CHAPTER - II

HR IN THE OLD ECONOMY

2.1 Introduction

2.2 HR Transformation at the Tatas
   a. The Tata Group
   b. Tata Leadership Practices
   c. Tatas - Strategic HR
      i. The workplace of the future
      ii. The world is my office
      iii. Work-life balance
      iv. Attracting and retaining employees
      v. HR in the future
   d. Tatas-Learning from their Experience

2.3 Learning from Best employers in India

2.4 Conclusion
HR IN THE OLD ECONOMY

2.1 Introduction

The entire study on ‘The HR Trends’ in the old economy is required to be understood in depth. In this context it was felt that, if, in addition to survey findings a good case of HR transformation in the old economy of an Indian Corporate giant and a few best employers in India are taken for discussion more insight will be gained and it will strengthen the study in all aspects.

2.2 HR Transformation at the Tatas

The case study of the Tatas is being given to show that even an old and established group in the old economy like the Tatas have to constantly reengineer their HR policies, systems and programs to face up to the current challenges.

This case study has the following components:

- Details of the Tata group
- The Tata leadership practices
- Strategic HR in the Tatas

a. The Tata Group

The year 2004 was a special and momentous year for the Tata Group. It marked the 100th death anniversary of Jamsetji Nusserwanji Tata, the founder of the house of Tatas, as well as the 100th birth anniversaries of J. R. D. Tata and Naval Tata. All three have made
significant contributions not only to the industrial development of the nation, but to its leading scientific, social and cultural institutions as well.

Over the past 100 years, the Tatas have invested in industries and worked in areas which have been of specific importance to nation building and industrial development. This has been done while upholding the values cherished by the group: innovation, leadership, trust and fair play.

In today's fiercely competitive times, the Tata Group has shown that material goals can be achieved without abandoning belief in core values and principles. In a world where values such as commitment, integrity and nationalism are eroding, the Tata Group is a sparkling example of how they continue to be the guiding principles for all endeavors.

The Tata family of enterprises comprises 96 companies in seven business sectors:

**Tata Sons**

SerWizSol, Tata Financial Services, Tata Petrodyne, Tata Quality Management Services, TCE Consulting Engineers, THDC.

**Tata Industries**

Tata Strategic Management Group, Tata Interactive Systems.
Operations

Tata International, Tata International AG, Tata Enterprises (Overseas) AG.

Tata Limited, Tata Incorporated, Tata Precision Industries.

Information Systems

Tata Consultancy Services, CMC, WTI Advanced Technology, Tata Technologies, Tata Interactive, Systems, Nelito Systems, Tata Elxsi, SerWizSol.

Communications

Tata Sky, Tata Teleservices, Tata Teleservices (Maharashtra), VSNL.

Industrial automation

Nelco, Tatanet.

Automotive


Engineering Services

Voltas, Tata Projects, TCE Consulting Engineers.

Engineering Products

TAL Maufacturing Solutions, TRF, Telco Construction Equipment Company.
Chemicals

Chemicals, Rallis, Tata Pigments.

Metals

Tata Steel (Tisco), The Tinplate Company of India, Tayo Rolls, Tata Ryerson, Tata Sponge Iron, Tata Metaliks, Tata Pigments, metaljunction services, Tata Refractories.


Tata Tea

Tetley Group, Tata Coffee.

Consumer Products


Services

Hotels and Realty

Indian Hotels (Taj group), Taj Air, THDC.

Other Services

Tata Strategic Management Group, Tata Quality Management Services, Tata Services.
**Financial Services**

Tata-AIG Life Insurance, Tata-AIG General Insurance, Tata Asset Management.

Tata Investment Corporation, Tata Financial Services.

**Power**

Tata Power, Tata Ceramics, Tata Petrodyne, North Delhi Power Limited.

Tata BP Solar India.

**Tata Trusts**

Sir Dorabji Tata and Allied Trusts, Sir Ratan Tata Trust, J. N. Tata Endowment.

**TMTC**

b. **Tata Leadership Practices**

One of the reasons for which Indian industry looks up to the Tatas is for the quality of leadership displayed by those at the helm of Tata businesses over the decades.

Mr. R M Lala captured the Tata leadership ethos in the following phrases:

1. Trying to hold, under adverse conditions, the line of integrity.
2. Putting the good of the nation first.
3. Having a social conscience and taking on social responsibility.
4. A fair deal for the workers; treating the staff with dignity.
5. Fair prices for the customers.
6. The pursuit of excellence in production.

