Chapter-6 - Findings and recommendations
### INDEX-CHAPTER 6

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>TOPIC</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Introduction</td>
<td>209</td>
</tr>
<tr>
<td>6.2</td>
<td>Background</td>
<td>209</td>
</tr>
<tr>
<td>6.3</td>
<td>Objective</td>
<td>209</td>
</tr>
<tr>
<td>6.4</td>
<td>Hypothesis</td>
<td>210</td>
</tr>
<tr>
<td>6.5</td>
<td>Comparison before and after SHRM implementation</td>
<td>211</td>
</tr>
<tr>
<td>6.6</td>
<td>Comparative analysis of the five surveys conducted at DFPCL (1997 to 2006)</td>
<td>212</td>
</tr>
<tr>
<td>6.7</td>
<td>The findings and recommendations from the implementation of the BSC</td>
<td>216</td>
</tr>
<tr>
<td>6.8</td>
<td>Impact of SHRM on sales and profit figures</td>
<td>218</td>
</tr>
<tr>
<td>6.9</td>
<td>Role of HRD audit in business improvements</td>
<td>228</td>
</tr>
<tr>
<td>6.10</td>
<td>Conclusions</td>
<td>229</td>
</tr>
<tr>
<td>6.11</td>
<td>Dimension for future research</td>
<td>229</td>
</tr>
</tbody>
</table>
6.1 Introduction:
This chapter gives the findings and recommendations of the research on Strategic HRM in manufacturing sector-case analysis- Deepak Fertilizers and Petrochemicals Ltd. Since two tools have been used for this research namely the HRD audit and the Balanced Scorecard the findings and recommendations have been divided into two parts and the findings of each tool has been given separately. Areas of recommendations which are common in both the tools have been highlighted at the end of this chapter.

6.2 Background:
In this study the researcher has tried to establish a linkage between the impact of SHRM processes over the performance of the employees at DFPCL. During the period of 1997 to 2006 various ODI interventions were introduced in DFPCL. The HRD audit was conducted in the year 2006 after the implementation of the SHRM processes. Keeping these aspects in mind a pre-implementation and post implementation comparison has been made to study the impact of the various SHRM processes on the performance of the employees of DFPCL.

The research has been approved by the management of the organization. The research data contains a lot of confidential information about the organization and also copyright data presented by Hewitt associates.

6.3 Objectives:
1. To study various SHRM processes in DFPCL:
DFPCL implemented SHRM processes like performance management system by using the balanced scorecard, competency mapping, compensation restructuring, role consolidations etc from the year 2004. These SHRM processes were implemented to align the HR strategy with the organizational strategy. The first objective of this research was to study these SHRM processes.
2. To compare the outcome of various SHRM interventions in DFPCL:
Since the SHRM processes were implemented for the first time the objective of this research was also to study the impact of various SHRM processes and compare their outcome. Implementing SHRM process like competency mapping, role consolidation, performance management processes etc. changed the way traditional HR processes operated. It also changed the perception of the employees about the role of the HR department.

3. To study the impact of the implementation of strategic human processes of DFPCL in improving employee performance at DFPCL:
The implementation of SHRM processes had a positive impact on the financial performance of DFPCL. This was because the SHRM processes impacted the organizational performance and processes. The Balanced scorecard aligned employee performance with the organizational performance. Hence whatever was forecasted in the corporate scorecard was achievable.

6.4 Hypothesis:
The hypothesis of the research on strategic HRM states that:

1. Implementation of strategic HRM processes in Deepak Fertilizers and Petrochemicals has positive impact on the HR processes of this organization.
2. Implementing Strategic HRM processes in DFPCL results in improvement of employee performance.
6.5 Comparison: Before SHRM implementation vs. after SHRM implementation.

Before the SHRM Implementation:
The Eicher Survey and the Hewitt focus group survey was conducted before the implementation of SHRM in DFPCL. The results of the diagnostic conducted by Hewitt in July 2004 were consistent with the Culture Survey Analysis conducted by Eicher in 1997. This shows that there has not been any change in employee perceptions and satisfaction levels on the various HR processes at DFPCL from 1997 till 2004.

