	226,213	264942	291408
Per employee productivity (Revenue) Rs. In Mn.	1.38	1.34	1.35	1.72	2.10	2.19	2.51	2.48
PAT (Profit After Tax Rs. In Mn.)	7005	6442	10954	19,556	30,288	26,277	31,180	28129
Per employee profit after tax	0.209	0.168	0.269	0.235	0.338	0.254	0.295	0.239

The above data reveals that the revenue has been showing an increasing trend and that the per-employee revenue is also more or less showing increasing trend. Same is the case with the per employee profit. The IT Company is required to recruit staff in anticipation of the orders and keep some staff on the bench. This results in fluctuation in their per employee after tax profit.

Therefore, we can say that the globalization has brought in the positive approach to the functioning of the Human Resources Development dept. Not only this phenomenon is restricted to the multinational companies but also the domestic companies have adopted those with some little changes here and there to suite their staff expectations. Indian companies are also deputing their staff to overseas sites for onsite assignments and these employees also give feedback to their management about the work environment and the various facilities the employees get there. This feedback is useful to the HRD dept. to assess the possibilities to

adopt similar facilities in their company. HRD dept. has to perform a balancing act as it has to satisfy the management and the human resources at the same time.

Following are the few examples of the best HR practices:

- ❖ On special days for the employees like birth days and marriage anniversary days, the HR executives greet the employees.
- ❖ The company takes utmost healthcare of it's employees for which it makes available experts services to the employees and their family members. They made arrangements with renowned hospitals for making periodical health checkup of the employees.
- ❖ Particularly at the offices where the number of female staff is sizable, the company makes arrangements for bay sitting facility. This certainly motivates the women employees to concentrate on their assignments.
- ❖ Where the employee is required to work on his birthdays because of the exigencies of work, special allowance is provided.
- ❖ Now the IT companies are publishing e-Bulletins periodically to appraise the employees of its policies, strategies and performance which helps the companies to be transparent in their business activity.
- ❖ Through bulletins or by organizing special functions department wise, individual's achievements are highlighted which boosts the moral of the employees.
- ❖ Every effort is taken to see that the work assigned becomes interesting so that the employees do not get a monotonous feeling.

The best HR practices differ from company to company as the composition of the human resources is different and the expectations of the employees also differ. Therefore, the HR Manager has to carefully study as to what the employees expect from the company in the form of Best HR Practices.

SUGGESTIONS

1. **Stress Management:** Today stress management has become a serious issue which need to be addressed by the HR by introducing new HR practices so that the employees will become tension free.
2. **Focus on Health care:** Now in order to meet the set goals almost in every organization the employees have time to report for duty but there is no certain

timing as to when he/she will be free from the duty. Particularly in the IT and BPO sector the employees will have to adjust their office timings to match with their overseas client and in the process the employees have to work in nightshifts also. This has adverse impact on their health. Therefore, the second priority of the HR department is to work out such schemes and undertake programs that will ensure healthcare of the employees. There should be regular health check-ups and remedial steps for the same.

- 3. Focus on personality development:** Now in the training programs organized by the organizations the thrust should be on the overall personality development.
- 4. Family support:** At present it has been observed that even after returning from the office employees are required to attend to office work on the laptops or phones. Because of the dynamic life of today it has been observed that day by day the family interaction is getting drastically reduced. In order to pursue higher life-style in the costlier living in the cities, both husband and wife are required to be the earning members. Now the old joint family system no more exists. Child care has become a big problem. Competition in the education field has also become fierce, TV watching by the kids etc. All these factors are responsible for low family interaction. This is leading to insecurity in the family. The employees are being now imparted training as to how to achieve work-family balance.
- 5. Provision of special arrangement at worksite:** In the present day dynamic life the employees find very little time for attending to some of the works where he/she has to go personally. e.g. Renewals of driving license, filing of income tax returns, etc. Therefore, the authorities make arrangements with these offices to depute their staff at the worksite so that it saves the employee's time of running around. Even during the week end days in order to save time of the employee's, State Transport busses are starting from the campus of these offices.
- 6. Job Rotation:** in order to ensure that the work does not become drudgery and the employees work does not become monotonous there is a periodical job rotation. In case of IT employees it is shifting of employees from one project to another which retains the employee's interest in the work.
- 7. Provide autonomy:** In the present day work environment and particularly in the IT sector where the employees are highly qualified, merely high / competitive compensation is not the only criterion to retain the employee. Today, the

employees expect high degree of autonomy. Therefore, the HR department should see that there is enough autonomy for the employees, which will satisfy their motivation on this score.

CONCLUSION

After the globalization the entire world has come very close. The number of expats in all over the world is increasing. Therefore, the role of the Human Resources Development department has now assumed greater importance and they are now expected to handle a variety of new HR problems e.g. controlling the attrition rate, talent management etc. Even the training of the employees has now taken a new turn like introduction of new areas like personality development, motivation, meditation, management of tension etc. All these are addressing the sole goal of ensuing maximum productivity and involvement of the employees in achieving the organizational goals/targets.

Today, employee's job satisfaction has assumed greater importance. It provides the employees feeling which gives happiness, joy and delightfulness to an employee and builds confidence in his or her personality. Satisfaction also helps in developing loyalty among the employees towards their organization.

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