ABSTRACT

Introduction

The manufacturing sector of the Indian economy is a vital sector for the economic growth of the country. Particularly in the post globalization era India has become a focal point for the manufacturing activity and many multinational manufacturing units are attracted to India to establish their manufacturing units in India. E.g. numbers of automobile companies, mobile manufacturing companies have established their units in and around Pune.

Activity which converts raw material into finished product or process the raw material or preserve the raw material for ultimate consumption with the use of machinery is called an industrial unit. Thus the production of finished goods through conversion of raw material is an industrial activity. E.g. Production of cars is a manufacturing industry, dyeing and bleaching activity is a processing industry, while preparation of pickles is a preservation industry.

Industries are classified using different criteria. According to one criteria industries are classified as i) primary industry ii) Genetic industries iii) extractive industries. Industries are also defined on the basis of their activity criteria as i) Manufacturing industry ii) Processing industry and iii) Service industry.

After the independence, for the first time in 1948 there was first industrial policy which gave direction to the industrial growth. Since 1951 India has embarked upon the Five Years Plan as a strategy for development. In the second plan the thrust of the govt. was to develop domestic raw materials instead of reliance on the foreign powers. The government of India provided special incentives for production of machineries and the raw agents dealt in various parts of instrumentation.

Subsequent to this at periodical interval the industrial policies were announced. In 1956 the first detailed industrial policy resolution was announced. Since then in 1977, 1980, 1991, 1997 revised policies were announced wherein the thrust on the industrial growth was highlighted. The definitions of small and cottage industry, tiny industry, ancillary industry, small and medium enterprises, large scale industries were given and the various sops were also provided in these policies. The present one is the policy on SMEs which has been introduced in 2006.

The banking industry has been asked to accord priority in the matter of allocation of credit to SME sector as it is contributing to the India’s economy as well as generating employment opportunities on a large scale.

For the purpose of this research the industries are classified using the investment in plant and machinery criteria. More particularly as defined in the Micro Small and Medium Enterprises Development Act, 2006.
The Micro, Small & Medium Enterprises Development Act, 2006 has provided definitions of MSM Enterprises as follows:

<table>
<thead>
<tr>
<th>Investment in plant and machinery/requirement (excluding land and building)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing Enterprises</td>
</tr>
<tr>
<td>Micro</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td>Medium</td>
</tr>
</tbody>
</table>


Large Scale Industries (LSIs) are those industries with investment more than Medium Manufacturing Enterprises, under MSMED Act 2006 and as shown in the above table. It is because of this rationale the researcher has also followed this definition of the large scale industries for the purpose of identifying the large scale industries for this study.

Industries which require huge infrastructure, manpower and large capital assets are classified as large scale industries. There are number of types of large scale industries. E.g. iron and steel industry, textile industry, pharmaceutical industry, automobile industry, telecom industry etc. Of late, Information Technology industry which brings lot of foreign exchange to the nation is also called large scale industry because the number of employees is large and the revenues are also voluminous. These large scale industries are contributing major share to the Indian economy.

Contribution of SMEs: Employing close to 40% of India's workforce and contributing 45% to India's manufacturing output, SMEs play a critical role in generating millions of jobs, especially at the low-skill level. The country's 1.3 million SMEs account for 40% of India's total exports.

Human Resources Development Department: Human Resources Development is considered as a sub discipline of Human Resource Management (HRM) in Business Administration. HRM scholars, Werner and DeSimone (2006 p.5) defined Human Resource Development (HRD) as: “A set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands”. Haslinda-a (2009) expressed referring many studies that numerous attempts to define human resource development (HRD) by academics, researchers and practitioners have led to confusion in the literature, illustrating the elusive nature of this concept.

“HeRD is the process of increasing the knowledge, the skills, and the capacities of all the people, in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares people for adult participation in the political process, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps to people lead fuller and richer lives, less bound to tradition. In short, the processes of HRD unlock the door to modernization”.

xiii
Evolution of concept of Human Resources Management in India

In India, the post independence period witnessed number of changes in the personnel management approach of the organizations. After independence India adopted mixed economy growth model. The industries were broadly classified as Private Sector and Public Sector. The public sector organizations were huge organizations where heavy capital was required and it employed large number of employees. The Indian Constitution provides several protections to the working class.

When the industrialization process was on, simultaneously the trade union movement was also growing rapidly to protect the workers interest. The workers were made aware of their rights and it was getting difficult to exploit this class. During the period 1970 to 1980 the HRM department was handling the following functions:
1. Personnel and administration,
2. Industrial Relations, and
3. Labor welfare. The prescribed and assumed role was crisis driven or issue driven. (Chaterjee, 2006).

During this period there was rise of managerial unionism, the white collar workers without formal union rights formed their association that acted as pressure groups to get the benefits. At the same time the managements also formed their industry wise association to protect their interests. The industries also started adopting tools and techniques that could help improve the efficiency and productivity. This led to defining the work output, staffing pattern and productivity linked incentive schemes.

Today, the HRD in India is not in infant stage but at the same time it cannot be said to be in its adulthood. It was in 1975 the first HRD department was established in Larsen & Turbo. This was followed by the State Bank of India – the largest bank network in India having large employee base in which case they established integrated HRD system approach. In 1979 the first workshop on HRD was conducted by IIM Ahmedabad by Dr. T.V. Rao , where the draft of the book Designing and managing Human Resource System was presented and tested. After that a large number of companies started showing interest in having HRD departments.

Over the years the concept of HRD has gone through various stages of transformation. In the mid seventy’s the HRD started using motivational tool to build the competence. By 1980 these motivational needs were fulfilled to a large extent. Today in the globalized world the concept of HR for business and its role is very well understood by the organizations.

“HRD is the integrated use of training and development, career development and organizational development to improve individual and organizational effectiveness” (McLagan).

“HRD is organized learning activities arranged within an organization to improve performance and personal growth for the purpose of improving the job, the individual, and the organization” (Gilley and England).

“HRD is the process of determining the optimum methods of developing and improving the human resources of an organization and the systematic improvement of
the performance of employees through training, education and development and leadership for the mutual attainment of organizational and personal goals” (Smith)

**Importance of HR:** In any organization the human resource occupies prime importance. Therefore, the Human Resources Development department is the most important department. This department takes care of hiring people and maintaining benefits to the organization and takes care of company’s all important assets.