- In the area of Job Content, Satisfaction with Job Content was seen to be moderately high in 1997. It further reduced since due to lack of role clarity and lack of proper workload analysis post SAP in 2004.
- HR Systems, Processes and Policies were not working very well due to lack of proper implementation and communication.
- Lack of adequate and timely communication, transparency and feedback is the root cause for many of DFPCL’s problems.

Data analysis and recommendations:
The analysis of data in Chapter 4 and 5 covers the survey conducted by internal and external agencies. The table below gives a comparative analysis of the five surveys conducted at DFPCL and shows the gradual improvement in various HR processes:

The surveys covered in this comparison are:
- Culture survey by Eicher - 1997
- Focus group report conducted by Hewitt - 2004
- Post OD interventions feedback-2005
- PMS Survey feedback-2006.
- The HRD audit conducted by the researcher in 2006
6.6 Comparative analysis of the five surveys conducted at DFPCL (1997 to 2006): The researcher has compared the trends seen through all the surveys through the comparison of awareness, opinions, factors causing satisfaction/dissatisfaction over different HR processes and also made a comparative evaluation of policies/practices.

Note: Out of the 5 surveys taken for comparison 4 surveys have been conducted by external agencies and the HR department of DFPCL. Hence the variables selected for these surveys are different. Hence some variables may not be comparable over all the 5 surveys.

Table 11: Comparative analysis of the five surveys:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Methodology (for data collection)</td>
<td>Survey</td>
<td>Focus group</td>
<td>Questionnaire</td>
<td>Questionnaire</td>
<td>Audit</td>
</tr>
<tr>
<td>% of response</td>
<td></td>
<td>Focus group</td>
<td>86%</td>
<td>65%</td>
<td>54%</td>
</tr>
<tr>
<td>1. HR Policies of the organization.</td>
<td>not measured</td>
<td>Dissatisfied</td>
<td>not measured</td>
<td>Has improved</td>
<td>Has improved</td>
</tr>
<tr>
<td>2. Strategy and customer focus</td>
<td>59/100</td>
<td>adequate</td>
<td>4.1/5</td>
<td>Needs improvement</td>
<td>Has improved</td>
</tr>
<tr>
<td>3. Work environment and infrastructure</td>
<td>63/100</td>
<td>Dissatisfied</td>
<td>3.4/5</td>
<td>Has improved</td>
<td>Has improved</td>
</tr>
<tr>
<td>4. Responsiveness of the HR staff</td>
<td>not measured</td>
<td>Ineffective</td>
<td>not measured</td>
<td>Has improved</td>
<td>Good</td>
</tr>
<tr>
<td>5. Training and development</td>
<td>not measured</td>
<td>Dissatisfied</td>
<td>not measured</td>
<td>not measured</td>
<td>Good</td>
</tr>
<tr>
<td>6. Performance appraisals</td>
<td>32/100</td>
<td>Dissatisfied</td>
<td>Has improved</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>7. Remuneration and incentives. (includes compensation)</td>
<td>37/100</td>
<td>Dissatisfied</td>
<td>3.2/5</td>
<td>not measured</td>
<td>Fair</td>
</tr>
<tr>
<td>8. Rewards and recognition</td>
<td>44/100</td>
<td>Dissatisfied</td>
<td>not measured</td>
<td>fair</td>
<td>Fair</td>
</tr>
<tr>
<td>9. Promotions and career development</td>
<td>28/100</td>
<td>Dissatisfied</td>
<td>not measured</td>
<td>Needs improvement</td>
<td>Fair</td>
</tr>
<tr>
<td>10. Personal and organizational values</td>
<td>not measured</td>
<td>not measured</td>
<td>not measured</td>
<td>not measured</td>
<td>Not measured</td>
</tr>
<tr>
<td>11. Motivation and welfare.</td>
<td>not measured</td>
<td>adequate</td>
<td>not measured</td>
<td>not measured</td>
<td>Fair</td>
</tr>
<tr>
<td>12. Communication</td>
<td>36/100</td>
<td>inadequate, ineffective</td>
<td>not measured</td>
<td>Needs improvement</td>
<td>Needs improvement</td>
</tr>
<tr>
<td>13. Leadership style</td>
<td>52/100</td>
<td>inadequate, ineffective</td>
<td>3.5/5</td>
<td>not measured</td>
<td>Fair</td>
</tr>
<tr>
<td>14. Interpersonal relationship</td>
<td>66/100</td>
<td>Good</td>
<td>3.4/5</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>15. Quality of life</td>
<td>66/100</td>
<td>Fair</td>
<td>not measured</td>
<td>not measured</td>
<td>Has improved</td>
</tr>
</tbody>
</table>
Table 11: Comparative analysis of the five surveys:

