



A STUDY OF INNOVATIVE PRACTICES IN HUMAN RESOURCE MANAGEMENT FOLLOWED BY MNC'S IN INDIA

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ABSTRACT

Since Independence the growth of Industrialization in India was slow. After economic reforms, India came out of this slow growth rate. These reforms cemented a healthy economic growth, which is now one of the world's fastest economies. With the reforms in Industrial sector, the Industrial work culture has changed drastically. MNCs from various countries have started introducing their project in India with new opportunities of employment at all levels from Management to worker. These MNC's have their own techniques that strongly support in increasing efficiency, achieving productivity and commitment towards maintaining healthy work culture.

INTRODUCTION

Industrialisation plays vital role for any country in their economic development and it delivers innumerable advantages for instances like generation of employment at large level, encounters high income demand, Technological Progress etc. The benefits of this will percolate to last section of the society which ultimately helps in increasing income level of people. In short, Industrialisation of country can provide essential foundations for strengthening their economic and social development. Thus with industrialisation we can change the comparative advantage of the country to suit its resources and potentialities of manpower. In writing relating to India, with the advent of the globalisation in India and the on-going industrialisation has helped the Indian Economy to gain some presence in the world business. The policy initiatives taken by the PM in India in 1991 opened the doors to the multinational companies to put their foots into the Indian Markets and utilize the resources, both materials and labour, which is available at cheap rate over here in ample to achieve win win situation but the work cultural differences put pressure on MNCs to maintain their global standard coping with local need and being open to local, regional and national level. To achieve this openness to face the differences corporates requires inputs and with this consideration MNC's have following inherent characteristics.

1. MNC's are Influential Financial Entities.
2. MNC's acquires Proficient Human Resource for Managing their Inclusive Affairs
3. MNC's has its command on Advanced and Sophisticated technologies.
4. MNC's are face of "think Global", "Act Local".

Objective of the Study:

1. To study Human resource Management practices followed by MNC's
2. To know Innovative Human Resource Management Practices of MNC's in India.
3. To understand the relevance of HRM practices followed by MNC's.

Research Method

Present study is of descriptive in nature and is based upon secondary source of data. The secondary data has been collected from various books, journals, magazines and websites. MNC's and India:

If we take a review of History of MNC's in India, we observe that Multinational Companies have been in India for several centuries. In India in 16th Centuries British East India Company and Dutch East India Company was primarily known as first MNC's in India. After Globalisation India has opened its door to more liberal economy and as a result today number of MNC's has increased tremendously. Today there are 3269 active MNC's in India and the number is increasing.

Human Resource Practices followed by MNC's:

In today's business age the number of MNC's are less with reference to number of local companies, but each individual is competing for getting job in MNC's. Why? What is the difference that makes MNC's distinctive? Apart from monetary benefits, MNC's have strong belief in innovative practices in management, competent human resource, working style and standard quality norms are key elements which helps them in maintaining their global standard. This is why, the work culture & employee empowerment is gradually admired and appreciated. It is said that MNC's provide atmosphere that encourage employees to take initiative and decision making to solve the problem. Many businesses in the modern world believe the philosophy that empowering employees will improve productivity and will provide other benefits.

Looking at the above scenario, this research paper focus on innovative human resource management practices followed by MNC's in India.

Working Definition

- Multi National Company (MNC's) – An enterprise operating in several countries but managed from home country such company that derives revenue from operations outside of its home country.
- Human Resource Management – Human resource management is the process of recruitment and selecting employees, providing orientation and induction, training and development, assessment of employee and maintaining proper relation with employees and trade union.
- Employee Empowerment – Employee Empowerment is a strategy and philosophy to make decision about their jobs.

Key Elements of Human Resource Management practices

- Human resource management is enduring process of managing workforce and their capabilities.
- Human resource management is a dynamic function that keeps the workforce updated with changing environment.
- The principal and practices of human resource management are universal in nature.
- Human resource practices helps in incorporating individual and organisational goal into a structure.

Human Resource practices adopted by different MNC's in India.