Human Resources Dept. assumes importance for several reasons. Employees have a feeling that there should be someone in the organization to take care of their benefits and at the same time they should have faith that the department will stand by them in securing just compensation. HRD also takes care of the organization to ensure that the human resources put in all their strength to improve their productivity and profitability. Thus human resources results in a win-win situation for everyone involved.

**Importance of Human Resource Planning:** Human Resource Planning is important for any organization in the following ways;
- Provides quality workforce,
- Reduces labor costs,
- Facilitates rise in skills,
- Effective motivation,
- Safety of health,

**Impact of globalization on HR practices:** After 1991 when the Indian government adopted the policy of globalization, liberalization and privatization, it paved the way for induction of multinational companies in India. These multinational companies have now stabilized their operations in India. Along with the advanced technology these overseas companies brought with them newer and newer ideas for handling Human Resources Functions. Now the HR function has received a global dimension. With the multinational companies making inroad in India naturally there are employees from different countries. These different countries have numerous HR practices depending upon the circumstances prevailing therein. Therefore, the Human Resources department is now required to equip itself with the various styles of functioning, methods of compensation, motivational tools used, fringe benefits offered to the employees and above all these changes should be adopted to suite their own company’s benefit and palatable to the management of the company. Thus from this point of view the HR department has to play a complex role.

It is on this back drop the concept of **Best HR Practices**, has crept in. The dictionary meaning of best practice is the recognized methods of correctly running businesses or providing services. “Best practice is a method or technique that has constantly shown good results with other means and that is used as a benchmark”.

“A practice which is most appropriate under the circumstances, especially as considered acceptable or regulated in business; a technique or methodology that, through experience and research, has reliably led to a desired or optimum result”.  

---

1. [http://www.businessdictionary.com/definition/best-practice.html#ixzz30Mb0fLWT](http://www.businessdictionary.com/definition/best-practice.html#ixzz30Mb0fLWT)
Functions of HR: The direct handling of people has always been an integral part of every line manager’s duties. The line supervisors’ responsibilities for effective human resource management under these general headings:
1. Placing the right person on the right job.
2. Starting new employees in the organization (orientation).
3. Training employees for jobs that are new to them.
4. Improving the job performance of each person.
5. Gaining cooperation and developing smooth working relationships.
6. Interpreting the company’s policies and procedures.
7. Controlling labour costs.
8. Developing the abilities of each person.
9. Creating and maintaining department morale.
10. Protecting employees’ health and physical condition

Definitions of Best HR Practices: A set of guidelines, ethics or ideas that represent the most efficient or prudent course of action. Best practices are often set forth by an authority, such as a governing body or management, depending on the circumstances. While best practices generally dictate the recommended course of action, some situations require that such practices be followed.

Any practice devised to increase the competence, commitment and improve the culture building can be termed as Best HR Practice and this can be in the form of a norm, rule, system, or some practices.

Following are the few examples of the best HR practices:

- HR Executive greeting / wishing the employee on his/her birth day or marriage anniversary day.
- Provision for health care / regular medical checkup, reimbursement of the hospitalization expenses including those for the family members.
- Providing babysitting facility.
- Provision for granting special allowance if the employee attends office on his/her birth day.
- Updating the employees of the organization about the organization’s policies and latest policy decisions, performance through an internal house bulletin. (Ensuring transparency).
- Highlighting the achievements of the employee and his family members through the house bulletins.
- Job rotation to remove the monotonous feeling.

Best HR Practices are dynamic and subjective. The best HR practices differ from company to company. What is best for one company may not be so for the other company. Therefore, each company’s HR department should identify from its manpower folio as to what will be perceived by the human force at their disposal to be the best practice

3 http://www.investopedia.com/terms/b/best_practices.asp
4 http://www.talentnet.vn/information-center/hr-articles/best-hr-practices
The Importance of Human Resources Management in Modern Organizations

The success of any organization does not depend solely on market realities and sustainable competitive advantage. The success also lies on the utilization of the human capital which is an important asset of the organization. The statistical presentation demonstrates the success of any organization in quantitative terms. But the success is also dependent on the qualitative aspects of the human resources management. If those are used positively and skillfully, success is there, but if there are any lapses in handling these human relations no one can stop the failure.

The management of the human force of the organization strategically is the Human Resource Management. The employees individually and collectively contribute to the success of the organization. Each individual has his own goal and dovetailing of the said goal smoothly with that of the organization is the job attended to by the Human Resources Management Department. The objective of the HRM department is to enlist the commitment of the employees for achievement of the organization’s goals.

The function of the HRD is to attract, retain, and develop Human resources through training input so as to achieve the corporate goals. The HRD dept. provides a link between the employees and the management. For this purpose the HRD dept. should assess the needs of its employees and find out how best these needs can be fulfilled within the overall framework of the organization. The HR Dept. should ensure that the employees get wholly involved in the organization of their own. For this oneness the HR should create an atmosphere that the employees develop this attitude. Various motivational tools are required to be used to have sustainable retention of their interest.

In today’s modern organizations the HR functions are not attended to in isolation but in coordination with the General Management. It is not an individual’s decision but the decision is the outcome of the strategic consensus.

Best HR Practices and its impact on the organization: Needless to say that for any organization achieving the Corporate Goal and the market share targets is the prime concern. In order to achieve this it is essential to enhance the competencies, commitment and building of sound culture. The HR Department has a key role to develop certain systems, process, and formulate rules and regulations to achieve the appropriate organization culture which will be healthy and the employees on their own will offer their commitment to the organization.

Any practice that deals with enhancing competencies, commitment and culture building can be considered as best HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things. HRD has been defined as essentially consisting of these three Cs:

- Competencies
- Commitment
- Culture

Significance of the research topic

From the above discussion about the new dimension to the HRM practices that has come to stay in India after the introduction of reforms in 1991, it is evident that
the adoption of new strategy to deal with the HRM functions has assumed greater importance. Lots of new facilities are being made available to the employees which they had not even thought of earlier. In order to sustain the growth, the industries are required to adapt to the new HRM policies and ensure that the organizations derive the benefit of the Best HR practices in improving the quality as well as reducing the cost of production / services to achieve the corporate goal of achieving higher market share and the profits.