Table 11 above gives the comparison of all the five surveys conducted at DFPCL namely the Eicher survey -1997, the Hewitt pre implementation survey conducted in August’04, post ODI implementation survey conducted in 2005, PMS Survey feedback in 2006 and the HRD audit conducted by the researcher in 2006. To review each of the dimensions that have been compared:

1. HR policies at DFPCL: During the focus group meetings conducted by Hewitt in August’04 a lot of employees expressed their dissatisfaction over the HR policies of DFPCL. However during the PMS survey feedback conducted and HRD audit in 2006 post the implementation of strategic HR process employees have expressed that they have seen visible improvements in the HR policies of DFPCL.

2. Strategy and customer focus: Strategy and customer focus was not measured during the initial surveys however during the PMS survey feedback conducted and HRD audit analysis in 2006 employees have expressed that the customer focus of DFPCL has eventually improved over the years. So also employees said that they have a better understanding of organizational strategy in 2006 due to the implementation balanced scorecard method of performance management.

3. Work environment and infrastructure: has gradually improved as depicted by the scores of the surveys from 1997 to 2006. Employees felt that the management team of DFPCL had become more approachable.

4. Responsiveness of HR staff: During the focus group meetings conducted by Hewitt in August’04 a lot of employees had openly commented that the HR was ineffective and the HR staff was not responsive to the employee needs. As against this perception during the PMS survey feedback and HRD audit in 2006 employees had expressed that the HR staff was very responsive and approachable and the HR department was seen as a strategic partner by them to help them achieve their performance target. This is a great shift in the paradigm about the HR department and its functions.

213
5. Training and development: During the focus group meetings conducted by Hewitt in August’04 a lot of employees had expressed that the training was absent and ineffective. Since DFPCL introduced competency based training programs in 2006 the effectiveness of training and development gradually improved and helped the employees improve upon their competency gaps.

6. Performance appraisals: During the Eicher survey performance appraisal process scored low with a score of 32/100. So also during the focus group meetings conducted by Hewitt in August’04 a lot of employees were dissatisfied with the existing performance appraisal processes. However with the PMS survey and HRD Audit survey employees were satisfied with the new balanced scorecard based performance management process. They felt that the appraisal process then was more transparent than the previous years and it also helped them identify with their contribution for overall business improvement and organizational strategy.

7. Remuneration and incentives: During the Eicher survey remuneration and incentives schemes scored low with a score of 37/100. So also during the focus group meetings conducted by Hewitt in August’04 a lot of employees were dissatisfied with the existing compensation and benefits policy. They felt that there was a lot of discrepancies in the existing salary structure and there was not much of a difference between the good performers and the average performers. However with the compensation restructuring exercise conducted during 2006 a lot of these discrepancies got addressed as a matter of which employees were satisfied with the remuneration and incentive schemes. The new compensation structure actually differentiated between the top performers and the average performers.

8. Rewards and recognitions: Since additional rewards and recognitions were introduced during the year 2006 to recognize top performers outstanding achievements employees were satisfied with the rewards and recognition processes.

9. Promotion and career development: During the Eicher survey promotions and career development scored the lowest with a score of 28/100. So also during
the focus group meetings conducted by Hewitt in August ’04 a lot of employees were dissatisfied with the existing promotion policies and they felt that the promotions were more based on relationships rather than merit. Since the new promotion policy was introduced in 2006 the satisfaction over this aspect during the HRD audit was rated fair.

10. Personal and organizational values: This aspect was not measured in any of the surveys since the focus of the management was more towards strategy. The management believed that once the strategy is in place the next year could be dedicated to the concept and promotion of organizational values.

11. Motivation and welfare measures: This aspect was measure only during the HRL audit and rated fair.

12. Communication: Communication was always a low scoring parameter in DFPCL and even during the Hewitt focus group discussions as well as the HRD audit it scored low. Employees felt that transparency was lacking in management communication.