Other chroniclers and commentators have described Tata leaders’ other qualities — a bold vision, astute strategies, strong convictions, breadth of perspective and intellectual leadership.

The Tata Leadership Practices are a set of behaviors that retain the key elements of the Tata leadership ethos, while taking on the world of tomorrow and the challenges it is likely to throw up.

They are called 'practices' because they speak about the outcome of a philosophy that would be observable. This gives a better handle to talk about leadership behaviors and actions. Also, as social science has pointed out since the '60s, modifying actions is a more effective way to modify values and philosophies, than seeking to modify the latter directly. Hence, the TLPs, as they are commonly referred to, are aimed to help shape leaders.

The Tata Leadership Practices cover multiple aspects of leadership. The challenge is to be able to demonstrate leadership behaviors in each of these areas and the aspects the individual needs to work on — because those are this strengths as well as areas for improvement.

c) Tatas - Strategic HR: HR at the Group Level

The Tata Group went in for a transformation to align its human resource function to achieve increased financial performance. They
had taken the services of Dr. Wayne Brockbank, Professor of Business at the University of Michigan Business School, an HR guru who had been instrumental at bringing about similar transformations at Unilever, GE, Motorola, Citicorp General Motors, Ford, HP etc. (The book authored by Dr. Wayne Brockbank is referred in the literature survey in chapter – I)

In an interview to Financial express Dr Brockbank said: “The Tata group is in the middle of a very important transformation in the last few years. It has redefined much of its portfolio and now is in the process of redefining the capabilities it needs to have on the part of its people to compete on a whole variety of different businesses. They’ve invited me to come and work with them on this transformation, based on the empirical research we’ve done on best practices.”

“The most important challenge that any company faces is that of aspiration and desire to perform better. Based on the meetings I’ve had with the Tata group, the aspirations are there and now I’m hoping that the process will give them the mechanisms and logic that will help them achieve those aspirations through their people more strongly,” said Dr Brockbank. This logic will be applied to Tata businesses individually to see how the businesses inter-relate to each other.”

He said the entire process was to enable the group to achieve better financials and market shares than it had in the past. “At this stage, we identified HR practices that impact financial performance to a greater degree in the future than they have in the past. We believe that the best way to do that is to make sure that the HR practices are specifically driving
the cultural and technical capabilities that different Tata group companies
need to have to get better financial results”.

However, Dr. Brockbank said there will not be a single HR strategy
for the group - “a central HR strategy for the group will emerge based
upon the overlap that exists over different businesses.”

The Tatas, while adopting Dr Brockbanck’s ideas, plan to maintain
the soft-hard balance in dealing with HR despite making leap-frog
changes. According to Dr Brockbank, what makes the transformation
at the Tata group more exciting is that, outside of GE, and maybe a
few Japanese companies, there is perhaps no other more complex
portfolio of companies that make up a group in the world. “To develop
a systematically customized comprehensive HR strategy that is at the
same time very customized to local businesses and will at the same
time leverage the strengths throughout the group, is something that
has seldom been undertaken anywhere in the world,” he said, adding
that GE had been doing it for several years but there have been very
few companies that are undertaking it as aggressively as the Tatas are
in their HR practices.

A survey was done to assess the needs of companies and managers
in the group. The key findings that emerged as needs in the HR area for the
group were:

• Mobility for growth.
• Competitive remuneration.
• Performance measurement system.
• Potential assessment system.
• Group training inputs.
• Group resourcing.

To synergize the managerial talent in the group the company developed an interesting model using the concept of *scope-company* scope and managerial scope.

Company scope was defined as the complexity of the organization in the group.

Companies were classified into three scopes - Scope 1 Company, Scope 2 Company and Scope 3 Company.

**Figure – 2.1: Tata Work Levels**

**Tata work levels**

- **A**: Most challenging jobs in our largest companies. Smallest number of jobs, but largest in leadership demand.
- **B**: Senior work levels, though a bit less challenging/demanding than A.
- **C**: Less challenging/demanding than B.
- **D, E, F**: Less senior work levels.

Management scope

Company scope
Scope 1 companies are complex and/or large, as measured by parameters such as turnover, profits, manpower, nature of competition, extent of co-ordination and control required.