It is in this context the researcher has felt it appropriate to study the change that has taken place in handling the human resources development by the Large Scale Industries located in Pimpri-Chinchwad Corporation area which has a prominent presence of large-scale industries of all types. There are multinational as well as domestic large scale industries. There are manufacturing as well as service sector large scale companies in this location. On this back drop the significance of the research topic has been highlighted. The study would be quite useful to the managements of today and tomorrow’s large scale industries.

Objectives of the study

Keeping in view the research topic the researcher has formulated the following objectives for this research:

1. To analyze the HR practices currently used by the identified industries.
2. To study the Best HR practices in vogue subsequent to the opening of the Indian economy (liberalization/ globalization/ privatization).
3. To study the impact of best HR practices on employee satisfaction.
4. To identify potential areas in achievement of employee satisfaction using the best HR practices and to suggest possible solutions.

Justification of Objectives

After the introduction of economic reforms in India since 1991, the entire picture of the labour market at least in certain centres like Pune has undergone a sea change. Pune has become automobile hub as well as information technology hub. As a result multinational companies have opened up their manufacturing / research and development units in and around Pune. These industries have not only brought technology to India but also their Human Resources Development practices. This has also a bearing on the HR practices followed by the domestic companies either in manufacturing segment or in information technology segment. Therefore, the researcher considered it appropriate to undertake the study of HR practices being followed by the industries identified for this study and to analyze those practices. This is the rationale for identifying objective No.1.

As stated in the earlier paragraph, after 1991, the concept of best HR Practices have come to India. Now human resources development department is constantly innovating new HR Practices to ensure that the employees of the organization, in whose selection and grooming lot of money, time and effort has gone in, continue to work with the organization. These HR practices keep the employee attrition rate to minimum. Therefore, the researcher has considered studying these Best HR Practices newly introduced in the Indian industries. On this backdrop the researcher has formulated this objective number 2.
Retention of the employees who are the costly assets to the organization is a big task for the HRD department. Introduction of the best HR practices also involves costs. And hence the impact of Best HR practices on employees’ job satisfaction also needs to be studied. Satisfied employee is an asset and the managements have to study the impact of these practices on the employees and ultimately the benefits organization derives from it.

Naturally while studying the above three objectives there will be a lot of input available to the researcher. Some problems will come to surface and as a research scholar some solutions may emerge to address these problems. Hence the researcher has formulated the last objective.

**Hypotheses:** The researcher has framed the following hypotheses for this research:

- **H₁** There is positive impact of the best HR practices on the employee satisfaction and efficiency of the employees.
- **H₂** The application of best HR practices has a bearing on the quality of production/services.
- **H₃** The application of best HR practices reduces the attrition rate.
- **H₄** The employee satisfaction results in cordial employer–employee relations.

**Justification of the hypotheses:** Success of the management is dependent on the cost benefit study of each of its actions which has impact on the profitability of it. Introduction of the best HR practices will certainly entail benefits which are in the form of employee satisfaction and in turn its impact on the efficiency of the organization. In an organization where best HR practices are introduced the attrition rate is very meager. Therefore the researcher has formulated the hypothesis number one as stated above.

As stated earlier a satisfied employee is an asset and such employee gives full commitment to the organization. Naturally this is reflected in the improvement in the quality of the product and the services rendered by such a devoted employee. In order to test this statement the researcher has formulated this hypothesis number two.

The researcher wanted to study the direct relation between the introduction of best HR practices and attrition rate. Therefore this hypothesis is to be tested through this research, hence framed this third hypothesis.

Needless to say, that the job satisfaction has its impact on the employees’ satisfaction. This employees’ satisfaction in turn has a positive impact on the employer–employee relationship. Usually in such an organization relations are cordial. There are less number of employee grievances. Management is keen in ensuring employees’ welfare. The researcher therefore formulated this hypothesis which has been tested in this research.

**Research Universe: Large Scale Industries** refer to those industries which require huge infrastructure, man power and have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview. All the heavy industries of India like the Iron and steel industry, textile industry, automobile manufacturing industry etc., fall under the large scale industrial arena. However in recent years due to the IT boom and the huge amount of revenue generated by it the
IT industry can also be included within the jurisdiction of the large scale industrial sector. Last but not the least the telecom industry also forms an indispensable component of the large scale industrial sector of India. Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign exchange and for providing job opportunities to millions of Indians.

**Primary Data:** The primary data has been collected in two stages. The first stage refers to the data to be collected from the Heads of the HR Departments of the identified industries with the use of pre formulated questionnaire. In the second stage the researcher has thought it appropriate to collect primary data from the employees and the staff of the identified industries. This data collection from the employees helped to cross check the implementation of the HR policies and how it is received by them.

**Secondary Data:** The secondary data has been collected from the related literature on various books, committee reports, journals and periodicals, newspapers articles, research papers, previous research and websites. Pune being educational hub lots of libraries are available and therefore the availability of the reading material did not pose any problem.

**Period covered by this study:** This research covered the period financial year ending 31st March 2007 to 2012.

**Sample size:** Working out the sample size was a very complex activity. Therefore, the researcher obtained the data on the number of large scale industries located in the MIDC industrial estates. He also collected the data on the Large Scale industries located in Pimpri Chinchwad Corporation but outside the MIDC industrial estates.

In order to have a cross section of the industries for the study purpose the core activity like – Automobile industry, IT industry, etc. of the unit was also taken in account. In order to have better understanding the best HR practices followed by the Multinational industries also found place in the industries identified for this research. This enabled to compare the best HR practices that are being followed by the domestic large scale industries.

**Table showing identified industries for this research**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the company</th>
<th>Classification details</th>
<th>Domestic/ MNC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Manufacturing Industries</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Tata Motors:</td>
<td>Automobile: Mfg. of Commercial Vehicles</td>
<td>Multinational organization</td>
</tr>
<tr>
<td>2</td>
<td>Kirloskar Oil Engines Ltd.</td>
<td>Oil engine Mfgr.</td>
<td>Domestic Mfg. Co.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Services Sector Cos.</strong></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cognizant Technology Solutions Ltd.</td>
<td>IT Service Industry</td>
<td>Multinational Organization</td>
</tr>
<tr>
<td>4</td>
<td>Tech Mahindra Ltd.</td>
<td>IT – Service Industry</td>
<td>Domestic</td>
</tr>
</tbody>
</table>
Being a large scale industry the operations of the companies identified for this study are spread over in number of locations. These companies are having a well developed and equipped Human Resources Department. For the purpose of this research, employees are divided in three broad categories as under:

1) Employees from Senior Management Cadre
2) Employees from Middle and Front level management Cadre
3) Employees who are the workmen and have their own trade union.