13. Leadership style: this aspect has scored well in all the surveys and it can be commented that the employees of DFPCL have liked the leadership style of the MD and the top management.

14. Interpersonal relationship: has been a strong link of DFPCL due to the personal bonds between the employees and the long average age of employees. It scored high in all the surveys.

15. Quality of life: being a traditional manufacturing set up employees of DFPCL enjoy the quality of life at DFPCL as depicted by the high score during the Eicher survey (i.e. 66/100) and consistently by the HRD audit conducted by researcher.

Conclusion:

By the comparative analysis of all the 5 surveys it can be concluded that the HR processes in DFPCL have gradually improved over the years during which the SHRM processes were implemented. More significantly during the implementation of the BSC
by Hewitt associates. The implementation of SHRM processes at DFPCL has also improved the perception of employees about the HR department and its functions.

6.7 The findings and recommendations from the implementation of the BSC:
Overall the study provides the actual picture of how the HRD function at DFPCL has gradually matured over the years through the implementation of various SHRM initiatives and commitment from the HR department and the top management of DFPCL. After the introduction of SHRM processes like balanced scorecard, role consolidations and competency development the employees of DFPCL have been able to align their performance to the organizational performance. The BSC framework at DFPCL has enforced a discipline around strategy implementation by challenging executives to carefully translate their strategies into objectives, measures, targets and initiatives in four balanced perspectives: Customer, Internal Processes, Learning and Growth, and Financial. The review of literature proves that the alignment between business strategy and HR strategy will improve organizational performance and competitiveness. BSC has helped DFPCL align its business strategy with HR strategy. It has helped the organization in overcoming two fundamental problems: effectively measuring organizational performance and successfully implementing strategy.

The implementation of SHRM processes in DFPCL has helped the organization to become globally competitive because:
- Aligning organization structure with business strategy; ensuring there is role clarity and clear understanding of the expectations from functions / teams / individuals has improved the alignment of employees towards the organization strategy.
- Performance oriented culture has been built by ensuring complete alignment of individual performance with business / corporate objectives
- Compensation restructuring at DFPCL has been based on industry benchmarked data to assess competitiveness of employees at different levels and the new compensation structure has been introduced to promote competitiveness.
Implementing the SHRM processes, prima facie the Balanced scorecard has been able to impact the performance of DFPCL in the following ways:

1. Building organizational capability
2. Improving employee performance management
3. Positively impact the sales and profits
4. Improving the operational excellence.
5. Improving the employee satisfaction level.
7. Improving the employee competency levels- i.e. individual capability building.

Each of these points have been further explained as follows:

1. Building organizational capabilities-

   The implementation of the BSC method of performance management has been able to contribute positively to the organizational performance by building organizational capabilities as the principal source of sustainable competitive advantage. As the market for various resources are subjective to dynamic competitive conditions, ‘knowledge’ is the most strategically significant resource for the organization. The knowledge of the organization rests in its people. So also for DFPCL this approach has proved beneficial considering the high average life span of its employees.

   Implementation of SHRM has helped Deepak fertilizers build the organizational capability and create its value proposition. The organization has been able to build up its organizational capability by creating performance focused organization towards profit maximization for increased shareholders returns. BSC has been able to create continuous capability enhancement in process management, strategic management, business orientation and supply chain management.
2. Improving Employee Performance Management:
Performance management has been an area of concern for the employees of DFPCL since 1997 as per the Eicher survey report. Post Hewitt survey and after the implementation of the BSC the employees have expressed that there has been significant improvement in the performance management process of DFPCL. Since individual targets of the employees were clearly defined through the individual scorecards. The key result areas and the routine responsibilities of individual employees were aligned to the organizational goals. Employee performance could be easily tracked, monitored, and reported regularly to stakeholders. Hence the performance management processes were more transparent after implemented the BSC.

The BSC reflected financial and nonfinancial measures that balanced between leading and lagging indicators of performance. BSC aligned organizational performance to individual performance. Since the Key result area was aligned closely with the top management goals and objectives, whatever was described in the BSC was achievable. The BSC of DFPCL was tailored to meet business needs of each business, division, and/or location after implementing the new business structure and strategy. The new business strategy was cascaded down till the bottom most layer of the organization hence all employees are aligned with the organization goals clearly.

