

# National Institute of Personnel Management

## NIPM - India



### Tokyo APFHRM Board Meeting

### April, 2015

### INDIA Country Report

*Greetings & Best wishes from NIPM India.*

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

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

Indian economy is likely to expand by 6.4 per cent this year, driving the economic growth in South Asia, according to a United Nations report which said progress in implementing much-needed structural reforms is likely to boost the country's economic condition. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development (ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14. Furthermore, the US\$ 1.2 trillion investment that the government has planned for the infrastructure sector in the 12th Five-Year Plan is set to help in further improving the export performance of Indian companies and the Indian growth story, which will consequently improve the overall Indian economy. Indian markets grew by 19 per cent in the first half of FY15, the best performance by any market during this period, globally. The rise was primarily due to strong inflows from foreign institutional investors (FIIs). India has contributed 10.25 per cent of the overall 3.9 per cent rise in the global market capitalization (market cap) this year, which has made it the second-highest contributor in the world.

To boost the economic scenario in India, Hon'ble Prime Minister, Mr. Narendra Modi has conceptualized the '**Make in India**' as an international marketing strategy to attract investments from businesses around the world and strengthen India's manufacturing sector. The campaign's purpose is to enhance job creation, convert India to a self-reliant country and to give the Indian economy global recognition. The highlights and purpose of '**Make in India**' include making India a manufacturing hub and economic transformation in India, eliminating laws and regulations, making bureaucratic processes easier and shorter, and make government more transparent, responsive and accountable.

The Indian labour market is of dynamic nature. Liberalization and globalization has created a stir in the labour market especially for the educated people of India. Globalization has led to India's emergence as one of the most important job

markets in the world. Two-third of India's workforce is employed in agriculture and rural industries. One-third of rural households are agricultural labor households, subsisting on wage employment. Only about 9 percent of the total workforce is in the organized sector; the remaining 91 percent are in the unorganized sector, self-employed, or employed as casual wage laborers.

**(b) Political Situation in India**

The Result of General Election – 2014 of India was very significant for the Indian Politics. After thirty years, the Indian electorate gave a majority to a single party in the Lok Sabha. Mr. Narendra Modi won the General Elections mainly on the issue of development and growth. The new Central Government taking initiatives on various aspects, such as :-

- (1) creation of successor to the Planning Commission with a new structure to control the Indian economy ;
- (2) To build-up a national consensus and introducing a bill to amend the constitution to implement the Goods and Services Tax (GST) ;
- (3) Issuing an ordinance to amend the complicated procedures of the land acquisition law with higher compensation, relief and rehabilitation measures for the Indian farmers ;
- (4) Opening the gates of investment by raising FDI limits in the insurance, defence and the railways ; Clearing up the barriers in the coal and power sector to enhance the potential of the same ; Deregulation of diesel prices and facilitating the opening up of petrol and diesel sector to private investment ;
- (5) Replacing the model of cooking gas subsidy to direct transfer so deserving consumers get benefit ;
- (6) Introduced Pradhan Mantri Jan Dhan Yojana for the financial benefit of bank account holders of the weaker sections ; Launching flagship programme of Swachch Bharat Abhiyan all over the country ;
- (7) Major tax rebates for tax payers by raising the income tax limit and providing incentives on both savings and housing investments ;
- (8) Amending provisions of the Companies Act to add to ease of doing business in India ; Undertaking of various banking & financial reforms for the benefit of the people.

**2. HR Challenges in India**

Today, India is more strategically positioned in the global corporate map and HRM has become more complex. The role of an HR is drastically changed today due to the emerging industrial growth in India. In India, the economic reforms have resulted in the overall economic growth. Due to globalization, the service sector is now the main driver of Indian economy. It has become a challenge for the HR Manager to educate its workforce about the advantages of globalization. Change management is a structured approach for ensuring that changes are thoroughly and smoothly

implemented, and the benefits of change are achieved. Change management is a big challenge for HR Managers in India for survival in the business. After the globalization, the technological trends in India are fast changing. HR Manager constantly works to educate the workforce about these changes and upgrade their knowledge and motivate them for the growth of business. They are introducing the new technologies and implement the changes. To identify new talent sources and retain top talent in the business is a major challenge for HR Professionals in India.

### 3. NIPM Projects and Initiatives

Major areas of NIPM activities include the following :

- NIPM successfully organized its 33<sup>rd</sup> Annual National Conference on the theme '**Emerging Business Issues – HR Dynamics and Initiatives**' during September 12-13, 2014 at Kolkata, India. Mr. P. A. Sangma, Member of Parliament & Former Hon'ble Speaker of Indian Parliament was the Chief Guest and Mr. Michael A. Potter, Global HR Trainer & Speaker was the Keynote Speaker of the Conference. Dr. Partha Chatterjee, Hon'ble Minister-in-Charge, Department of Higher Education, School Education & Parliamentary Affairs, Govt. of West Bengal, India was the Chief Guest and Mr. Hemant Kanoria, Chairman & Managing Director, Srei Infrastructure Finance Ltd., Kolkata, India was the Speaker of the Valedictory Session of the Conference.
- NIPM organized a National Seminar on the theme 'Management by Results' during January 16-17, 2015 at Dooars, West Bengal, India. Western Regional Conference – 2015 of NIPM - India was organized by the NIPM-Aurangabad Chapter on the theme 'Redefining HR – A Manifesto for 2020' during January 23-24, 2015. NIPM-North Karnataka organized the Southern Regional Conference – 2015 of NIPM-India on the theme 'Gen – Y HR Technology : Aspirations & Challenges' during February 12-13, 2015 and NIPM-Nagpur Chapter organized the Central Regional Conference – 2015 of NIPM-India on the theme 'HR Challenges – Today & Tomorrow' during February 21-22, 2015. All the above programmes were organised in a befitting manner.
- In the last quarter i.e. October-December 2014, about 40 nos. of professional programmes such as, Conferences, Seminars, Workshops, Lecture Meetings, HR Quiz Programmes, HR Conclaves were organized successfully by the NIPM Chapters all over the country for the benefit of HR Professionals / HR Students.

### 4. Scheduled Conference

The biggest event of NIPM, the 34th Annual National Conference of NIPM will be hosted on the theme '**Winnovate HR for Business and People Aspirations**' during October 08-10, 2015 at Hotel Le Meridian, Coimbatore, Tamil Nadu, India. some renowned International and National Speakers will share their views and ideas in the forthcoming Mega Conference.



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