With a view to compile data we have identified staff from each cadre and from each identified company, as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Class of employee from each identified industry</th>
<th>Employees identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees from Senior Management Cadre</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Employees from Middle and Front level management Cadre</td>
<td>35</td>
</tr>
<tr>
<td>3</td>
<td>Employees who are the workmen and have their own trade union.</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

Thus the total sample according to class of employees identified for this study is as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Class of employee</th>
<th>Employees identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees from Senior Management Cadre</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Employees from Middle and Front level management Cadre</td>
<td>140</td>
</tr>
<tr>
<td>3</td>
<td>Employees who are the workmen and have their own trade union.</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>400</td>
</tr>
</tbody>
</table>

**Questionnaire:** Two sets of questionnaires are compiled:

a) For HR heads of the identified companies.
b) For the employees of the identified companies.

**Statistical Tools used:** The following statistical tools have been used:-

- **Percentage & Ratios** - This is a special kind of ratio which will be used to compare variables. Percentages will be used to condense data and express in relation to 100.
- **Correlation** - This tool has been used to know the relationship between the variables. That is the effect of change in one variable on another variable.
- **Diagrams and Graphs** - The diagrams and graphs have been used as an aid in interpretation of data and drawing conclusions.
- **Averages** - This statistical method is often necessary to represent a set of data in terms of one single number that should neither represent the lower nor the highest value but a value in between the highest and the lowest value.

- **Proportionality Test**
  This test explains how to conduct a hypothesis test to determine whether the difference between two proportions is significant. The test procedure, called the two-proportion z-test, is appropriate and uses the following formulae.
To test $H_0: p=p_0$, the sample size are so large that both $np_0$ and $n(1-p_0)$ are 10 or more.

Now compute $Z$ statistics as $Z= \frac{p - p_0}{\sqrt{p_0(1 - p_0)/n}}$

In terms of a variable $Z$ having the standard Normal distribution, the approximate $P$-value

For a test of $H_0$ against some alterative hypothesis say $H_a$
- $H_a: p > p_0$ is $P(Z \geq z)$
- $H_a: p < p_0$ is $P(Z \leq z)$
- $H_a: p \neq p_0$ is $P(|Z| \geq |z|)$

This test has been performed for each variable given, and the results are summarized in below table. $P$ values have been used to take decision about the variables. Level of Significance is 0.05.

**Scope of Research Topic:** From the foregoing discussion it is clear that Managing Human Resources of any organization is a vital task in the changed management philosophy. It is not limited to the personnel administration. It goes beyond. Particularly after the adoption of the globalization, liberalization and privatization, number of multinational companies have arrived in India and along with those companies their approach to manage human resources has also made an entry in India. These new role and the best HR practices have made a difference in the Indian context. Therefore, the current research topic has posed several newer aspects in HR management for this research study. Newer concepts, new type of facilities, altogether new type of amenities which are being provided by these multinational companies are new in the Indian context and the Indian companies will also have to adopt some of these practices applying appropriate changes acceptable to the Indian context. Therefore, the researcher is of the considered view that there is an ample scope to this research topic.

**Limitations of the study:** Compared to the total number of large scale industries operating in the identified study area the sample is moderate. Each company has different HR practices, although there may be some common practices. Hence, the sample may be treated as indicative but the findings may not be universally applicable. And to that extent this is one of the limitations. It is practically, not possible to cover a larger sample than the one that has been selected taking into account the time, man power and resources available to the researcher.

The questions relating to the policy matters were put to the HRD officials. Some of them expressed their limitation on the point of secrecy.

One of the limitations is that, while the responses came from employees who were best placed to report the actual HR practices that exist, there is still room for error. Employees may not be completely accurate and, in some cases, may not be completely knowledgeable about practices that have an impact on others. Even after ensuring that a cross section of the employees was covered by this research, the problem is minimized, but not eliminated.
Chapter Scheme

Chapter – 1: Introduction: In this chapter the researcher discussed the definition of industry, classification/types of industries role and importance of industries in Indian economy, historical perspective of Indian industries, history of industrial development of India, post independence development of Indian industries, various Industrial policy initiatives till date, Indian industry prior to liberalization, impact of globalization on Indian industries, categorization of Indian industries, definition of large scale industries in India, Definition of Human Resources Development, evolution of concept of Human Resources Management, importance of HR and Significance of HR Planning, traditional HR practices, impact of globalization on HR, impact of HR Management on industry, strategies of HR management, objectives of HR, functions of HR, the Role of HR Manager, the impediments in HR implementation.

Chapter – 2: Research Methodology: This chapter deals with significance/importance of the research topic, objectives of HR, hypotheses, research universe, data collection, primary data, secondary data, sample size, questionnaire, analytical tools used, scope and limitations and chapter scheme.

Chapter – 3: Review of Literature: In this chapter the researcher has taken a short review of the various books, journals, periodicals, theses, reports, websites which are related with the topic under research.

Chapter – 4: Brief Profile of Pimpri-Chinchwad Area and Identified Industries: This chapter covers a brief profile of the study area and the identified companies for this research. This helps in understanding the research work in its right perspective.

Chapter – 5: Traditional & Best HR Practices in India: In this chapter the traditional HR practices have been brought out in details which, help to understand the new approach to HR that is being currently implemented. It also brings out the best HR practices being followed in India.

Chapter 6: Analysis and Interpretation of Data: The data collected through the primary data collection from the field has been analyzed by using various statistical tools like, tables, ratios, percentages, proportionality test etc. This chapter also includes validation of hypotheses framed in the beginning.

Chapter – 7: Observations, Suggestions, Conclusion: This chapter covers researcher’s observations based on the data analysis, suggestions, scope for further research and conclusion.