This improvement in employee performance in turn impacted the overall business performance of DFPCL and the bottom line of the organization. Hence SHRM contributes to improving the bottom line of the organization as attributed to the YOY growth of the financial results.

3. Impact of SHRM on sales and profit figures:
The financial performance and the sales and profit figures for DFPCL from the year 1996 to 2006 has been provided in the table below:
Table 12: Sales and profit figures for DFPCL:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in crores)</th>
<th>Profits (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>275</td>
<td>33</td>
</tr>
<tr>
<td>1996-97</td>
<td>293</td>
<td>33</td>
</tr>
<tr>
<td>1997-98</td>
<td>405</td>
<td>60</td>
</tr>
<tr>
<td>1998-99</td>
<td>509</td>
<td>62</td>
</tr>
<tr>
<td>1999-2000</td>
<td>585</td>
<td>67</td>
</tr>
<tr>
<td>2000-01</td>
<td>473</td>
<td>84</td>
</tr>
<tr>
<td>2001-02</td>
<td>493</td>
<td>66</td>
</tr>
<tr>
<td>2002-03</td>
<td>522</td>
<td>99</td>
</tr>
<tr>
<td>2003-04</td>
<td>471</td>
<td>97</td>
</tr>
<tr>
<td>2004-05</td>
<td>478</td>
<td>112</td>
</tr>
<tr>
<td>2005-06</td>
<td>562</td>
<td>136</td>
</tr>
<tr>
<td>2006-07</td>
<td>833</td>
<td>180</td>
</tr>
</tbody>
</table>
The Hewitt survey was conducted in the year 2004 after which the various OD interventions were initiated at DFPCL. The PBIT for the five years recorded at DFPCL has been increasing significantly every year from 87 crores in 2001-02 to 121 crores in 2004-05. **Business linkage:**

Formula for profit index in a year = Profit for that year / average profit for 10 years

Profit for the year 2004-2005 = 112 Crores

Average profit for 10 years = Total profit / 10 = 713.5 crores / 10

Therefore average profit for 10 years = 71.3

Hence the profit for the year 2004-2005 was higher than the average profit for the last 10 years.


**To quote the newspapers:** Economic times: (March 2005):

Deepak Fertilizers and Petrochemicals Corporation Ltd. (DFPCL) registers its highest ever Profit Before Tax (PBT) of Rs. 112.46 crore, on total revenue of Rs. 500.95 crore for the year ending March 31, 2005. Net profit for the year FY 05 rose by 14 per cent to Rs. 79.75 crore against Rs. 69.72 crore in the previous financial year. For Q4 FY05, sales were eight per cent higher, at Rs. 144.74 crore, against Rs. 134.44 crore for the corresponding quarter of FY04. The Chemicals segment of the company's business remained the primary growth driver for the financial year under review.

**Comments from the MD:** Commenting on the results, managing director, Sailesh Mehta said, "We have re-looked at our operational and manpower efficiencies and introduced ERP systems to ensure integrated and efficient enterprise-wide information and decision making". He added, "The Company is now poised to achieve global standards of productivity and efficiency. A manpower rationalization exercise has reduced the total headcount by 26 per cent".
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220
Hence looking at the financial figures and the YOY sales figures it can be concluded that the implementation of SHRM processes have had positive impact on the performance of DFPCL. However it is difficult to isolate the independent effects of HR on the firm’s financial performance given the multiple influences on firm performance at any point in time. Typically at DFPCL the performance of the organization is dependent on the availability of gas, government regulations, stock market, competitor’s strategy etc. However inspite of these constraints the organization has shown substantial improvement in sales figures since it implemented the balanced scorecard in the year 2004-05.

4. Improving operational excellence:
After the implementation of SHRM processes DFPCL achieved excellence in operational management through plant output maximization, product mix optimization and supply chain optimization. It also aimed for continuous process improvement and stabilization. Supply chain management was established to leverage synergies across product offerings and distribution network. SAP was institutionalized in the daily workflow for MIS (Management information services) purposes. Centralized finance function was established to enable better cost tracking. Excellence in customer management was obtained through R&D support. Operational excellence was also achieved by transferring best practices in customer management across the different product lines.

