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Abstract

The purpose of this study is to explore the emerging HR trends in India Co. The process of Liberalization-Privatization-Globalization that began in 1991 had drastically changed the business scenario of India, and consequently the HR Management of Indian companies. The war of Talent that began with the LPG has only intensified with time, and today, almost all sectors of the economy are struggling hard to develop an HRD system in their organizations, that not only attracts, but also nurtures and retains the talent. Every Indian organization is witnessing a change in systems, management cultures and organizational philosophy due to the global alignment. Almost all the subsystems of HRD, from recruitment to succession planning in India Co. have witnessed a sea change. For this research we have focused on various aspects of emerging HR trends in automobile, banking and BPO Industry, which help employees to enhance their performance and improve organizational effectiveness. Role of an HR department in India Co. has changed from the traditional to the experimental in the past couple of decades. There is a need for multi skill development and role of HRM is becoming all the more important. This research paper will be valuable for practicing HR professional of every organization and also for those who have a significant interest in the area of Human Resource Management, to realize the importance of emerging HR trends and understand the need to build up effective HR strategies to combat HR issues arising in the 21st century.

Key Words: Emerging HR Trends, Changing Environment, HR Professional, Automobile, Banking and BPO Industry.

Introduction

Human resource management is a process of bringing people and organizations together so that the goals of each other are me.

If we realize in practical situation the above definition its just one side of a coin which has limited HRM involvement but today HRM is a different concept, it has changed the way employees work, and also it helps a company to survive in sinking period. Managing and appealing the work force in today’s time is a very difficult task. The role of HR manager has also changed a lot from being protector and screener to the role of Savior who acts as planner and change agent at the bottom of the pyramid — where it is blue collar workers & also at the top & middle level.

The trends in human resource industry are dynamic in natures which contribute towards achievement of organization objectives. With the period, highly skilled and knowledge based jobs have increased in number, while low skilled jobs have decreased. This calls for skill mapping through proper HRM initiatives.

‘Change’ is inevitable. The Indian business environment had changed drastically over the last few decades owing to the liberalization, privatization and globalization. Thus, Indian organizations are perceiving change in organization cultures, systems and working style. Association with global companies has forced Indian organization to accept and incorporate change in every day life which makes role of HRM all the more important.

Some of the recent changes in HR with reference to Indian Industries are as follows:

- The policies of many companies have employee centric, traditionally the policies focused on achievement of organizational goals showing negligence towards the human resource.
Attracting and retaining personnel have become difficult as loyalty factor is losing its shine, today HR personnel have to motivate and design healthy career road map to make them stay in the company.

Human Resource Outsourcing is the new name in the industry to replace the redundant traditional HR department. Numerous HR outsourcing businesses in India are already established and some are coming up to support increasing demand of corporate India.

With the increase in global job flexibility, recruiting competent persons is also becoming difficult, especially in India. Consequently organizations are also required to work out a retention strategy for the existing skilled manpower.

HR managers today are focusing on policies like trust, openness, equality, motivation, relations etc. In line for new trends in HR the manager should treat employees as resources, reward them fairly and incorporate their objectives with the organizational goals through suitable HR policies.

Corporate India has come a long way since independence. Today Indian companies have expanded themselves across the globe and are moving to a borderless world. Similarly, after liberalization and globalization a large population of Indians has become a part of the multinational and foreign units. In short, the Indian workforce and the industrial climate are both continuously changing. Thus at this stage it is difficult to understand the changing trends of the most valuable asset of an organization – Its human resource. There is continuous need to improve capabilities, leverage them to ensure the growth and success of an organization and at the same time add value to an organization.

The key players who have served as facilitators are the Human Resource professionals who have moved beyond their administrative role to emerge as strategic business partners. Their role has become very critical in providing radical solutions to organizational success. Today they no longer work in independent storage tower, but have associated themselves with the strategic goals. With the changing market trends HR today is faced with several challenges and people management issues in this talent – short market. Human resource professionals need to think differently today and further experiment varied processes & methodologies benefiting the human capital and the organization at large.