HYPOTHESES TESTING

All the hypotheses formulated at the beginning of this research have been fully tested with the use of proportionality test and the same has been detailed in the chapter No. VI.
OBSERVATIONS & SUGGESTIONS

OBSERVATIONS

A) Management Support
   a) Sympathetic listening to employees by management: 57.25 per cent of the respondents have stated that the management sympathetically listens to them. 21.25 per cent remained neutral and the rest have expressed their disagreement.
   b) Appreciation of the academic knowledge by the management: 67 per cent of the respondents have stated that the management appreciates their academic knowledge while 17 per cent remained neutral and the rest expressed their disagreement.
   c) Provision of medical facilities: 73.5 per cent respondents stated that they receive adequate medical facilities from the management while 17.75 per cent remained neutral and the number of respondents expressing disagreement is negligible.
   d) Management Climate: 65 per cent of the respondents reported that there is a free atmosphere in the organization and that they can freely discuss their problems with the management while 21 per cent of the respondents remained neutral.
   e) Communication channels: On this score 75 per cent of the respondents reported that the organizational climate is such that they can communicate with the management informally which is a good sign.
   f) Management’s openness for suggestions: 61.00 per cent of the respondents have reported that the management is very much open and welcomes their suggestions for improvement in the systems and procedures. 25.5 per cent of the respondent preferred to be neutral.
   g) Involvement in decision making: 64 per cent of the respondents are of the view that they are being involved in the decision making process.

Overall observation on Management Support
   If we account for all the responses collectively the researcher is of the view that the overall management support is satisfactory. It leads to job satisfaction, increased production, and commitment of the respondents which collectively reflects on the productivity and profitability of the organizations that they serve.

B) Working Environment
   a) Working conditions in the department: 70.75 per cent of the respondents stated that the working conditions are satisfactory, while 21.5 per cent of the respondents remained neutral. Rest reported that they disagree with the statement.
   b) Sitting Arrangements & comforts: 67 per cent of the respondents reported satisfaction while 25.5 per cent preferred to be neutral. Only 7.5 per cent of the respondents reported dissatisfaction.
   c) Office environment: 65.5 per cent of the respondents reported that the office environment is healthy and 25.5 per cent of the respondent preferred to be neutral. Hardly 9.0 per cent of the respondents reported negatively.
d) **Organizational discipline for the faculty:** 77.75 per cent of the respondents reported satisfaction while 19 per cent respondents remained neutral. Only 3.25 per cent viewed it negatively.

e) **Availability of recreational facilities:** 90.5 per cent of the respondents reported satisfaction and rest 9.5 per cent remained neutral and there was no one representing dissatisfaction.

f) **Availability of the health care facilities:** 72 per cent of the respondents reported satisfaction while 17 per cent preferred to be neutral. 11 per cent viewed it negatively.

**Overall assessment of the Working Environment**

Considering the above responses in aggregate it is observed that the working environment in the organizations under study is quite healthy and has received majority of the respondents’ satisfaction.

C) **Job related Aspects**

a) **Love towards Job:** 74.5 per cent of the respondents expressed that they Love their job and the rest preferred to be neutral. No one gave negative response.

b) **Leave rules of the company:** 79.5 per cent of the respondents expressed happiness about the leave rules and the rest remained neutral.

c) **Continuation in the present job:** 72.5 per cent of the respondents reported that they do not think of giving up the present job, while 9.5 per cent remained neutral. Rest answered it negatively i.e. they may think of switching over to other job.

d) **Job Involvement:** 76.25 per cent of the respondents reported that they have involvement in the job while 22.25 per cent preferred to be neutral.

e) **View about the selection of the job:** 76.5 per cent of the respondents feels that they have selected the right job for them while 22.5 per cent preferred to be neutral.

f) **Assessment about the training arrangements:** Here it was observed that all the respondents are unanimous in reporting that they have excellent training arrangements and that they receive comprehensive training from their organization.

g) **Assessment of Attrition Rate:** 83.5 per cent assessed that the attrition rate is less while 15 per cent remained neutral.

h) **Improvement of the quality of the product:** Here again yet another question where the 100 per cent of the respondents are unanimous in assessment of the improvement in the quality of the product.

i) **Assessment of Job Rejection Rate:** 70 per cent of the respondent rated it as almost 0 per cent while 26 per cent of the respondents preferred to be neutral.

j) **Cordiality of the Employer Employee Relations:** 78 per cent of the respondents reported as relations are quite cordial while 16.25 per cent preferred to be neutral.

**Overall Observation about the Job Related Aspects**

If we look at the responses of the respondents in totality, it is observed that on all the counts there is overwhelming majority of the respondents who have expressed satisfaction on the job related aspects. Needless to say that such an atmosphere in the organization increases productivity and profitability.
D) Motivational Aspects

a) Help from the Boss for achieving organizational goals: 72.25 per cent of the respondents answered it in affirmative while the remaining preferred to be neutral.

b) Motivation by Management: 84.5 per cent respondents were in the category of happy while 10 per cent remained neutral, rest marginal percentage was that of unhappy ones.

c) Assessment about in house communication: 77.5 per cent of the respondents appreciated the in house communication while 20 per cent preferred to be neutral.

d) Clarity about work assignment: 78.75 per cent of the respondents reported that there is enough clarity about the work assignment while 15 per cent respondents preferred to be neutral.

e) Management’s approach towards suggestions: 76.25 per cent of the respondents reported satisfaction while 23.75 per cent of the respondents remained neutral.

f) Attitude of the colleagues: 73.75 per cent of the respondents reported that the colleagues are helpful, while the balance percentage represents that of neutral respondents.

g) Scope for promotion: 58.75% respondents reported that there is a scope for promotion and 41.25% respondents remained neutral.

h) Deputation to reputed professional training organizations: 46.5 per cent of the respondents were satisfied on this score while the remaining preferred to be neutral. Here one point is required to be noted and that is, such a deputation is for the staff from Middle management and Senior Management for such outside organization’s training programmes and hence the respondents remaining neutral is higher.

i) Opportunity to display talent: 58.75 per cent of the respondents reported satisfactory assessment while the remaining preferred to be neutral.

Overall observation on the Motivational Aspects

The overall responses of the respondents reveal that the organizations in which they are working are using various motivational tools and ensure that the staff remains motivated throughout. The percentage of the neutral respondents is relatively less. There is no negative response from any of the respondents.