5. Improving employee satisfaction-
Since the goals of the individual employee is aligned to the organizational goals they are able to see the value of their contributions and also able to relate to the big picture. Hence employees are able to align their performance with the organizational performance which enables them to identify their contributions to the bottom line. During the compensation restructuring exercise the salaries of employees were appraised as per the average industry benchmarks and the differentials in the salary’s thereof were paid to all employees. Since performance based incentive plan was
introduced hi potential employees were rewarded based on their performance. This in turn motivated employees to perform better.

6. Shaping customer and shareholder satisfaction-
Stakeholders determine the success and future of the company. Customer focus is the one of the key parameter of the BSC. Hence the customer needs are addressed better as it is aligned to the organizational scorecard. Since the goals of the BSC are pre-defined and measured, the company’s financial results have also improved after the implementation of this process. DFPCL has been able to improve customer and shareholder satisfaction by providing customer delight through relationship management. The BSC has enabled DFPCL to improve customer relationship through:

- Leveraging and building on DFPCL’s brand equity.
- Enhancing the product/service portfolio to meet higher customer requirements.
- Consolidation and improvement in quality of products and services delivered to the customers.

Profit maximization for shareholders return was achieved through the following measures:

- Achieving top line growth through acquisitions and tie-ups in new/existing product lines and forward integration and service extension in the existing product lines.
- Maximizing value extraction from targeted client through product-service bundling across explosives and industrial chemicals.
- Achieving cost reductions through centralized shared services, centralized procurement services, centralization of logistics functions across sales departments.
- Maximizing realizations on sales by proper regulatory management through dedicated regulatory liaisoning team.
Impact on shareholder value:

- As an indicator of the strategic impact of HR, the best reflection of this influence is the effect on shareholder value. Clearly the implementations of SHRM processes have shown a positive impact on shareholders’ value. Due to the implementation of BSC, organizational performance can now be tracked and monitored and also be reported to the stakeholders. It also provides a common language for communicating performance to the organization, employees and customers.

- Shaping customer and shareholder satisfaction: The implementation of the balanced scorecard seems to have contributed to the satisfaction of the shareholders and the customers (Reference: feedback taken from the VP-Corporate communications). BSC provides common language for communicating performance to the organization and so also its internal and external customers. Since BSC has linked the DFPCL Performance measurement with its corporate strategy the organization is able to communicate better with the analysts and thereby influence their perception in the market.

7. Improving employee’s competency levels:

In the process of strategy implementation and finalizing the BSC the management of DFPCL aligned the customer’s need through the customer perspective in the organizational balanced scorecard. Hence there was emphasis on greater customer focus. During the competency mapping exercise again the competency model of DFPCL was also aligned with the competency on customer focus. The training and development efforts of the organization were aligned to the competency model with the intent to develop these competencies. The development centers were focused on employee development around these competencies. The employees were made to realize the impact of their decisions on shareholders and customers through the development centre process. Competency based HR processes were developed by the HR of DFPCL to focus on Organization’s capability building.
During the competency mapping exercise it was observed that in a few core competencies like delivering customer value the directors had actually scored lower than the executives and managers. So also DFPCL employees scored low on important aspects like planning and organizing. Hence the organization focused on building up the competency levels by developing their executives on each of the competencies with a competency based developmental plan. This in turn built the leadership profile of DFPCL.

From the above points it can be established that the implementation of Strategic HRM processes and the Balanced scorecard method of performance management has a positive impact on the performance of DFPCL. Hence hypothesis 2 namely implementing Strategic HRM processes in DFPCL results in improvement of employee performance has been proved.

6.8 Findings and recommendations through HRD audit:
An HR Audit was conducted after the implementation of SHRM processes in DFPCL to evaluate and assess the HRD Systems maturity, HR competence, HRD culture, Business linkage and overall HRD Maturity.

The following findings and recommendations regarding the HR subsystems were presented to the management of DFPCL:

- **HRD function:** The HRD department had good support from all the levels of management and had made a positive impact for improving the performance of the company. Employees of DFPCL had acknowledged the efforts put in by the HR team and the various initiatives taken by them for continuous Organization Development Initiatives and building a ‘High performance Organization’. So also there was good engagement of the line managers and HODs in employee development initiatives in the last two years. The purpose of the SHRM alignment was to create an HR manager within every function who would be the, ‘HR Champion’ or representative for his /her department.