Objectives Of The Study
The function of research is to either create or examine a theory. Research is the tool used to test whether a theory is good or not. It is the process employed for obtaining knowledge of whatever the unknown. The objectives of this study are as under:

- To study the current Human Resource Trends in Indian Business Industry in general.
- To analytically study the current Human Resource Trends in Automobile, BPO and Banking Industry.

Research Methodology
Research methodology is the organized procedure of collecting and analyzing information (data) in order to increase our understanding of the phenomenon about which we are concerned or interested.

Both primary and secondary data has been collected to present a comprehensive study. This research will comprise of the following tools for data collection:

a. Primary Data: The study is mostly founded upon gathering of comprehensive data from primary sources like - in-person surveys, direct or participatory observations and interviews.

b. Secondary Data: The research will also be carried out depending on secondary sources which require no direct contact to gather information and are effectively based upon web-based surveys, newspapers, business journals and periodicals.
Emerging Human Resource Trends in India

HR expert Prachi Kumari, Director at Sat-n-Merc Manpower Consultant said: "Recruitment activity in 2017 went slow beyond our expectation across every levels, majorly recruitments were done only to replace major gaps.

"Coming year 2018 seems very promising. To increase their revenue, companies need to feel the long time vacant positions and also they have to create more jobs as compared to 2017. Overall, it seems the worst condition is over for the job market and we are entering in a zone of another two years of positive growth if not more." Some of the facts related to HR trends in India is given below:

- 64% of the Country’s population is in the age group of 15 –60 years & 30% in the Age group of 0 –14.
- India is expected to emerge with a clear advantage in terms of Human resource availability by 2050, as it will have the largest working age population.
- India produces 2.5 million University Graduates, 400,000 Engineering Graduates & 300,000 Post Graduates.
- Highly-skilled and educated & workforce and primarily English-speaking Managers provide India a clear edge in the talent stakes.
- 71% of the organizations indicated robust hiring plans in 2017.
- 8.5 lakh new jobs were created in the organized sector in 2016 –2017.

**Sector wise Job Creation**

- Manufacturing – 51500
- IT & ITeS – 121000
- Hospitality & Travel – 83400
- Real Estate – 38700
- Education & Consulting – 42900
- Healthcare – 133000
- FMCG – 151000
- Banking and Financial Services- 61400

- Apart from using regular’s channels to recruit, companies are also starting Alumni networks to rehire former employees.
- Increasing number of expatriates, especially in the Middle and Senior levels is looking at gaining experience in India especially in the Banking & Financial Services/ Infrastructure/ Pharmaceuticals/ Airlines/ Automobile sectors.
- Employee characteristics while evaluating job options they look at factors such as responsibility, Promotion prospects, company reputation & profitability, designation, attractive remuneration and the possibility of traveling overseas.
- People expect 30% -50% increments while changing jobs.
- Attrition levels are high ranging between 15% -40% based on the Industry –highest in Industries likeBPO/ Retail/ IT.
- Cross Industry Shifts where 40% of Middle Managers want to change Industry.
- Variable payout is increasingly becoming important and increases with level in the organization. The variable pay at:
  - Senior Management level: 20% -25% of CTC
  - Middle management: 15% of CTC and
  - Junior management: 12% of CTC.
- With regard to the people on the shop floor, productivity-linked wages and bonuses are getting increasingly popular.
Compensation Trends Survey 2017-15
Increments Across Industry Segments

Deloitte Human Capital Consulting in India recently concluded a cross industry Compensation Trends Survey that provided key insights on salary increments, variable pay trends, attrition rates, key HR challenges, benefits provided by organizations and measures to manage and reward their critical talent. The online survey was launched for the first time and a total of 209 companies participated in the survey. The key survey highlights, followed by the detailed sector wise analysis is mentioned below:

Survey Highlights
• The average salary increment across sectors is projected at 10.3% in FY 2017, which is 0.3% points lower than the previous FY 2016 (10.6%)
• The average variable pay percent across sectors is projected at 18.5% in FY 2017, which is 1.2% points higher than the previous FY 2016 (17.3%)
• The average voluntary attrition rate across sectors for FY 2017 is 13.4%, 0.8% points lower than the previous FY 2016 (14.2%)
• Organizations across sectors attribute Better Career Prospects, Better Pay Opportunities and Personal Reasons as the top three reasons for attrition.
• Career Management, Developing Potential Leaders and Retaining and Rewarding Critical Talent are the top three HR challenges faced by organizations across sectors.