E) Perception about HR Practices

These are the statements included in the questionnaire which have a direct bearing on the main theme of the research i.e. impact of the Best HR Practices.

a) Role of HR in pursuing innovative HR Practices: 58.75 per cent of the respondents expressed that the HR department pursues best innovative practices, while 41.25 per cent of the respondents preferred to be neutral. There is no respondent stating a negative response.

b) Availability of House Bulletin: This is again a question which has been answered in affirmative by all the respondents. That is to say in all the organizations under study there is a house bulletin which provides an opportunity to the respondents to understand what is happening in the
organization and it also provides them an opportunity to express their views also.

c) **Availability of the facility of the Flexi Timing:** 62.5 per cent of the respondents reported that in their organizations there is facility of availing flexi office timings while the remaining 37.5 per cent of the respondents remained neutral. Here it should be noted that in the study there were a few manufacturing organization in which such flexi timing facility cannot be given and hence the percentage of neutral respondents is on higher side.

d) **Facility of work from home:** 55 per cent of the respondents reported that they have the work from home facility, of course with some rider on it. This facility is usually available for the staff from the IT sector as well as BPO organizations. This facility cannot be considered in the manufacturing organizations as they have to use machinery as well as raw materials etc. Hence such facility cannot be considered for them. Therefore, 41.25 per cent of the respondents preferred to be neutral. There was a marginal number of respondents i.e. 3.75 per cent who responded negatively. This is just a normal phenomenon as in IT or BPO companies. This facility cannot be extended to all the employees. There are certain positions particularly in the supervisory cadre their physical presence in the office is a must.

e) **Provision of Cafeteria / Canteen providing good food:** This is again an area where the employees are also concerned about the quality of the food that is being served by the company canteens / cafeterias. Hence this question was included. 57.75 per cent of the respondents expressed satisfaction about the quality of the food while 23 per cent of the respondents preferred to be neutral. 19.25 per cent of the respondents expressed dissatisfaction about the quality of the food. As compared to the satisfied respondents the dissatisfied percentage is relatively less.

f) **Availability of the subsidized food:** This is also an aspect which the employees consider to be dear to them. In number of companies the food and other stuffs available in their cafeteria / canteen is subsidized by the management. In some companies although such a facility is not available at subsidized rates but the managements take care that there is no exploitation of the employees by the canteen contractor by charging unreasonable rates. Considering this aspect the question was included to get the feedback from the respondents. It was revealed that in all the organizations under study the food and the other stuffs are available to the employees at subsidized rates.

g) **Birth day celebrations in the office:** In number of organizations the employees’ birth days are celebrated which again is a healthy best HR practice. The celebration of the birth days in the office brings cohesiveness amongst the working group in the department and which results in healthy relationship amongst the group. Usually, the managements on such occasions give some memento to the staff on certain special occasions. (Celebration of 50 / 60 years birthday etc.). 56.25 per cent of the respondents reported that in their organizations birthdays are celebrated.
h) **Felicitation of the achievements of the employee’s kids:** In order to boost up the employees and their families to pay special attention to the education / extracurricular / cultural / sports achievements of their kids, in some companies as a part of motivational tool, the organizations organize felicitation programmes for these achievers from the employee’s families. This in turn boosts the morale of the employees which results in commitment to the organizational goals. 74.5 per cent of the respondents reported that in their organization such felicitation functions are organized.

i) **Availability of well defined reward and recognition schemes:** As a motivational tool the organization use the rewards and recognition of the excellent performance of their employees. Of course, it is important to ensure that such schemes should be clearly defined to ensure that there is no element of partiality. If this aspect is not ensured it adversely affects the morale of the employees. In the sample under study, 73.75 per cent of the respondents reported that they have well designed and clearly defined reward and recognition schemes in their organization.

j) **Opportunity to participate in NGO’s work:** In recent times it has been observed that the company managements are having concern about the social development of certain areas which are dear to them. Therefore, some companies have now accepted the philosophy of corporate social responsibility. Very recently the Govt. of India has passed a legislation wherein the companies are under obligation to spend 2% of their net profit on certain identified educational / health care projects for the down trodden / up till now neglected sections of the society. Therefore, some companies are now building up tie up arrangements with reputed Non Governmental Organization (non profit earning organizations) to fund their eligible projects. Even there are some of the employees who are having special aptitude for social work. In order to nourish this attribute some companies grant special holidays to their interested staff on full pay basis to work on some social projects approved by the company. Such a provision for the staff is welcomed by the staff as they also get an opportunity to meet their own liking. It is on this back drop feedback from the respondents was called for. It was observed that 43.75 per cent of the respondents reported that their organizations have tie up with NGOs for such a social work opportunity. 30 per cent of the respondents remained neutral to this question. It may be because of their unawareness about it or apathy on their part.

k) **Introduction of best HR practices – an ongoing exercise:** In order to understand the approach of the Management (HR department) about the implementation of the Best HR Practices, this question was included. Now in order to ensure that the attrition rate is maintained at minimum possible level there is need to be vigilant in introducing best HR practice. Hence, there should be a constant (ongoing) pursuit to innovate Best HR Practices. 74 per cent of the respondents reported that in their organization the HR is pursuing this innovation function on best HR practices on ongoing basis. The rest of the respondents preferred to be neutral.
Overall observation on the Perception of Best HR Practices

This was a crucial area of the responses of the identified respondents as it had a direct relation to the thrust area of the research. Normally when an employee takes a decision to join any organization for employment he/she does take into account, apart from the compensation and other benefits, the management’s outlook towards introducing the Best HR Practices. Therefore the prospective job seekers also collect information about the management’s attitude towards introduction of the Best HR practices. They compare the best HR practices being followed in the various similar organizations before taking a final decision of joining. It is on this score the feedback was sought. 74 per cent of the respondents reported satisfaction on this score while the remaining preferred to be neutral. On the whole majority of the respondents have also expressed their satisfaction about the management’s approach towards best HR practices and naturally it positively influence the productivity, commitment and profitability of the organization which is translated into the company’s financial statements.