Scope 2 companies were large companies but less complex.

Scope 3 companies were medium sized.

Management scope was defined as the level of managerial work within the company irrespective of the size or the complexity of the company.

Management scope 6 is typically the lowest level of management, with some functional responsibility in a line or staff functions to deliver results in a fairly defined structure of customers, technology, geography and time frame.

As we go up the scale the management scope increases to encompass leadership, performance and accountability. At the highest level, scope 1, the individual concerned, usually the chief executive, will be responsible for running the enterprise, delivering results and ensuring shareholder returns.

Under the new framework, managers can aspire over a period of time in their career to move upwards from work level F to work level A.
The Workplace of the Future

The World is My Office

S Padmanabhan, executive vice president and head, global human resources, TCS states:

"Boundaries in the business world are increasingly dissolving. As companies move around the world setting up offices, service delivery centers and manufacturing hubs, there will be an even greater movement of people. And that is the big challenge going forward. The globalization of the workforce will have a far-reaching impact on every aspect of human resources. Processes, Policies and Systems will have to evolve and change according to the region or country. But the biggest challenge we face is integrating this global workforce. For the Tata Group, acquisitions have become a way of life and handling integration issues has become a critical function of HR departments. In international acquisitions, we have to deal with different nationalities, regulatory issues - and even the tensions of being acquired or merged. There are also many soft issues involved with integrating the management, the workforce, and business practices. Earlier at TCS, foreign nationals formed less than one percent of the workforce. With over 62,000 associates from 53 nationalities, the company is emerging as a true global firm with a diverse employee base. At the end of the year 2005-06 the number of non-Indian nationals working for TCS was 6.5 per cent of a total employee base of 62,832. Our biggest challenge is making non-Indians see TCS as their own company. We have found that the best way of assimilating them into TCS' culture is to have them work on projects"
together with our people both in India and outside. **While recruiting internationally, we need to respect the local legal norms, cultures and attitudes. That has been the learning at TCS.** We need to understand what is relevant to people in different societies, and change our pitch to suit local contexts. **For instance, Indians love to travel and work abroad, but in many other countries people like to work in their own city. So we need to focus on their roles and targets in TCS rather than the opportunity to work in different geographies.**

**Work-life Balance**

"Today it is very fashionable to ask, "Do you have a work-life balance?" But this is a choice people have to make. A company cannot dictate or regulate it by switching off lights at 5 pm or ask employees to go on a picnic.

What companies can do is to foster a productive work environment within the working day. If employees need to work outside, then this should be facilitated through the internet and mobile phones. I feel we should give more opportunities for people to work from home if they want to and make work more flexible. **So it may not be necessary that the entire workforce of TCS comes to office every morning at the same time. Such an approach will also cut down on commuting time and enable employees to spend more time with their families. Work-sharing is another way in which couples, or any two people, share the work. All this would not mean less productivity but result in happier employees."
"At TCS we are creating opportunities for employees’ families to understand what is happening in the company. This gives them a sense of pride in the work that the spouse or parent is doing and makes them feel less neglected. The issue of work-life balance is going to become even bigger in the future. We have to start looking at the work environment very differently from the way we do today."

"While doing all this companies need to look at certain regulatory requirements in different countries. People should not lose out on benefits such as superannuation and gratuity because employment laws do not permit these for part-time employees. We will need to consider some structural changes in policies and people practices."

Attracting and Retaining Employees

"Compensation has been, and will continue to be, the big driver in retaining people. But I feel the importance of money varies at different stages of life and in different roles that people play. Once people reach a minimum level of compensation, what matters to them are their aspirations - and this is where role planning and the work environment are critical. Goals and targets need to be clear so that people can know what they are going to do and what they have achieved. These two rules have been in focus for the last 25 years of my life and they will continue to be important. It’s also universally true that people join companies but work with bosses. And, equally true, people leave bosses; not a company. What people will also look for is a comfort level that they have a good job to do in the company and that what they do matters to the company. A company needs to create a good employer
brand, internally as well as externally, by ensuring that people have good jobs which make them feel proud of working for the organization. After that, depending on the demography and age of the person, companies need to add certain benefits that create a social status for the person, give him or her recognition outside the company. People want their place under the sky. Employees can be given opportunities to make presentations at international forums, or made members of academic institutes or industry associations. This will increase retention.”