Innovative Human resource practices of US MNC's.

- Recruitment and Selection – US MNC's emphasizes on managing employment and communication functions on a personalised basis. They also insist on sophisticated selection system in employee resourcing.
- Training and Development – Training and development of work force for the purpose of human capital accumulation is the main focus. Various programs and task are performed to develop high potential in senior management and employees.
- Performance appraisal – US MNC's are now moving away from traditional technique of performance appraisal. Instead of using traditional way they are now exploring

ways like formal review with more frequent conversation by introducing an apps to help employees interact with management.

- Employee Encouragement – US MNC’s believes in challenges. They are always looking for new, better and more efficient ways of doing things and hence they count on employees and encourage them to take initiative and accept accountability. As an employee one always needs to push himself and inspire his co-workers to achieve the best possible results in everything they do. Employee learn something new, or reinvent what they know on an ongoing basis.
- Diversity Management – US MNC’s look to recruit, hire and retain the best from every background and community around the world. They understand that diversity makes good business and ensures that best talent are part of their organisation.

Innovative Human resource practices of Japanese MNC’s.

- Recruitment and Selection – Japanese MNC’s offer attractive remuneration, opportunity for carrier growth and inspiring work environment. Searching talent through campus interviews and moulding the raw individual into company environment is one of the major source of recruitment.
- Training and Development – Training programs are designed to develop and retained the best trained competent, highly motivated work force. Regular training sessions are conducted on new market trends to keep workforce updated. They have their own principles like KAIZEN & 5S programs that brings discipline among the workforce.
- Employee Encouragement – A common principle applied in Japanes MNC’s is ‘*You Work For Your Company*’. This brings a sense of ownership among the employee and they are motivated to work for their own growth.

Innovative Human resource practices of German MNC’s.

- Recruitment and Selection – Internal recruitment are the preferred way of recruitment. They believe the ‘*Employees are their vital Assets*’. This leads to placement of right person in the right place at the right time.
- Training and Development – German MNC’s HR practices and policies are mainly focused on retained and develop best talent to grow and succeed and nourish there true potential while delivering high quality services.

- Employee Encouragement – German MNC’s encourage their workforce to take higher responsibilities and develop competencies at all level along with their personal development. They also promote open culture which encourages continues learning and team spirit.

Innovative Human resource practices of Swedish MNC’s.

- Recruitment and Selection – Recruitment of Qualified and Professional individual are done. Campus interviews, referral schemes and internal recruitments are followed new recruitments.
- Training and Development – Training programme are considered as a knowledge sharing sessions, were knowledge and experience are utilised to develop ideas and solution through interaction. Leadership qualities are nourished and developed to drive the teams to achieve business goals.
- Employee Encouragement – Core values are the guideline for the workforce in Swedish MNC’s. They create fun working with core values in right environment to deliver the best. It is commonly said in Sweden that *‘When employees grows the company grows’*. They experiment and develop work culture to encourage employees. Six hours working is one of the new initiative to allow employee to manage work & home environment.

Conclusion

In MNC’s Human resource is innovatively practiced through diverse means by involving the workforce in decision making related to their field of work, appear to have more committed and satisfied employees with positive perception toward justice in the organisational interactions and readiness to accept job responsibilities.

Many businesses that are looking to improve work culture and their overall performance can achieve through innovative practises in Human resource.

- Human resource practices has a positive impact on an work culture, employee satisfaction, collaboration and productivity.
- Employees in an organization that focuses on Human Resources practices rate their satisfaction levels as high compared to employees in organizations with a culture that prohibits Human resource.



- As employees are empowered and treated as vital components of the organization, they gain self-confidence and collaborate with others in order to achieve more than one person could by working independently.
- Empowered employees feel a sense of increased responsibility, accountability, and ownership for their work, resulting in increased productivity.
- Human resources practices Empowers employees and reduces organizational costs such as employee turnover costs, operational costs, and employee retention costs.

All of these benefits enable organizations to achieve an extra edge in order to outperform their competitors and to gain market share.

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