F) Organizational Culture

Organizational culture is also an aspect which is subdivided in 20 statements of which 18 statements received positive responses from the respondents while only 2 questions which were related to the sharing of information and performance appraisal wherein the respondent’s response was negative. On the whole the organizational culture was quite healthy.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Aspect</th>
<th>% of respondents having</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+ ve</td>
</tr>
<tr>
<td>a.</td>
<td>Willingness to help others</td>
<td>54.5</td>
</tr>
<tr>
<td>b.</td>
<td>Free flow of information sharing</td>
<td>42</td>
</tr>
<tr>
<td>c.</td>
<td>Keeping up to date about the developments in the organization</td>
<td>55</td>
</tr>
<tr>
<td>d.</td>
<td>Interdepartmental cooperation</td>
<td>57.5</td>
</tr>
<tr>
<td>e.</td>
<td>Failures are looked upon as opportunities</td>
<td>79.25</td>
</tr>
<tr>
<td>f.</td>
<td>Positive impact of facilities</td>
<td>85.0</td>
</tr>
<tr>
<td>g.</td>
<td>I always respect other’s views/opinions.</td>
<td>100</td>
</tr>
<tr>
<td>h.</td>
<td>Our company really cares about employees' benefits.</td>
<td>55.0</td>
</tr>
<tr>
<td>i.</td>
<td>Loyalty to the organization</td>
<td>100.0</td>
</tr>
<tr>
<td>j.</td>
<td>Feelings about organizational pride</td>
<td>100.0</td>
</tr>
<tr>
<td>k.</td>
<td>Delegation of authority</td>
<td>56.25</td>
</tr>
<tr>
<td>l.</td>
<td>Free flow of interdepartmental responses</td>
<td>89.5</td>
</tr>
<tr>
<td>m.</td>
<td>Easy availability of the departmental head</td>
<td>100.0</td>
</tr>
<tr>
<td>n.</td>
<td>Investment in Skills</td>
<td>72.0</td>
</tr>
<tr>
<td>o.</td>
<td>Offering ideas for improved functioning</td>
<td>81.25</td>
</tr>
<tr>
<td>p.</td>
<td>Excellent team work is nurtured</td>
<td>73.75</td>
</tr>
<tr>
<td>q.</td>
<td>Our company provides comprehensive training to its employees.</td>
<td>100.0</td>
</tr>
<tr>
<td>r.</td>
<td>Established proper systems and procedures</td>
<td>72.50</td>
</tr>
<tr>
<td>s.</td>
<td>Well defined performance appraisal system</td>
<td>41.25</td>
</tr>
<tr>
<td>t.</td>
<td>Approach towards new ways for improvement.</td>
<td>55.0</td>
</tr>
</tbody>
</table>
Best HR Practices identified by majority of the respondents in order of priority.

The respondents were asked to state 5 best HR Practices observed by their organization, according to their priority. The commonly adjudged best HR practices identified by the respondents were consolidated and the following picture emerged. Naturally the preferences of the respondents from the various categories under study are different. Therefore these preferences have been consolidated according to the category: Workmen, / Middle Management / Senior Management

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Best HR Practice in the organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>A)</td>
<td>Workmen (who are members of union) responses</td>
</tr>
<tr>
<td>1</td>
<td>Compensation</td>
</tr>
<tr>
<td>2</td>
<td>Working Environment – comforts at work place (Safe, Healthy and Happy Workplace)</td>
</tr>
<tr>
<td>3</td>
<td>Work from home and flexi working hours</td>
</tr>
<tr>
<td>4</td>
<td>Medical facilities for self and family</td>
</tr>
<tr>
<td>5</td>
<td>Job security</td>
</tr>
<tr>
<td>B)</td>
<td>Middle Management’s responses</td>
</tr>
<tr>
<td>1</td>
<td>Compensation</td>
</tr>
<tr>
<td>2</td>
<td>Well chacked out career development plan. (Fair Evaluation System for Employees/ )</td>
</tr>
<tr>
<td>3</td>
<td>Rich fringe benefits (leave travel concession/medical reimbursement, reimbursement of club fees/ housing loans on soft terms/ provision of residential accommodation /</td>
</tr>
<tr>
<td>4</td>
<td>Due recognition and appreciation by the management (Publicize Good Performances /</td>
</tr>
<tr>
<td>5</td>
<td>Comprehensive training facilities including deputation to reputed professional training organizations</td>
</tr>
<tr>
<td>C)</td>
<td>Senior Management’s responses</td>
</tr>
<tr>
<td>1</td>
<td>Compensation</td>
</tr>
<tr>
<td>2</td>
<td>Organization’s work culture</td>
</tr>
<tr>
<td>3</td>
<td>Well developed Authority responsibility relationship</td>
</tr>
<tr>
<td>4</td>
<td>Scope for participation in strategic policy decisions</td>
</tr>
<tr>
<td>5</td>
<td>Fringe benefits (Executive perquisites like chauffeur driven car, petrol allowance, family holidays, etc.</td>
</tr>
</tbody>
</table>

General Observations about functioning of HR Departments

During the course of this research the researcher had an opportunity to interact with various HR functionaries and could get the feel of the current level of HR functioning. Following are some of the observations which are worth noting.

1. Management institutes face the challenge of reorienting their courses to reflect newer HRM concepts. The department of management studies at IIT-Madras has attempted such changes.
2. Because of increasing competition that has resulted from liberalization, Indian organizations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees.
3. Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance.
4. There is an increased emphasis on HR related activities seen in Indian organizations.
5. Indian managers like centralized decision making.
6. The majority of the lower level of employees are not aware of their rights and are exploited by the management.
7. There is a shift taking place in the pattern of HRM practices in Indian organizations, from the traditional administrative types to a more strategic and proactive type.

**SUGGESTIONS**

As has been seen earlier there are number of factors that one has to take into account while introducing new HR practices as ultimately it adds to the costs. Over the years it has been observed that these costs are rising. At the same time we cannot ignore the importance of retaining the talented employees as well as arresting the attrition as it again involves heavy costs. Therefore henceforth the role of the HR Department is going to be very crucial.

The researcher has identified certain key areas which should be addressed by the HR department in the immediate future.

1. **Stress Management:** Day by day there is an ever increasing tension that the employees have to bear. Therefore while designing the new HR practices there should be an element which will ensure that the employees remain tension free. For this purpose the organization will have to organize specific courses on stress management on a continuing basis.