“It is increasingly evident that people are reaching higher, faster. So where do you go when you approach the top? A company can take you only so far in your personal ambition and growth. After that the company should allow you to move to an internal or external company. In this respect, the Tata Group has a phenomenal advantage. We have more than 90 companies, and there is good opportunity for mobility within the Group. Helping them to grow outside the Group is also good because if that process is well managed, you have a wider populace as a friend - because if the leader (in another company) is your friend, the others will align with the leader. For the Group, the Tata brand will continue to be a magnet for people looking for a job. In the Indian ethos there is a certain value attached to the Tata brand. It was there when I joined TCS many years ago and it continues to be there today also. I am always proud to say I am a part of Tata.”
HR in the Future

"Over the last five years, there has been an emergence of new career choices such as architecture, interior and fashion design, hotel management etc. These alternative career choices are going to increase vastly in the future and companies will have to adapt to such a cultural change. At TCS, we will have to move beyond engineering colleges; become more accommodative and hire people from different streams such as physics, mathematics, biology, physical sciences, arts and literature, and learn to create teams that can harness these diverse capabilities."

"Companies need to adopt the attitude that as long as a person enjoys working there, the company gets value from his work. This is the only ‘contract’ you can have with an employee."

"You will also find many more employees going back to college after working for three to four years, rather than completing their education before taking up a job. Globalization has taught us how to deal with international customers; we are now learning how to deal with an international workforce. Very soon we will need to learn how to deal with an international boss - or bosses. You could have an American as a CEO, a head of sales from England and a head of production from China. In training our future global managers, we will have to prepare them for all these eventualities."
Dr. Sangram Tambe, VP, Human Resources, Tata Motors States:

"Any attempt to predict the future has to begin with a close look at present trends and pick up early indicators of future change. If we look at India, what's new is the widespread adoption of the M&A route to growth, which means new markets, new environments. Also new is the many overseas companies now setting up their operations in India, thereby bringing talent back into the country. These developments have thrown up many HR challenges, which give us a good indication of the uncharted future. Primary among them are the issues, challenges and problems of how to attract the right kind of people and then retain them."

"Today, we see a marked preference for services jobs rather than those in manufacturing. Retaining people in operations has become even more difficult. The demand-supply situation has been so adverse this year in the auto industry that employee turnover has almost doubled."

Another trend that is likely to have repercussions on our future is: rising expectations of youngsters. They want rapid growth. They also expect the work environment to be open and non-hierarchical, which empowers rather than shackles them with rules and regulations. For a large organization to have that kind of culture without sacrificing the benefits of systems and processes is a big challenge."

**Internalizing Internationalization**

"On a different front, that of globalization, we have other issues. Most of our companies have been operating in the domestic market; we do have some exports, but this is different from going global. **So, when you**
look at internationalizing, the mindset needs to change. It is not just a matter of creating a handful of ‘international managers’ but creating an international company, for which we need to change our outlook across the board”.

“Whether it’s an assembly-line worker or a sales person who sells in overseas markets - they need to understand, and fall in with, the new paradigm. In order to really internalize such thinking, we need to shape our knowledge management and our processes and policies to cater to international customers. **HR has to play a major role - of identifying competencies and skills required for international managers; creating different touch points for creating awareness and exposure; sending people for training programmes and international workshops.**

Global Attributes

“According to me, there are three attributes of a global manager - core competency, cultural adjustment and functional knowledge. Functional knowledge can be inculcated through exposure to different functions and training. **Cultural adaptation, however, is a new problem that some people (and their families) may have to deal with. International research has shown that many expatriate assignments fail because the family is not able to adjust to a new culture and environment. We need to pay serious attention to this issue”.

“The competency issue is core. An international manager has to work in a less structured environment than he or she might be accustomed to in the domestic market, and must develop greater tolerance to
ambiguity. Getting results in the world market takes time, and requires a lot of persistence or resilience. It can take a year or more to make the first sale”.

“International managers should be able to quickly network with others - because networking, even at the elementary level of obtaining vital information, speeds up marketing and sales processes. Linguistic skills definitely help. If you speak in the customer’s language, he is happier; and you get a better grasp of what he wants”.

Cultural Conundrum

“When you acquire a company overseas, one of the basic questions that must be answered is: what will and what will not be integrated? Cultural integration is one of the major problems, which has contributed to the failure of mergers, such as those of Nissan and Renault, and Daimler Chrysler”.

