Human Resource Management Practices in Reliance Industries Ltd

Abstract

Human resource management functions are no longer specialized functions, merely confined to the human resource or personnel department. The management of human resources is the responsibility of every manager in the present business scenario. It is a fact that most of the problems in an organization are human related, since human being is dynamic, complex and highly sensitive to environment. Managing the human resource in any organization is therefore a challenging task, therefore, in the present competitive market situations one of the better ways to survive and grow is to adopt new strategies and policies for human resource management both for managerial and non managerial staff. Many private and public sector organizations in India and abroad have realized the importance to develop their human resource.

Human Resources Management may be described as that activity in an enterprise which strives to mould the human resource into the effective organization provides opportunity for maximum individual contributions under healthy working conditions promote individual development and
encourage mutual confidence and understanding between the employer and the employees and between the employees themselves. Human resource management is responsible for maintaining good human relations in an organization. It is also concerned with the development of individuals and achieving integration of goals of the organization and those of the individuals. While people have always been central to organizations, today they have taken on an even more central role in building firm’s competitive advantage. Particularly in knowledge based industries such as software, information technology, telecom and others, success increasingly depends on ‘people embodied know how’.

The human resource dynamics prevalent in Indian Organizations are different from those in the other counties of the world. But in the recent past some new orientation is taking place in the Indian organizations due to the global impact on business activities. In the light of the changing business scenario that has led to many emerging human resource issues. In this context Reliance Industries in India need no introduction which is successfully adopting and implementing innovative human resource practices for creating competitive advantage.

Dhirubhai Ambani founded Reliance Industries Limited with courage, creativity and commitment as his principal assets. Within a span of 27 years, he shaped it into a Rs 65,000 crore (USD 13.5 billion) group. Today, the business activities of Reliance cover oil and gas, petroleum
refining, petrochemicals, plastics, polyester, textiles, financial services and infrastructure.

In the process of building Reliance, he ushered in an equity revolution in India. He democratized the process of wealth creation by endowing 3.3 million investors, and earned for Reliance the distinction of being the world's second-largest manufacturer of polyester. Reliance also became the world's eleventh-largest producer of plastics, and an operator of the world's fifth-largest petroleum refinery.

Sensing a good opportunity in the textile business, Dhirubhai started his first textile mill at Naroda, in Ahmedabad in the year 1977. Textiles were manufactured using polyester fibre yarn. Dhirubhai started the brand "Vimal", which was named after his elder brother Ramaniklal Ambani's son, Vimal Ambani. Extensive marketing of the brand "Vimal" in the interiors of India made it a household name. Franchise retail outlets were started and they used to sell "only Vimal" brand of textiles. In the year 1975, a Technical team from the World Bank visited the Reliance Textiles' Manufacturing unit.

Reliance, acknowledged as one of the best-run companies in the world has various sectors like petrochemicals, textiles and is involved in the production of crude oil and gas, to polyester and polymer products. The company’s refinery at Jamnagar accounts for over 25% of India's total refining capacity and their plant at Hazira is the biggest chemical
complex in India. The company has further diversified into Telecom, Insurance and Internet Businesses, the Power Sector and so on. Now the Reliance group with over 85,000 employees provides almost 5% of the Central Government's total revenue.

Dhirubhai Ambani was admitted to the Breach Candy Hospital in Mumbai on June 24, 2002 after he suffered a major stroke. This was his second stroke, the first one had occurred in February 1986 and had kept his right hand paralyzed. He was in a state of coma for more than a week. A team of doctors was unable to save his life.

After the death of Mukesh Ambani the Reliance Empire split between the Ambani brothers, Mukesh Ambani getting RIL and IPCL & his younger sibling Anil Ambani heading Reliance Capital, Reliance Energy and Reliance Infocomm. The entity headed by Mukesh Ambani is referred to as the Reliance Industries Limited whereas Anil's Group has been renamed Anil Dhirubhai Ambani Group (ADAG).

With amazing foresight, he sensed the incredible potential of the technological revolution sweeping the globe, in the areas of information and communication.

He conceived of Reliance Infocomm as a means to bring a technological revolution to this country and usher in a digital revolution in India. He visualized Reliance Infocomm as a powerful vehicle to percolate the benefits of the knowledge era to all sections of society.
He fashioned a strategy, which was conceptually simple and sweeping in its impact. He encouraged the Reliance Infocomm team to look for the best technology in the world and use it to reduce the cost to the consumer.

Dhirubhai Ambani envisioned an all-encompassing and affordable information and communication infrastructure to fashion a new society by building communities with shared interests and values, and empowering people by overcoming the handicaps of illiteracy and mobility. He visualised the ability of information technology to deliver new means for enlightening, entertaining and enriching people; and making livelihood an enjoyment, learning an experience, and living an excitement.

This vision signaled a sweeping revolution for a New Way of Life for a New India. Reliance Communications, formerly known as Reliance Infocomm, along with Reliance Telecom, is part of Reliance Communications Ventures (RCoVL). Reliance Communications Limited founded by the late Dhirubhai H Ambani is the flagship company of the Reliance Anil Dhirubhai Ambani Group was launched on December 28, 2002.

Reliance Communication network is a pan India, high capacity, integrated (wireless and wire line) and convergent (voice, data and video) digital network, designed to offer services that span the entire Communication value chain - infrastructure, services for enterprises and
individuals, applications and consulting. The network is designed to deliver services that will foster a new way of life for a New India.