2. **Focus on Health care:** The fall out of mounting tension is the deterioration in health of the employees. There are several studies which have brought out the fact that the number of youth suffering from Diabetes, Blood pressure, depression etc. are increasing. Therefore, the HR department should focus on the regular health check up of its workforce at periodical interval. Now there are some multinational organizations which have in their every building an ambulance, on each floor there is a wheel chair, stretcher, first aid boxes etc.

3. **Focus on personality development:** The HR department should include in their training schedules programmes which will help in the overall personality development of the employees.

4. **Family support:** Now a day it has been observed that because of the spread of technology particularly internet, mobile phones, etc. even after returning from the office, the employee has to devote major time to the office work. In order to maintain the standard of living usually the better half are also employed. Therefore, the employee finds very little time to attend to his personal domestic work. Because of the split families there is no one to look after the kids. Therefore, this aspect also adds to employee’s stress. Therefore, while introducing any new Best HR practices this aspect should also be borne in mind. Apart from babysitting, crèches, for pregnant lady staff separate retiring rooms are required, for breast feeding separate arrangements are required, such facilities be introduced.

5. **Provision of special arrangement at worksite:** The employee finds very little time to attend to various personal works: for filing of income tax returns, for renewal of driving license, etc. the organizations can have a tie up with
these concerned departments and make special provision for on the house arrangements so that the employee gets relief.

6. **Job Rotation:** There should be a system of job rotation which enables the employee to acquire knowledge of other departments. The company also stands to benefit since the workers are qualified to perform a number of different jobs in the event of an emergency. Due to change in the job the employee also gets job satisfaction. Job rotation relieves monotony.

7. **Provide autonomy:** If certain amount of freedom is given to the employees to do their work in their own way it increases their job satisfaction. It has been proved that if the people are given freedom to take their own decisions they work hard and derive job satisfaction.

**ATTAINMENT OF THE OBJECTIVES**

The researcher started this research framing certain objectives which have been dealt in the chapter II on Research Methodology. Now at the end of this research, when the researcher looks back, he feels that the objectives are fully achieved by this research. He has been able to analyze the Best HR Practices that are being observed in the identified industries for this study. After the opening of Indian economy since 1991 and with the entry of number of multinational companies in India, number of new Best HR Practices have been introduced in India primarily with the twin objective to retain the talented employees as the MNCs were experiencing flight of talented employees as well as to ensure to maintain an edge in the competitive markets. The HR practices that are being followed by the industries have a positive impact on the employee satisfaction which ultimately reflects on the employee’s productivity and the organization’s profitability. Each industry has its own peculiarity which needs to be taken into account while introducing best HR Practices. E.g. Work from home facility cannot be considered by the manufacturing industries. It is possible only in Information Technology industry or to make a generalization by the service industry. Introduction of the Best HR Practices are also dependent on several other factors like size of the company, organization’s culture, profitability, composition of the staff etc. Thus at the end the researcher is of the view that the objectives originally set out have been fully achieved.

**SCOPE FOR FURTHER RESEARCH**

As has been stated in the introduction chapter that the concept of the HR Practices is not a static one, but it is a dynamic concept. Day in and day out the work situations are changing fast and therefore the Human Resources Development Department has to be on its toes all the time to innovate new HR Practices on continuing basis, which will induce the talented employees to continue with the organization and to give maximum returns to the organization.

This research has revealed that there is a difference in the working of the Human Resources Development Departments of the domestic companies and the multinational companies. Therefore, a research can be undertaken to bring out this difference in the approach between these two segments which will be helpful for the domestic companies to improve upon their functioning and ultimately withstand the fierce competition that has been faced as a result of globalization.

In times to come there is going to be a serious problem of retaining the talented employees as the business opportunities in the underdeveloped companies are
growing fast. There is a need to collaborate loyalty among employees. Hence a research is also possible to study this problem and to come out with some practical solutions.

As has been stated earlier that the process of attrition of the employees started on a large scale after five years of India’s adoption of globalization in 1991. This is adversely affecting the industries profitability. Therefore the researcher is of the view that a research study can be undertaken to find out the impact of HR practices on the employees’ attrition rate.

CONCLUSION

The Indian economy was forced to adopt a structural change process at the beginning of 1991. Liberalization initiated the process of the opening up of an otherwise closed economy of India and created a hyper-competitive environment. A hyper-competitive business environment presented a number of challenges and opportunities, both external and internal. External challenges and uncertainties included barriers that were difficult to control. Internal challenges like dramatic advances in technology, changing of organizational forms necessitated redesigning of human resource practices. To respond to this confusion, Indian organizations adopted innovative changes in their HRM practices.

India itself is not a homogenous entity. Regional variations in terms of industry size, business culture, socio-cultural issues and bureaucracy play very important role. The nature of hierarchy, status, authority, responsibility and similar other concepts vary widely across the nation.

This research study was undertaken to find out the impact of the best HR practices on the employees satisfaction and accordingly the primary data was collected and analyzed. It has been revealed that the Best HR practices have a positive impact on the employees’ satisfaction. Today the HR Departments are passing through a transition stage and getting equipped with sharpening the tools of retaining the talent in the organization.

While studying the Best HR practices it has been observed that the Best HR practices followed by multinational companies cannot be copied in toto as those are based on the environment prevailing in their Head Quarter country. In the Indian context those practices are required to be suitably modified to suit the Indian environment. Implementation of best HR practices also involved costs and therefore the Indian companies are required to balance the cost and the benefit that they derive. It can be said that HR practices that are being followed in India are subjective in nature. These practices differ from company to company, based on location of the units, nature of production/services etc. Therefore, HR practice which is considered as best HR practice for one company may not be so for another company. This needs to be understood correctly before its implementation.

To conclude that it can be said that HR practice is becoming more and more challenging day by day. They have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training (Cross cultural training and technological and informational training) is necessary for HR people. To reduce mobility of professional personnel, HR people have to motivate...
them from monetary and non monetary techniques. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

The end result of best HR practices is achievement of employee satisfaction that is positive feeling which gives happiness, joy and delightfulness to an employee and builds confidence in his or her personality. Satisfaction also helps in developing loyalty among the employees towards their organization.