“At Tata Motors we have initiated a two-way, instead of a one-way, flow of people between our companies. Our philosophy is that if we acquire a company in Korea we would like it to be managed as a Korean company and therefore would not like to have our top executives here remote-controlling the company there. We may depute some Indian managers for some key roles there, but by and large we depend on the local managers. We need to understand the spirit as well as letter of the laws in different countries in which we operate - whether they be related to social security, employment or unions. And we need to apply
local laws, including wage regulations, to Indian expat managers in those countries.

Holistic HR

"In the last decade, two kinds of shifts have happened in HR. One is the kind of people coming into HR, the other is the kind of things they do.

"Earlier, all that HR was involved was being close to the top boss, and sort out problems, mostly related to labor or union or external environment management. The HR manager’s knowledge about overall business was very limited. Today’s HR professionals are far more business savvy. That gives them better visibility and credibility in the enterprise”.

"Earlier, HR work was mostly related to compliance or minimum requirements. Today much of the work is done with an employee point of view, including development, and the management of culture and environment. It’s more high-end work. Earlier we did a lot of administrative work; today we continue to do that, but are slowly moving into change management and strategy”.

New Definitions

"Most companies, through different methods, are trying to create a sense of ownership and pride in the organization. The definition of loyalty has undergone a change. Earlier, loyalty meant that a person joined and retired in the same organization. Today I would say that a loyal employee
is one who stays with me for four to five years, works diligently, gives results and contributes to the wealth creation of the company - till the last day that he is with the company. He must also leave in a non-acrimonious manner. Today the world has become so small you never know when you will bump into each other again. So, whatever the period a person is with the company, both employee and company would like it to be in a productive relationship”.

“Last but not least, HR will have to help employees arrive at the proper work-life balance. Surveys have shown that work-life balance is a major issue in a global economy. Rapid technology changes are forcing people to run harder to stay in the same place, and with husband and wife both working, the pressure on the social side mounts. Many organizations have already started looking at flexi time as an option. But talking about such an option is easier than implementing it. For example, where you have a large number of indirect and direct employees on the same shop floor, how do you manage an interface? There are two ways one can look at flexi time. One way is to allow flexible timings. The second way involves another type of flexibility where an employee does not work for a fixed number of years but takes up interesting assignments in his or her area of specialization, as and when they are available. Both these options are increasingly being exercised. Both options will grow further in the future”.

“Does money matter? People often talk of satisfaction and money on the same continuum. I personally feel that they are two different dimensions. Just because somebody has money does not necessarily mean
he has job satisfaction - and vice-a-versa. Obviously, given a choice one would like to have both money and satisfaction. We often attach a certain value to job satisfaction when we make career or job choices. As income levels rise, people will increasingly give greater weight to job satisfaction in the money-job satisfaction trade-off. In this context, the ethics and values of an organization will also help tilt the balance in favour of companies and groups like the Tatas, which put a high premium on corporate governance”.

Service with a Smile

Yogi Sriram, Senior VP, Human Resources, Indian Hotels (a Tata Company) States:

“People are the soul of the hospitality industry. Their aim is to provide guests an experience that makes them want to come back repeatedly. As our guests travel more, they savour varied environments all over the world, and become savvier and more demanding; the services we offer will also have to become more sophisticated, innovative, personal and consistent. What this portends for the HR function is a strong focus on learning and development for operational excellence; delivering and surpassing brand service standards.”

“Our HR vision at the Taj, is visualized as a pyramid with three layers: leadership behavior, organization building and operational excellence. The bottom layer is operational excellence. The initiatives taken in this area ensure that our basic HR processes are strong. This will continue to be an important part in the future but will be enhanced through technology.”
"The next layer is organization building. This involves implementing initiatives relating to development, to high potential programmes such as the Taj Emerging Leader programme and initiatives that focus on the induction of new trainees. A critical issue facing the Taj is attrition of talent from generation Y. Our strategy is to constantly try to attract and retain potential consummate hoteliers."