- **Manpower Planning and Recruitment:** Effective career planning and chalking out well laid career path for employee growth and retention was still a grey
area which had been pointed out earlier in 1997 during the Employee Opinion 
survey conducted by Eicher and again by Hewitt’s people speak. There was no 
effort to improve the same. Recruitment methods were rated satisfactory.

• **Role Analysis and Role Efficacy:** In terms of role analysis, goal setting and role 
  clarity there seemed to be good satisfaction level in terms of expectations out 
  of the individual role. This may be the result of the role profile exercise 
  conducted by Hewitt. Role efficacy is also rated as satisfactory.

• **Performance Management System:** The Balanced Scorecard based PMS system 
  proved to be more transparent and fair mechanism of employee evaluation 
  BSC contributed towards creating vibrancy and improving performance 
  standards. Since the process was relatively new there was lot of scope for 
  improvement in the monitoring mechanism, linking of interdepartmental KRA, 
  distribution of weightages and drawing the thin line between accountability and 
  responsibility.

• Performance feedback mechanism needed to be implemented very soon as it is 
  felt that there is a strong requirement for this mechanism.

• After the salary restructuring employees in most of the bands were satisfied 
  with their new salary structure. The salary anomalies of grades LL5 and L6 
  needed to be looked at as compared to the other band salaries.

• The **new designations** that were implemented after the restructuring process 
  were not liked by the employees and they prefer the older designations. They 
  felt that these designations were more suited to the IT industry rather than a 
  manufacturing industry like DFPCL.

• **The salary anomalies** of Assistant Managers and Executives required 
  corrections. The employees in this band were not satisfied with the salary 
  revision process.

• **Developmental systems:** The current training policies, procedures and system 
  as well as the opportunities to learn and develop have been rated very well in 
  contrast to the feedback received just one and half year back during the 
  ‘People speak’ in which the employees had expressed that there is no formal
training programs and no learning sessions to develop competencies and skill gaps.

- Since the business of DFPCL was on a growth mode employee learning and growth could be developed through a well designed mentoring model since interpersonal relationships was an area of strength at DFPCL. It was recommended that seniors need to spend dedicated time and efforts for the growth and development of their executives.

A good employee induction system can be the key tool for employee engagement and retention. Although the induction training process has been rated satisfactory more participation from the top management may increase the overall response towards the induction process. So also the senior management members could spend time to explain the norms and values of the company to the new inductees.

- Knowledge management sessions were needed to be implemented strongly in order to prevent the loss of knowledge due to attrition at senior levels. Employees also feel the need for systematic documentation of processes.

- Competency based developmental framework: The efforts in terms of employee development through competency mapping was acknowledged by employees. The gaps between the current capabilities of people, systems and procedures and what would be required to achieve breakthrough performance could be closed by further investing in re-skilling employees, enhancing IT systems and aligning organizational procedures and systems.

- OD Initiatives like small group activities, employee suggestion schemes, team building interventions, creativity forums, role bases interventions, cross functional teams and workgroups needs to be looked at and developed. These initiatives can prove to be a good ‘employee engagement tool’ taking into account the increase in the attrition rates over the past few years. These initiatives need to be sustained on a long terms basis.

- Job rotation: Job rotation plans were negligible or absent at the moment. Effective policies need to be emphasized and developed to promote growth opportunities amongst employees and prevent stagnation of roles. This was also
required to keep the good performers motivated and cater to their learning and growth.

- Periodic surveys /employee development initiatives: Although the HR team feels that the results of periodic surveys / feedback survey are regularly communicated to the top management, the general feeling among employees is that either the results of such feedback exercise are not communicated to the top management or that not many significant changes take place even after the results are communicated. The effectiveness of conducting these surveys was not felt by the employees

- Customer Orientation: customer orientation received average rating. This was also confirmed by the low score of the employees during the competency mapping exercise in the competency ‘customer focus’. Hence more emphasis was required to be given to this point and so also the requirements of customers should be considered in improving production services. Although employees show high quality consciousness the emphasis on quality as policy needed to be communicated clearly to all employees to improve customer orientation.