The Reliance Anil Dhirubhai Ambani Group currently has a net worth in excess of Rs. 64,000 crore (US$ 13.6 billion), cash flows of Rs. 13,000 crore (US$ 2.8 billion), net profit of Rs. 8,400 crore (US$ 1.8 billion). The Equity Shares of Reliance Communication are listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. The Global Depository Receipts and Foreign Currency Convertible Bonds are listed on Luxembourg Stock Exchange and Singapore Stock Exchange respectively. Reliance Communications is India's truly integrated telecommunications service provider. The Company has a customer base of 105 million customers including over 2.5 million individual overseas retail customers. It ranks among the Top 5 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 global, regional and domestic carriers.

The following research was conducted to study the role of human resource management in an organization, which is quite significant. It was assumed that Reliance Communication requires human faculty and human skills for better performance. Other facilities like finance, material and machinery form a significant segment of this sector. Yet, without the
presence of competitive human resource other factors may not contribute significantly for the success and growth of the organization.

Reliance communication is adopting various innovative human resource practices after the due research and careful analysis, leading to maximum support and satisfaction of the employees. The satisfied and motivated workforce hence is responsible for maximum productivity and optimum utilization of the resources thus creating a competitive advantage for the organization. After studying these practices we can realize that these practices are developed after research careful analysis. These practices are providing optimum satisfaction to the employees.

The survey conducted by the researcher further analysed and interpreted. To conclude data in a meaningful manner and to find out the perceptions and opinions Chi-square (χ²) test is used in the tables Table 5.1, 5.2, 5.3 and 5.4. There are 20 parameters in these tables which measures these opinions effectively. Statistically there is no difference between the expected and the observed frequencies. According to the results of chi-square, it is observed that the calculated χ² values for these 20 variables are greater than the table value (Table value of Chi-square for 2, χ² 0.05 = 40.113) and are significant at 0.05 percent level of significance. Thus the hypothesis Ho is rejected and H₁ (alternative hypothesis) is accepted.
Table 5.1, 5.2, 5.3 and 5.4 shows all those parameters, responses of the employees and the results of the Chi-square ($\chi^2$) tests for homogeneity of proportions. The analysis help us to draw the conclusion that majority of the respondents are satisfy with the various human resource management practices adopted and implemented by the Reliance Communication. Hence there is a significant difference among respondents over the opinion about HRM practices in Reliance Communication.

The responses shows that majority of the respondents are satisfy with the following human resource management practices of the organization namely recruitment and selection policy of the organization, placement and induction programmes, job analysis, job design, job enrichment, policy of promotions and demotions, motivational schemes and methods, social security measures, and discipline of the organization.

However some of the areas like wages and salary administration, training and development of the employees, workers’ participation in management, Job Security, Employees Grievances and work Load needs immediate attention by the organization since the responses of the employees in these areas shows that there is still room for improvement and betterment. Further more Pearson’s chi square tests for testing independence between two categorical variables were also conducted for testing the association between satisfactions with sex, satisfaction with
designations and satisfaction with education of the respondents. The objective of conducting these tests was to see that employees of both gender, every designation and every educational background are satisfied with the various human resource management practices of the organization. The results of these tests are showing that the satisfaction level of the employees is not affected with the above variables i.e. employees of either sex, every designation or educational background are satisfied or dissatisfied with the various human resource management. Pearson’s chi square is meant for testing independence between two categorical variables, chi square test for independence between sex and salary shows that there is no association between two variables i.e. employees of the either sex are equally satisfied and dissatisfied with the salaries and wages offered by the organization. Similar tests results between sex and recruitment and selection, training and development, performance appraisal system shows the association between two variables.

Further chi square test for independence between designation and satisfaction with salary, recruitment and selection, training and development and performance appraisal were conducted. Hence it was found that there is no association with the two variables i.e. employees of every designation are evenly satisfied and dissatisfied. Therefore, the author concludes that factors framed affect the overall improvement of the functioning of Reliance communication, but still there is a need for
the improvement in the in some of the policies of the HRM adopted by
the organization.

On the basis of empirical findings the study makes few suggestions
having policy implications. The developing countries must first develop
the human resources in order to develop the IT and Communication
industries in which technological innovation can occur on a large scale.
Economic development can succeed only when the environment as a
whole is conducive to change and innovation at all levels and on all fronts
especially in IT and Communication Industry. This will require educated
masses, literate and national masses. The strategies supported to achieve
the goal of human resources development in IT and Communication
Industry include more open government, more transparent and
accountable public administration and development of energetic
entrepreneurship in developing countries and further liberalization of
markets and goods, capital, technology. This would require joint action
programmes. A new vision for global co-operation for the next century is
needed.

It is the right time to accord the status of IT and Communication
in priority. It is recommended that the Government of India should form a
‘HRM Board’, which should encourage the researches upon increasing
potentiality of human resources. It should take many productive and
aggressive steps for the promotion of HRM. The need of the hour is to
tackle grassroots realities of HRM and then take some harsh measures to infuse a new blood in IT and Communication sector.

The HR practices still lack professionalism in the organizations; less salaries, long working hours, improper career path, lack of professional growth, lack of training and development, quality of work-life and improper work-life balance are the key issues in telecom industry which need to be immediate attention in order to reduce attrition; moreover a good manpower planning, job description and specification and proper career planning is required at all levels of the organization.