CHAPTER VII

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FINDINGS, SUGGESTIONS
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7.1 Introduction

The study titled "The Changes in the Orientation of Human Resource Departments in Indian Companies - A Critical Study" was undertaken to bridge the gaps found in the existing literature, with the following objectives:

1. Identify the relative importance of different HR activities.
2. Find out the activities which they feel can be outsourced.
3. Know from them the impact of HR activities on Organizational strategy.
4. Know the expectations of top management from HR.
5. Find out the Internal customer satisfaction of HR departments.
6. Identify the competencies required of HR managers in the future.
7. Track the past, present and future of HR in the old economy companies.

It is indeed gratifying to know that the HR managers of the old economy companies are trying in different ways to cope with the future.

7.2 Major Findings

It is established that the old economy indeed is changing and adapting its HR policies to be globally competitive and to compete for Human resources with the new economy.
The entire discussion has been narrowed down to major findings. They are presented as under:

**F1. The priorities of HR in the old economy has changed (Table no: 4.1 and 4.7)** from collective issues, labor issues, union issues, disciplinary issues to Human resources development issues.

**F2. HR managers of the old economy are willing and open to Outsourcing.** (Table No: 4.8) The areas they would like to outsource have been identified. There is a felt need for doing the activities which can be claimed as fairly advanced level HR practices (for the old economy companies). They also realize that routine activities like salary administration are best done through outsourcing rather than doing it in-house. The only area that HR managers don’t want to outsource is collective issues.

**F3. The role of the line manager (in the old economy companies) is increasing in HR.** (Table No: 4.12) The implication is that the operational part of HR is slowly shifting out of HR.

**F4. HR managers in the old economy are aware of the HR factors that influence organizational strategy (Chart No: 4.3).** They are today thinking in terms of organizational strategy which they were not thinking earlier.

**F5. It is clearly established that the number of persons in HR is shrinking.** (Table No: 4.13) Linking this with the responses to outsourcing and the increasing role played by the line manager,
we can say that HR is moving from an operational level to more strategic and developmental roles in the old economy.

**F6.** The data reveals that the status of HR in organizations is going up as the highest designation of the HR function is going up. (Table No: 4.14) This is in line with the fact that HR wants to influence organizational strategy and wants to outsource routine work and move operational work to line managers.

**F7.** That the status of the HR professional in the old economy is going up is further confirmed by the fact their compensation vis-à-vis other executives in the organization is going up, clearly indicating the move towards strategic HR (table No: 4.15)

**F8.** The significant changes in the expectations of the top management from viewing HR as labor-welfare to strategic partnership is clearly shown. (4.3.4) There is a paradigm shift in the expectations; the finding is that the expectation from the top management is changing - which means the HR in the old economy is moving from mere operational work to becoming a strategic partner in business.

**F9.** HR has to go some more distance in satisfying its internal customers. The internal customer satisfaction is around 60-74%. There is scope for improvement in this score. (Table No: 5.1)
F10. The study has been able to clearly identify the new competencies required of the HR managers. This is a significant finding as no such study exists to the country delineating the competencies required. (Chart No: 5.1)

F11. The study has been able to identify the changing trends in HR in the old economy - that is moving from maintenance, to mobilizing to strategic partner role. (Chart No: 5.2)

These are considered to be significant findings because they establish the following;

a. HR in the old economy is changing.

b. It is changing as per worldwide trends

c. It is moving towards more sophisticated HR practices.

The study has addressed all objectives it set out for itself.

7.3 Suggestions and Recommendations

HR professionals in the old economy are changing and want to change. As India moves into the centre stage of the world economy the need for excellent HR practices is paramount. Old organizations have to reengineer their HR as per the expectations of the market and business.

Based on the findings of the study the following recommendations to the HR professionals of the old economy are advanced:

1. HR professionals have to move out from HR oriented activity to business orientation.
2. HR professionals have to constantly upgrade themselves with the best practices in India and abroad.

3. HR associations should stop their fixation with different sectors and move into one single organization to best represent themselves.

4. These associations should go for certification of HR professionals in the lines of other professional bodies to meet the challenges of the future.

5. It is advisable to start a national level training body for the competency development of HR professionals; the training is now fragmented by different associations.

6. HR professionals have to become IT savvy and integrate with ERP systems.

7. They have to develop a business orientation and align with business objectives.

8. They have to find ways and means to outsource non valued adding repetitive activities.

9. They should develop a global perspective.

10. They should strengthen their professional associations by actively participating and contributing to them.

11. They should involve themselves with academic institutions to develop their profession's theory.
7.4 Scope for Further Research

More research is required on how the HR manager spends his time as the data from this research is insufficient to come to any conclusion.

7.5 Conclusion

HR in the old economy (specifically manufacturing and engineering) requires a complete turnaround if it has to survive as a function. Priority has to be given to Performance management, Talent acquisition, Measuring HR performance, Leadership development, Benchmarking HR activities, Potential assessment, among others. Technical activities like Compensation surveys, Psychometric testing, HR audit, Attitude surveys and standardized routine activities like Salary administration is best outsourced. The HR professional's time is now being spent more on development and maintenance activities. HR time should move towards strategic activities. The line manager is increasingly getting involved in HR decisions and hence he needs to be properly trained and supported. As the number of persons in HR is reducing, it is better to outsource routine and specialized work. The status and compensation of HR executives is increasing and it will continue to do so if HR aligns itself to Business processes and outcomes. The Top management expects HR to impact the bottom line. The internal customer satisfaction of HR is moderate and needs to be improved. HR in the future has to move to strategic and facilitating role.
The New competencies required of the HR managers are: Finding out new ways and means to retain talent; new methods to assess effectiveness of training imparted and also methods to find out the gap between knowledge available and required for each role; creating HR value for business; facilitating organizational change and transformation. Chief executives expect HR to impact bottom line by involving themselves as strategic partners in business.