Sectorial Overview
Auto & Auto Components
• The average salary increment in this sector is projected at 9.9% in FY 2017, which is 0.4% points lower than the previous FY 2016 (10.3%)
• The average variable pay percent in this sector is projected at 17.6% in FY 2017, which is 0.3% points higher than the previous FY 2016 (17.3%)
• The average voluntary attrition rate for this sector in FY 2016 is 10.6%. Highest attrition rate is observed for the Clerical Cadre at 13.1%
• Organizations attribute Better Career Prospects, Personal Reasons and Better Utilization of Current Skills as the main reasons for attrition
• Employee Engagement, Developing Potential Leaders and Retaining and Rewarding the Critical Talent are the key HR challenges faced by this sector

Banking, Financial Services & Insurance
• The average salary increment across this sector is projected at 9.5% in FY 2017, which is 0.2% points lower than the previous FY 2016 (9.7%)
• The average variable pay percent across this sector is projected at 20.2% in FY 2017, which is 0.4% points higher than the previous FY 2016 (19.8%)
• Voluntary Attrition rate for this sector in FY 2016 on an average is 14.0%. Highest attrition rate is observed for the Clerical Cadre at 18.6%
• Organizations attribute Better Career Prospects, Personal Reasons and Better Pay Opportunities as the main reasons for attrition
• Compensation Structuring, Developing Potential Leaders and Retaining and Rewarding the Critical Talent are the key HR challenges faced by this sector

IT enabled Services
• The average salary increment across this sector is projected at 12.0% in FY 2017, which is 0.3% points lower than the previous FY 2016 (12.3%)
• The average variable pay percent across this sector is projected at 18.5% in FY 2017, which is 0.3% points higher than the previous FY 2016 (18.2%)
Voluntary Attrition rate for this sector in FY 2016 on an average is 16.4%. Highest attrition rate is observed for the Clerical Cadre at 26.2%

Organizations attribute Better Career Prospects, Personal Reasons and Better Pay Opportunities as the main reasons for attrition

Developing Potential Leaders, Career Management and Retaining and Rewarding the Critical Talent are the key HR challenges faced by this sector

**Current Hr Trends In Indian Automobile Industry**

Automobile industry is one of the fastest growing industries in India. It is growing at a rate of about 16% per annum and is now going to be a second fastest growing automobile market in the world. It is one of the key sectors of the growth of Indian economy. This sector is increasing during a phase of rapid change and great progression. With the coming up of new plans, the industry is enduring technological change. The major players such as Maruti, Toyota, Honda, Bajaj, are now focusing on mass customization, mass production and also expanding their plants. With more than 2 million new automobiles undulating out each year on roads of India and the industry is set to grow further.

Every year, the automobile Industries in India manufacture more than thirty lakh vehicles. There are also thousands of engine-powered machines built each year for agricultural, construction and manufacturing operations. Because of its continuous growth, automotive industry of India is now finding increasing recognition worldwide. The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing markets globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2011. According to recent reports, India overtook Brazil and became the sixth largest passenger vehicle producer in the world (beating such old and new auto makers as Belgium, United Kingdom, Italy, Canada, Mexico, Russia, Spain, France, Brazil), grew 16 to 18 percent to sell around three million units in the course of 2011 and 2012. In 2009, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea, and Thailand. In 2010, India beat Thailand to become Asia's third largest exporter of passenger cars. Although the economic growth vulnerability and lower sentiment resulted in market slowdown in 2012 and 2016, But India has shown regain strong growth trend from 2017 onwards.

This rapid expansion is because of growing urbanization, ascend in the standard of living of consumers, easy availability of funding, liberalization, privatization, and globalization of Indian industry. It has created lots of job opportunities and interested one in this sector has to specialize in automobile or mechanical engineering but, holding an engineering degree is not sufficient to survive in this sector. There is regular need of updating of knowledge, skills, and attitudes. At present, automobile industry in India is retaining around 10 million human capital and is expected to employ more people in near future.