"The top layer of the pyramid is about coaching of the leadership team and focusing on well thought out initiatives to motivate and energise the work force. Our vision for the Taj is to create a culture where managers are responsible for motivating their people, in a fully automated environment; where line managers feel empowered and compelled to work on succession planning, career planning and appraisals. This assumes great importance because I see the role of HR changing significantly in the future. While today it focuses on operational issues, it will migrate to serving the role of a strategic partner in the enterprise. This means delivering initiatives in the upper two layers of the pyramid, at the hotel HR department level. There will be a lot more emphasis in the coming years on serving the very aggressive growth plans of the Taj than about managing the here and now. At the Taj, HR is already becoming more oriented towards building the organization for growth. It is creating a foundation for moving from strong people basics such as performance management systems and recruitment systems to focusing on talent acquisition and providing value in terms of preparing the organization for change and working with the leadership teams as a coach. A priority for us is to increase the synergy
between our HR, learning and development, and business excellence teams. This troika is for ideas, thoughts, and initiatives and for our people to move seamlessly between these change catalysts.”

Industry Challenges

“The biggest challenge for the hotel industry today is attracting and retaining talent. The reason: the hospitality sector is growing at a ‘never before rate’ and unfortunately the hotel industry has many competing career options for younger people. In fact, a career in the hospitality sector figures at the bottom of the heap for career choices, particularly at the B-schools. The story is no different in the US. The toppers of hospitality MBA courses in top institutes prefer merchant banking and consultancy as a career. In India, the problem is more complicated because the entire service sector is growing rapidly, contributing nearly 52 per cent to the GDP growth. The opportunities available in competing sectors like real estate, retail, airlines and BPO services and other spaces pose a real challenge for us.”

“But I see this as a great opportunity for creativity in devising HR policies to stay ahead of competition and attract the talent that we require. There is a big opportunity because half of India’s population is under 25 years of age. This is good news since generation Y is on the increase. Generation X has to learn to feel more energized in a culture that keeps us on our toes, with younger colleagues challenging the status quo or nibbling away at the ankles of those who follow outdated mindsets and are archaic in their patterns of thinking. The long hours of work that is customary in the hospitality sector is a deterrent in an age where
younger people are getting more conscious about work-life balance. And for some, working in a hotel may be less intellectually stimulating than working in a bank or an FMCG. But for people who value brands and style, who want to develop EQ and a social radar this is an exciting industry to work in. At catering college campuses, Taj is reiterating the excitement of a career in hospitality. This is necessary even at hotel management institutes, where a sizable number are lured away into alternative career options. We are doing this by presenting our top managers as role models who have built a successful career as hoteliers. We plan to reinforce the message to potential employees about the joy and excitement of working in the hospitality industry, particularly at the Taj which has an enormous brand pull. We plan to reposition careers in the Taj as opportunities where employees get to travel, meet interesting people, and experience the thrills of a job that keeps an individual active, personable, confident and smart!"

Bending Career and Work Paradigms

"Work-life balance and joy at work are important value propositions for the current generation. They also look for quicker and smarter opportunities for monetary gains. They would probably plan their career so that by the age of 40, they have a house, a car and enough financial independence to think of an alternative career such as becoming entrepreneurs or self-employed professionals. This is happening even today to some extent but the tendency of zipped careers will increase in the years to come."
“People are getting increasingly conscious about the personal space that they need for themselves and will look for jobs that give them space and time for their hobbies, community work or adventure sports. And this is the real challenge that the hotel industry faces. The reality is that because this is a 24x7x365 industry, and an hotelier has to be on stage all the time, they get relatively less space and time for pursuing their personal life interests. People say that this is the nature of the industry, and it is not likely to change. But the time has come to bend this paradigm. Can we create innovative work patterns and practices that can accommodate the aspirations of our employees while meeting the needs of our guests? Can we learn to work with more professional resources who are retained on contracts? Perhaps we also need to hone our selection procedures so that we are better at identifying the kind of people we need - people who see joy at work and who have passion for delighting the guests.”

**Future Perfect**

“The Taj is an exciting place to be in. It is a 105-year-old organization steeped in great values and traditions. But to change, to keep up with the times is a must and preserving a rich heritage of patiently nurtured values while embracing the practical realities of a competitive world is an interesting enigma for the leadership team to deal with. And this balance is particularly important to achieve while the Taj expands into the international arena even while increasing domestic dominance.
We have great potential for leveraging the brand promise of the Taj as a preferred employer, because it is a great place to be in and to usher in the future."

d. Tatas Learning from their HR Experience

For a group of the size of Tatas even to think that they need to reengineer their HR practices is something. The fact that they have applied their mind to it and are using international consultants to achieve the same and the fact that they want HR practices to be business oriented speaks volumes for their commitment to Human Resources Development.

