

# National Institute of Personnel Management (NIPM) India



**Santiago / Chile**

**APFHRM Meeting - dated 13<sup>th</sup> October, 2014**

## **INDIA Country Report (September 2014)**

*Greetings & Best wishes from NIPM India.*

### **1. Current Economic and Political Situation in India**

#### **(a) Economy and Labour Market situation in India**

India is currently one of the world's most attractive investment destinations. With the opening up of foreign direct investment (FDI) in several sectors, the country is an eye-catching destination for overseas investors. The relaxation of norms by the government has also created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. India holds a 6.4 percent share of global gross domestic product (GDP) on purchasing power parity (PPP) basis and presently is the third biggest economy in the world in terms of PPP, according to a World Bank report. India's economic growth slowed to 4.7% for the 2013–14 fiscal year, in contrast to higher economic growth rates in 2000s. IMF projects India's GDP to grow at 5.4% over 2014-15. Agriculture sector is the largest employer in India's economy but contributes a declining share of its GDP (13.7% in 2012-13). Its manufacturing industry has held a constant share of its economic contribution, while the fastest-growing part of the economy has been its services sector - which includes construction, telecom, software and information technologies, infrastructure, tourism, education, health care, travel, trade, banking and others components of its economy. The country's economic growth rebounded sharply in the April-June quarter of this financial year, boosted by manufacturing and services sectors, and triggered hopes of sustained expansion on the back of the India Government's efforts to steer the economy a new height. Data released by the Central Statistics Office showed the Indian economy grew an annual 5.7% in the June quarter, up from the previous quarter's 4.6% expansion and 4.7% growth a year earlier. Growth in the April-June Period, the first quarter of the 2014-2015 fiscal year, was the highest in nine quarters or over two years.

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A prominent change is evident in the labour market of India post liberalization, privatization and globalization. 51 per cent of the India's total workforce is self-employed owing to delisting of various public-sector industries, opening doors for privatization. Repercussion of globalization can be seen in the form of sprawling Multinational corporations having huge hierarchy i.e. jobs at more levels. Also, segregation of ownership from management has generated more managerial positions and separate departments have been created for managing the vast of operations of these giant enterprises.

(b) **Political Situation in India**

The Indian general election of 2014 was held and constituted the 16th Lok Sabha in May 2014. According to the Election Commission of India, 814.5 million people were eligible to vote, with an increase of 100 million voters since the last general election in 2009, making this the largest-ever election in the world. A total of 8,251 candidates contested for the 543 Lok Sabha seats. The average election turnout over all nine phases was around 66.38%, the highest ever in the history of Indian general elections. The National Democratic Alliance, led by the Bharatiya Janata Party, won a sweeping victory, taking 336 seats out of a total of 543 seats in India's lower house of parliament. The BJP's Mr. Narendra Modi was sworn in as fourteenth Prime Minister of India.

## **2. HR Challenges in India**

The main challenges facing the HR profession in India at present are :

- India has witnessed a revolution in the field of Human Resource; it has gone from being just a support function to being a strategic partner in the growth of businesses. Today, India is more strategically positioned in the global corporate map and HRM has become more complex. Global perceptions see India's human resource as a low-cost, highly skilled, dedicated and knowledgeable workforce hence it has also become a major outsourcing ground. The challenges faced by human resource managers in India are naturally evolving with the ever-transforming scenario in corporate India. Change management is the call of the day with big organizations integrating Six Sigma methodologies in their businesses. Change management defines the response of the business to the changing external and internal environment.
- Retaining Talent is one of the major challenges which HR profession in India faces today. Most large and medium scale organizations today prefer to be technologically oriented. The technological trends in today's global scenario are fast changing. Educating the human resource about these changes, upgrading their knowledge and motivating them to learn, absorb and come out of their comfort zones is a great challenge faced by many organizations. With globalization and India's economy changing gears to accelerate growth, organizations hire as well depend on a people from different countries, cultures and ethnicity. To manage the diverse workforce who have fairly diverse physiological and the psychological influences, is also a huge challenge for the HR in the emerging Indian economy.

### 3. NIPM Projects and Initiatives

Major areas of NIPM activities include the following :

- NIPM successfully completed the HR Best Practices 2014 Competition on 2<sup>nd</sup> September, 2014 at its National Office, Kolkata. Most of the leading Public & Private Sectors throughout India had participated in this competition. The awards & Certificate of Merits will be conferred at the venue of the 33<sup>rd</sup> Annual National Conference of NIPM scheduled to be held on 12-13 September, 2014 at Kolkata, India. As a part of Exchange Programme between NIPM-India and IPM-Sri Lanka, a 10 Member Delegation Team of NIPM attended the National HR Conference 2014 of IPM Sri Lanka during June 18-19 at Colombo, Sri Lanka.
- In the last quarter i.e. April-June 2014, about 50 no. of professional programmes such as, Conferences, Seminars, Workshops, Lecture Meetings, Inter Chapter Meets, HR Quiz Programmes, HR Conclaves were organized successfully by the NIPM Chapters all over the country for the benefit of HR Professionals / HR Students. Besides the above, NIPM is regularly conferring Fellowship Awards to its members for their outstanding and meritorious contribution in the field of HR. NIPM is also conferring Best Chapter Awards to the Chapters whose contribution has been marked remarkable in comparison to other Chapters in working for the cause of NIPM.

### 4. Scheduled Conference

The biggest event of NIPM, the 33<sup>rd</sup> Annual National Conference of NIPM will be hosted by NIPM-Kolkata Chapter on the theme on the theme “**Emerging Business Issues – HR Dynamics and Initiatives**” during September 12-13, 2014 at Science City Auditorium, Kolkata, India. The Forum will be addressed by **Mr. Michael A. Potter, the world famous Management Consultant & Trainer** and some renowned International and National Speakers will also share their views and ideas in the Mega Conference.



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