Managing Knowledge Workers, Managing Technological Challenges, Competence of HR Managers, developing and retaining talent and change management is major problem for the Indian automobile industry.

With this rapid expansion and coming up of new major players in this sector, the focus is more on the skilled workforce and the need of human resource development has increased. The need for trained professionals is also in bound to rise and so is the training need. Rapid technological changes, mass production, customization, growing use of automobile vehicles in the sector have brought back the training and development in the priority catalog. For that, all companies want skilled and hard working human capital who can give their best to the organization. The current education system is not sufficiently prepared to address the new processes, according the industry. So, to overcome for that, various companies are opening their own training institutes to train interested ones in this sector, for example Toyota has recently opened Toyota Technical Training Institute (TTTI) near Bangalore that will offer 4 courses in automobile assembly, mechatronics (a combination of mechanical and industrial
electronics), automobile weld and automobile paint. TTTI will provide both a high standard of education and training in automotive technology as well as employment opportunities.

Many top players like Maruti Udyog, Bajaj Automobiles, Tata Motors, Honda, General Motors India Pvt. Ltd., Mahindra and Mahindra etc. are also spending a huge amount on their HR activities. These companies are now busy in designing their own training and development programs for their employees as per their job requirements. These companies are trying to find out the strengths and weaknesses and are emphasizing more on their personalities, leadership skills and problem-solving techniques. Every company is using different techniques of training according to their needs as well as their employee’s need.

The HR Professionals from Indian Automobile industry have stepped up to become a business partner. Their new role is to spread a culture of commitment and flexibility in order to support business goals. HR professionals of leading automobile companies identified future leaders who are leading along the winning path. Now days they are also managing and supporting the mass customization, mass production activities with retaining the talents at the same time. So to retaining talents, the companies are practicing new HR policies.

The most critical enabler for the huge growth envisaged for the Indian Automobile Industry shall be adequate availability of trained manpower. Based on the current pattern of employment it is estimated that automobile industry would require huge numbers of trained personnel to work at various levels. It is pertinent to mention here that only specialized and industry specific inputs can improve the competitiveness of the industry.

Current Hr Trends In Indian Bpo Industry

Nasscom estimates Indian BPO revenues to grow by 13-16 percent in FY13; it grew 29 percent last year in rupee terms to touch $64 billion. The underlying factor however remains addressing the shortage of skills and retention. However foreign countries view India as a low cost destination, BPO work force contributes about $5 billion to the country’s GDP.

Repetitive low-end jobs, physical and psychological problems and inadequate growth opportunities are the major reasons cited for the high attrition rate. This drawback has increased the operational costs of BPO organizations and is considered to be a threat to the industry.

The major challenges being faced by the BPO industry in India can be classified into internal and external challenges. The internal challenges include lack of competent work force and the high attrition rates.

BPO organization’s earlier paid huge salaries to attract a large number of employees. Though the high salary packages and healthy work environment in BPOs succeeded to attract a large pool of teenagers, but failed to sustain the pool. And the reasons range from physical exhaustion, mental stress to fear of an elusive future. The attrition rate in the industry has been hovering around 35%, which is quite high for any industry. An average Indian call center employee works with a company for 11 months, whereas an average UK call center employee stays in an organization for 3 years. It is anticipated that the attrition rates would come down once the growth stabilizes. Steep growth is one of the reasons for the high attrition rates, according to many in the industry.

There have been 3 typical causes of employee turnover in BPO’s

- Stagnation
- Repetitive job
- Odd working hours

A speaker at the ITES-BPO Track at Nasscom 2003 commented that it is not ITES (Information Technology Enabled Service), but HRES (Human Resource Enabled Service). This briefly explains the importance and value attached to the 'people' aspect in this service industry. The fact that this industry is still in its nascent stage in India has led to the dearth of experienced middle management level team leaders and senior managers. Nasscom President Kiran Karnik agrees that shortage of middle and senior level managers is in fact a critical issue. Entry-level recruitment and employment has not been a problem with so many fresh graduates with good language skills, available readily in the job market.
A recent trend in the BPO industry has been the poaching of the middle and senior level managers by the new entrants to the industry. Reports say that large and established players face an attrition rate of 45% against the industry average of 35%. Everyone agrees that hiring from competition is a cyclical process and will not help the industry grow, but with very few options available, they resort to the easiest solution - poaching.