Important issues emerging out of the three representative Tata companies taken: TCS, Tata Motors, Indian Hotels, are listed in Chart – 2.1. One is in software, another is in old economy (manufacturing) and the third is in service industry.
### Chart – 2.1
**HR in Tatas**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Issue</th>
<th>Processes</th>
<th>Challenges</th>
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<tbody>
<tr>
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<td><strong>Work-life balance</strong></td>
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<td><strong>Tata Motors</strong></td>
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<td></td>
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<tr>
<td><strong>HR has to play a major role in identifying competencies and skills required for international managers; creating different touch points for creating awareness and exposure; sending people for training programmes and international workshops</strong></td>
<td>Rising expectations of youngsters. They want rapid growth. They also expect the work environment to be open and non-hierarchical, which empowers rather than shackles them with rules and regulations. For a large organization to have this kind of culture without sacrificing the benefits of systems and processes is a big challenge.</td>
<td></td>
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</tr>
</tbody>
</table>
### Global attributes

*There are three attributes of a global manager — core competency, cultural adjustment and functional knowledge.*

### Cultural conundrum

*International managers should be able to quickly network with others — because networking, even at the elementary level of obtaining vital information, speeds up marketing and sales processes.*

### Holistic HR

*We may depute some Indian managers for some key roles there, but by and large we depend on the local managers.*

*Earlier, HR work was mostly related to compliance or minimum requirements. Today much of the work is done with an employee point of view, including development, and the management of culture and environment. It’s more high-end work. Earlier we did a lot of administrative work; today we continue to*
<table>
<thead>
<tr>
<th><strong>New definitions</strong></th>
<th>Today a loyal employee is one who stays with me for four to five years, works diligently, gives results and contributes to the wealth creation of the company - till the last day that he is with the company. He must also leave in a non-acrimonious manner. Today the world has become so small you never know when you will bump into each other again.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indian Hotels</strong></td>
<td><em>People are the soul of the hospitality industry.</em></td>
</tr>
</tbody>
</table>
Our HR vision at the Taj, is visualized as a pyramid with three layers: leadership behavior, organization building and operational excellence.

At the Taj, HR is already becoming more oriented towards building the organization for growth. It can we create innovative work patterns and practices that can accommodate the aspirations of our employees while meeting the needs of our guests.

The Tata group is therefore having a fresh look at its HR practices from every angle.

2.3 Learning from Best Employers in India

"It is not the cash that fuels the journey to the future, but the emotional and intellectual energy of every employee." - Gary Hamel and C.K. Prahalad in Competing for the Future

BT-Noble & Hewitt Best Employer Study was conducted in 2005 to find out which Indian companies had really charged the ‘emotional and intellectual energy’ of their managerial employees and how they were doing it. One hundred and fifty five companies had responded to their request for data. The resulting honors list is a unique mix of blue chip companies that compete globally, and the subsidiaries of transnationals,
whose policies are, per force, adapted to local conditions. The performance of the companies in the honors list is significantly better than that of other companies in the same industry.

This honors list has a large representation of hi-tech companies, perhaps because this is one industry where 'talent' is at a premium and where the demand for this precious commodity cuts across borders. The common characteristics that stand out among the winners: high employee-satisfaction levels, HR practices, and the CEO’s commitment to people.

The Honors List
1 Infosys
2 P&G
3 H-P
4 ICICI
5 Hughes
6 LG
7 HLL
8 Compaq
9 Asian Paints
10 BPCL

Not surprisingly, the rankings show that it does not matter what industry you are in as long as you care for people and realize that they are your most critical resource. A caveat: One winning characteristic alone will not create a great place to work; that requires a combination of
practices and their alignment with business processes. The highlights of the study are:

**Pride in the Company**

Employees of the Best Employers display a tremendous pride in what their company does and in its products and services. They also believe in its future prospects. Few have negative things to say. For the most part, they are excited enough to narrate ‘happy’ stories. The word ‘fun’ is frequently used.

**Faith in Leadership**

Employees of Best Employers admire their leadership for making them feel ‘safe and well-led.’ *Leadership in these companies tends to have a key impact on culture.* And, the vision and mission statements of these companies articulate a commitment towards employees. **The satisfaction levels in companies where CEOs spent a high proportion of their time on people issues is higher than in the rest.** The leaders of these companies respond faster to employee needs and, in some cases, actually know most people by name.