- Information: The flow of information on various aspects like changes in the environment within the organization due to internal and external factors looks satisfactory. But vital information on performance of the competitors and market perceptions, performance of various products of the company needs to be improved otherwise these may be a major area of concern due to the criticality of such information. So also internal information about transfers, posting and other personnel/ structural changes needs to be communicated to the employees well in time so that they are not in for sudden shocks.

- Open door policy/ communication flow: Opportunities and mechanisms for employees at all levels to meet top management and express their views and feelings should be created at various forums/occasions to develop a feeling of ‘we are being heard’ or ‘we are important’. Driving change initiatives across the organization at various levels and speaking the same language for communication may needs to be looked at.
• Communication bottlenecks need to be minimized, which would reduce distorted versions of management communications. A more formal and direct method of communication needs to be introduced preferably by the top management.

• Delegation Process: An issue of delegation and empowerment needs to be looked at and more autonomy needs to be introduced in the delegation process. Delegation of authority along with accountability should be regarded very important.

• Values: Openness to feedback is high and people accept ideas and suggestions. However when it comes to trying out those ideas or creative suggestions the acceptance by seniors is average. In terms of problem solving and decision making, more confidence needs to be created to take risk and initiatives. ‘Walk the talk’ or practicing what has been talked about is also important.

Hence the hypothesis 1 namely: Implementation of strategic HRM processes in Deepak Fertilizers and Petrochemicals has positive impact on the HR processes of this organization has been proved.

6.9 Role of HRD audit in business improvements:
Since the HRD audit was conducted during the implementation of SHRM processes at DFPCL and the recommendations were shared with the management it has contributed to the business improvements in the following ways:

1. The researcher has suggested improvements in the current HRD functions like induction, appraisals, compensation structure etc. after the HRD audit process.
2. The HRD audit process provides inputs and many insights into the organization’s affairs.
3. The HRD audit process has helped the management of DFPCL to think in terms of strategic and long term business plans.
4. It has improved the perception about the HRD department of DFPCL since it has increased the focus on human resource functions and competencies.
5. It has strengthened the employee accountability through the balanced score card based appraisal process.

6. It has provided inputs for small group activities and TQM interventions.

6.10: CONCLUSIONS:
On the basis of these findings the researcher would like to conclude that the implementation of SHRM in DFPCL had positive impact on the HR processes of DFPCL. It has also enabled the employee performance of DFPCL positively. Strategic HR practices also has positive impact in improving the performance of DFPCL indicated by the year on year revenue and growth figures. The HRM processes at DFPCL have gradually matured from the traditional HR to strategic HR process over a span of 5 years due to the changes in the nature of business of the organization and with the support from the top management. It can also be concluded that the most important aspect for implementing SHRM process is the commitment from the top management and the HR team of the organization. This can also considered as one of the factors contributing to the success of the company and increased performance of the employees.

Analysis of research in SHRM indicates that good Strategic HRM practices contribute towards organisational effectiveness. Aligning employee performance with corporate strategy and goals can be defined as the key to improve employee performance and hence the organization's performance. This is the centrality of Strategic Human Resource Management process. These evidences are sufficient to indicate that good people management and Strategic HR practices matter organizational effectiveness and extend to create and organizational brand which in turn can lend competitive advantage to the organization if other things are equal.

6.11 Dimensions of future research:
The following dimensions for future research can be considered for Strategic Human resource management study:
1. Research on organizational factors: Strategic HRM processes cannot be implemented in isolation and there are a lot of other organizational factors involved to make the implementation of SHRM successful. One of this factor is the Leadership and talent management strategy. Leadership and talent management strategy can be developed by developing the following aspects:

- the organizational culture
- Quality of leadership
- Attracting the right talent

Hence post implementation of the SHRM processes in DFPCL there is scope for further research in these areas.

Also a comparative analysis of the balanced scorecard from 2007 onwards can be done in terms of how much percentage of goals predicted in the scorecard gets achieved at the end of each year.

2. Since this research considers one single manufacturing sector a comparative analysis can also be done on the impact of SHRM on other manufacturing industries in the same sector. The effectiveness of the implementation of SHRM in these manufacturing sectors can also be analyzed post the implementation of SHRM process.

Thank you