Convergys, a BPO company has refined its HR practices to care for all employees at every stage of their employee lifecycle with the company. Its HR practices are much more focused on caring for and retaining the employee at the particular stage of employment. They keep evolving their recruiting, employee engagement, and retention practices to ensure that they stay on the top of employees' expectations, support their increasing levels of maturity, help them gain more knowledge and enhance their skills for overall development and growth.

The role of HR has become more and more critical and challenging to ensure that companies meet diversity requirements, meet the expectations of their Gen X and Y employees, and engage the behaviours that drive success efficiently and effectively. As a result, innovation in HR is at peak with more focus on learning and development opportunities for overall growth.

Current Hr Trends In Indian Banking Industry

Acquiring and retaining talent is the most critical challenge facing the banking industry, especially for the Public Sector, Units (PSU) where the situation is most urgent. A four decade–long legacy shaped by the constraints of state ownership, and short tenures of top management has created a precarious instability in PSU banks’ Human Resource (HR). The diminishing people advantage of the public sector banks has to be restored with urgency. This crisis has reached a tipping point, and the competitiveness of the entire sector hangs in the balance. The challenge is two fold: Recruiting talented employees as well as retaining the talent available. Most importantly without addressing its HR issues, the public sector cannot rise to the challenge of financial inclusion in any meaningful manner.

The key to the success of any organization lies in how efficiently the organization manages its human resources. The principle applies equally and perhaps more aptly to service institutions like banks. The issue is all the more relevant to the public sector banks who are striving hard to keep pace with the technological changes and meet the challenges of globalization.

Faced with a manpower crisis due to neglect of human resource issues, the committee led by Dr AK Khandelwal has called for an urgent realignment of HR practices in public sector banks. PSBs seem to be facing a crisis of sorts, with almost half the top management cadre retiring in the next couple of years, with no identifiable talent to replace them. The system faces a high degree of attrition, with new recruits jumping on to better opportunities elsewhere for want of adequate compensation. On the whole, this situation has arisen out of the years of neglect in strengthening HR policies and practices. In order to meet the global standards and to remain competitive, banks will have to recruit specialists in various fields such as Treasury Management, Credit, Risk Management, IT related services, HRM, etc. in keeping with the segmentation and product innovation. As a complementary measure, fast track merit and performance based promotion from within would have to be institutionalized to inject dynamism and youthfulness in the workforce.

To institutionalize talent management, the first priority for the banking industry would be to spot, recognize and nurture the talent from within. Secondly, the industry has to attract the best talent from the market to maintain the required competitive edge vis-a-vis global players. However, the issue of critical importance is how talent is integrated and sustained in the banks. Therefore, a proper system of talent management has to be put in place by all the banks.

As the entire Indian banking industry is witnessing a paradigm shift in systems, processes, strategies, it would warrant creation of new competencies and capabilities on an on-going basis for which an environment of continuous learning would have to be created so as to enhance knowledge and skills.

Another important ingredient of HR management is reward and compensation which at present do not have any linkage to skills and performance. A system of reward and compensation that attracts,
recognizes and retains the talent, and which is commensurate with performance is an urgent need of the industry.

An equally important issue relevant to HRM is to create a conducive working environment in which the bankers can take commercial decisions judiciously and, at the same time, without fear. This calls for a re-look into the vigilance system as it exists today, and perhaps there is a need to keep the banking industry out of the CVC. The Banks’ Boards may be allowed to have their own system of appropriate checks and balances as well as accountability.

Conclusion

The India Inc has woken up to the challenges of the HR issues as they glare into its face. The long neglected and scowled upon Personnel management is finally getting its due respect and strategic role to play in the sustenance and development of the modern Indian organizations. All the three different but prominent sectors of the Indian economy, viz automobile, BPO and banking are struggling with similar issues of attrition, aging workforce, dissatisfied young employees and talent dearth. Though all sectors have invented various instruments and HR policies to overcome the challenge of identifying, attracting, developing and retaining the talent as well as manage change, they are far from overcoming it unless their efforts persist dauntingly in years to come.

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