



# **HRM IN INDIA**

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### **India-Quick Facts**

Population: 1.25 billion.

Political structure: Democratic republic.

Government: President, prime minister and two Houses of

Parliament.

The ruling party: Bhartiya Janata Party

India consists of 29 states, seven Union Territories, and one National Capital Region.





**Seventeen distinct languages**: Hindi and English are the official languages.

**Religion**: Hinduism (83%), Muslim (11%), Christian (2%), Sikh (1.9%), Other (1.8).

**Literacy rate:** 75% above the age of 7 (higher for males than females)

The Indian social system is dominated by a caste system.

☐ Four specific castes; Brahmins, Khastriyas, Vaishyas, Shudras.

☐Created distinct labor categories.

 $\square$  Associated status differences.





# Workforce in India.

- Less than 8% of the workforce in India are employed in Formal sector.
- 20% of the people who work in formal sector are employed in Government or public sector.
- Alltogether4% of the total workforce which works in formal sector are women.
- According to the recent census in India, most of the women workforce work in the unorganized sector only. '
- · Women outnumber men in only marginal workers category.





- Today, India is **the tenth highest economy** in the world (IMF,2013).
- This booming economy in Asia has an average growth rate of seven percent annually since 1997.
- Its major industries include the agriculture and services sector, with the latter becoming a main source of the country's economic growth.
- In 2000, the Y2K computer crisis required worldwide computer remediation provided by software engineers.
- Indian software engineers were found to be very dedicated and hard-working (Friedman, T. 2005; "The World is Flat").

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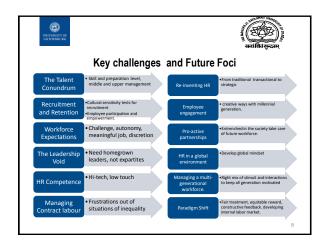


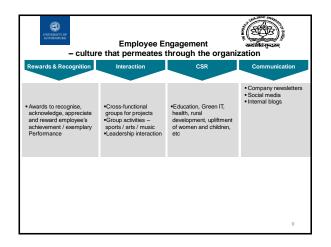


## India is attractive as an investment and business destination

- The median age of India: 24.8 (largest working age population in the world)
- 2. The low labour cost in India, compared to competing countries (like China, Brazil, Thailand, Poland).
- Two-thirds of the population lives in the rural area.
- The English speaking population has added to the advantage of being a part of global workforce.

Industry in the process of building high energy workforce focused on future aspirations Past decade **Future Decade**  Multicultural workforce, 15-20% · Largely domestic workforce foreign origin (in IT and BPOs) Indian policies and processes Global policies and processes · Tier I delivery focus in India Tier 2/3 and rural opportunities · Delivery-centric management Multiple, specialized domain with limited career focus expertise "Generalist" skill set Domain-specific business knowledge · Talent pool focused on delivery Talent pool with value add capability through innovation, analytics, R&D











# **UN definition of CSR**

- CSR –Overall contribution of business to sustainable development.
- Minimum Standard: The business fulfill the legal obligations or, if laws or enforcements are lacking,that they 'do no harm'
- Maximum standard: active alignment of Internal business goals with externally set societal goals (those that suport sustainable development).

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## What CSR means today

- CSR goes beyond *philanthropy*
- Holistic and integrated approach for sustainable development to all stakeholders
- CSR is a process that creates **self-reliant** communities
- It is a process of taking everybody together to have a sustainable society





## **CSR** in India

#### Before1940s

- Charity and philanthropy were the main drivers
- Culture, religion, family values and tradition were main influences
- Influence of (caste groups and political objectives.

#### Post 1947

- During Independence movement
- "Trusteeship" concept of Mahatma Gandhi
- Thrust was towards nation building and socio economic development

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#### Before1990

- Mixed economy- Setting up of PSU's
- · Limited effectiveness
- Shift of expectation to private sector

#### Post 1991

- Globalization and Economic Liberalization
- CSR directed towards sustainable business strategy
- Companies more willing to participate

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# CSR PROVISIONS of the COMPANIES ACT From 2014

#### SECTION 135

- Every company having a net worth of 100 million \$ or more, or a
  turnover of 200 million \$ or more , or a net profit of 1 million \$ or more
  during any financial year shall constitute a Corporate Social
  Responsibility Committee of the Board consisting of three or more
  directors, out of which at least one director shall be an independent
- 2. The Board's report shall disclose the composition of the Corporate Social Responsibility Committee.