**Living their Values**

*The culture at these companies did not evolve by accident. It developed from carefully thought out processes, a conscious set of decisions, and the selection of specific policies and procedures.** Best Employers also inculcate and reinforce desired behavior through training and recognition.
Openness

Best Employers are, essentially, open to anything. They provide latitude to all employees to voice opinions, be heard, and feel valued. Everybody is accessible regardless of seniority, level, function, or ‘aura.’ Flexibility in an age of phones, faxes, e-mails, modems, laptops, and internet, is hardly new. Nevertheless, it is surprising how only the Best Employers really seem to be practicing flexibility, even if is only informally. Most of these employers have taken their eyes off the clock. Swipe cards are more a function of security and admin concerns. Telecommuting and flexi-time are used effectively in these companies: it is up to the employee to manage time and meet deadlines.

Using Technology to Make a Difference

Best Employers tend to use technology to enhance their people processes. In some cases, HR portals and an intranet facilitate and customize processes for each employee. These make communication - of events, news, achievements, and job postings - instantaneous. Access to information is easy in these companies and based purely on the ‘need-to-know’ principle. Technology also makes self-paced learning possible. Besides, an intranet helps address small administrative issues, which often end up being the biggest irritants. Finally, in large organizations, getting to know people is easier if you can see their pictures online. Holistic Approach to Life, and Thoughtful Pay and Perks are fine, but it isn’t enough. Best Employers accept that employees have a life. They also value long-term relationships with their people. Hence, they provide for considerable benefits over and above pay. They realize that employees
could have children and require child support and day care while they work. People like to take time off and it helps to have your company facilitate travel and accommodation. Employees like to have fun with their families, so Best Employers include the family while celebrating

**Engaging Work Opportunities and Rewards**

Best Employers believe in providing significant responsibility early on. They also give employees the freedom to take decisions. Mistakes are seen as opportunities. Information on advancement opportunities is always available and employees are free to plan their careers. Employees are also encouraged to do it themselves if they believe 'something is missing' or 'there is something more to be done.' And the organization supports them in every way. Best Employers also use unique ways of encouraging and rewarding their people. Immediate recognition is widely practiced; large-scale celebrations of achievements are frequent; and performance-based pay is more often than not, the norm.

**Equality**

Best Employers believe that benefits are not level based - every employee has housing needs, or medical needs, for instance. These companies provide equal access or access as per need - and not based on a position in the organizational hierarchy. Best Employers are also conscious of gender equality and tend to manage the demographics of their employee population. They also ensure equal opportunity for all.
Employee-oriented Work Environment

Best Employers boast great work environments. Facilities - training centers, conference rooms, gyms, green areas, ATMs, travel desks - are readily provided to all. The Best Employers view harassment and discrimination seriously - some have articulated policies to deal with these issues.

Sharing with and Learning from Others

Best Employers tend to be confident - but not complacent. They are happy to share what they are doing with others. If it's something which benefits someone, they reason, 'why not tell the world about it?' They are also constantly on the lookout to learn things from others. Employees are encouraged to share what they know. These organizations also work with 'knowledge centres' - academic institutions or consulting firms - to learn more. Best Employers tend to use phrases like 'we changed this just last year' or 'we are working with ... to create this,' or 'there is a task force for this.' Their practices clearly reflect a freshness of thought.

Everyone is HR

Employees are drivers of HR at the Best Employers. Top management and HR are facilitators. Employee needs dictate policies and practices.

Contribution to Society

Best Employers encourage employees to be good citizens and be involved in community activities. Most companies have employees voluntarily creating contribution schemes for specific causes. And
conserving the environment is something that all Best Employers are concerned about.

2.4 Conclusion

It can be seen that all good employers are making a conscious decision to improve and enhance their people processes. Some like the Tatas have enduring values, which help. Other get their people processes from international contact. Some have the advantage of good and charismatic leadership.

Whatever be the reason, improving people processes are becoming a priority for the top management.

End Notes

1 http://www.tmt ctata.com/hr_initiatives/tata_leadership.htm accessed 30.10.06


3 http://www.tata.com/0_our_commitment/employee_relations/articles/20060824_vision_HR.htm Uploaded on August 28, 2006

4 ibid

5 ibid

6 http://www.larsentoubro.com/students_portal/news01.asp