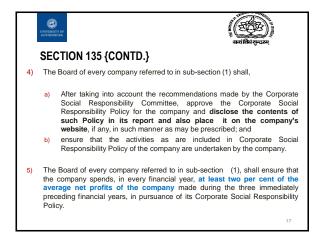
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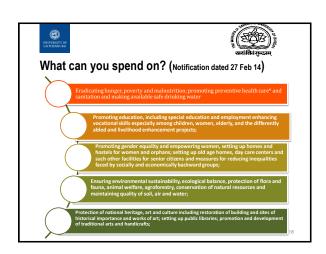


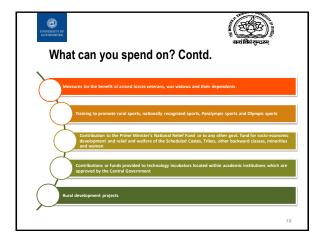


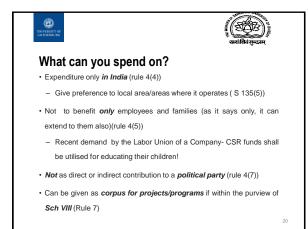
## SECTION 135 {CONTD.}

- 3) The Corporate Social Responsibility Committee shall:
  - a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
  - monitor the Corporate Social Responsibility Policy of the company from time to time.













# Limit on own personnel

- Rule 4(6) sets a very low limit of 5% on CSR capacities of own personnel or their implementing agencies through established track record of 3 years
- This limit is so low it may be not useful at all
- Also what is meant by the clause is not clear should mean CTC of employees?

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## Activities in the normal course of business not allowed

See rule 2(e), 4(1), Proviso to 6(1)

 This would mean Company cannot do any activities which are in the normal course of business.

Thus a company which is the business of distance education cannot do CSR in education; a water purifier company can't supply its product free or at low cost; a soap manufacturing company cannot distribute free soap for hygiene; hospital cannot provide healthcare; priority sector lending by a bank would not qualify... etc. Is this the intention?

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A research project within SIGN

Funded by Swedish council for working life and social research (FAS/FORTE)







# Project is about:

- · Organizational values
- Managers
- Employer branding
- · Attractive work







We are examining four values :

- 1. Corporate Social responsibility
- 2. Equal opportunities for men and women in the organization
- 3. Organizational support for combining work and family
- 4. Organizational Justice

Are these values attractive for managers working in four sectors in Sweden and in India?

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## 2012

Interviews:

19 Swedish and 20 Indian managers working in:

- = IT
- Health Care
- Education
- Manufacturing

Aim:

To explore the interpretation of the organizational values

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Equal opportunities for men and women in the organization

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# The national context - Sweden

**Sweden** is a nation that politically strives to bring about gender equality in the workplace as well as in the home.

From 1980 until 2008 Sweden had an Equal Opportunities Act that mandated equality in the labor market. From 2009 the Equal Opportunities act was included in a Discrimination act.

Global Gender Gap Report 2013





# Despite decades of political goals:

The labor market in Sweden is

- Sex-segregated
- Women are underrepresented in power positions
- Women have less conducive working conditions
- · Women are less paid
- Considerable resources have been spent encouraging fathers to participate more actively in family life, particularly in the care of young children.
- Nevertheless, mothers often work part-time, are usually more responsible for childcare and do more household tasks than fathers.

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## The national context - India

- The constitution of India ensure equal rights to women including the right to own property, matrimony and divorce, inheritance, education, employment and equality before the law.
- However, social legislation including that envisaging female empowerment has been poorly enforced.
- Socio-cultural political bias towards women's employment level.
- $\bullet$  Socialization conditions girls to expect and realize different duties and capabilities from those of the boys.
- Globalization and economic progress has changed the scenario. Women have diversified professions and have entered exclusive male domains.
- Global Gender Gap Report 2013

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# **Equal Remuneration act, 1976**

The Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women for same work without any discrimination.

The provisions of the Act have been extended to all categories of employment.

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# Factories Act, 1948

The main objective of the Factories Act, 1948 is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories. The Act also makes provisions regarding employment of women and young persons (including children and adolescents), annual leave with wages etc.







What do managers mean with equal opportunities for men and women in the organization in Sweden and in India?