Infosys has been a pioneer in innovative workforce practices and HR initiatives—be it in creating wealth for employees through wide distribution of stock option plans or in creating an enjoyable workplace with various amenities. Nandan Nilekani, President and Managing Director of Infosys, commented, “Attracting the best and the brightest and creating a milieu where they operate at their highest potential are very important for Infosys. Our campus and technology infrastructure is world-class, we pay a lot of attention to training and competency building, we try to have sophisticated appraisal systems, and we try to reward performance through variable pay”.

**Recruitment:** While recruiting new hires, Infosys takes into consideration so as to identify the right talents for the right jobs. And in this drive the company strictly focuses on hiring those individuals (talents) who have the capability of high degree of ‘learnability’. The qualities mostly sought by the company involve high levels of analytical ability, teamwork and leadership, communication and creative skills, along with a practical and structured orientation to problem solving.

**People Development and Training:** Employee development and training at Infosys is a continuous process. When hired employees immediately go through induction and training programme. These programme mainly aim to emphasize on training these new recruits on new processes and technologies and orient them with the organization’s culture and ethical practices. As they reach higher efficiency and performance levels, they are further trained on project management training sessions so that they could develop competencies for independently handling projects and assignments for the organization’s clients. Infosys also emphasizes upon management and leadership development programme as and when required and caters to the requirements of management development for its senior employees and managers. The new recruits are trained at the Global Education Centre (GEC) in Mysore, which has world-class training facilities and the capacity to train more than 4,500 employees at a time. The company has a competency mapping system in place which takes into account individual performance, organizational priorities, and feedback from the clients so as to give comprehensive inputs for developing these training programme.
Infosys Leadership Institute (ILI): ILI set up in 2001 had an immense impact on the effectiveness of the HRD function at Infosys. The institute was primarily developed so as to develop and groom future talents in the company.

Fig. 1.1: The workplace at Infosys Technologies Limited

Performance Appraisal System: The performance appraisal process at Infosys begins not only with performance evaluation but also encompasses the evaluation of individual skills for the tasks assigned to an employee during the assigned period of performance evaluation. In this regard, performance appraisal takes into consideration various performance criteria like timeliness, quality of work, customer orientation, peer satisfaction and performance improvement potential. The company has also launched an internal job posting mechanism and the concept of personal development plans, on the basis of 360 degree feedback.

Compensation and Rewards: The entire organization has restructured its compensations and reward system in order to match the performance of its employees, business needs and the growing scale of operations. The company started following a variable pay structure. At the lowest level, 10 per cent of the salary is variable; it is 30 per cent at the middle level and 50 per cent at very senior levels. Salary at Infosys is linked to the topline, performance of the team and performance of the individual. The company also intends to compensate star performers more aggressively than average or poor performers in a move that has more similarities with American culture which promotes and rewards individual merit. Another remarkable hallmark of Infosys had been its employee stock options plan (ESOP) framework for which the company has made a mark of its own in the industry. Many organizations had decided to adopt the Infosys ESOP system as an effective way to retain their employees.

Worklife Balance Programme: As part of its holistic HR policy, Infosys had opened a satellite centre in the heart of the city to enable its employees (particularly new and to be mothers) to cut down on travel time to work. The company has also initiated a pilot project for employees giving them an opportunity to opt for a one-year sabbatical at any point in their careers. This could be used for childcare, eldercare, higher studies or for health reasons. Many working mothers and to be mothers have also been encouraged to work on their projects from their homes. Flexi timing of the working mothers also help these techniques to have enough time with their kids and family. Apart from these the company also emphasizes on organizing counseling programme for their employees so as to provide solutions for better worklife balance.

Infosys had always considered its people as its most valuable assets and had sought opportunities for further improvement in performance, business development by fostering innovation and creativity in the workplace. In the coming years, how the company’s HR philosophy would help the organization to steer into the new decade would well be worth watching and a learning experience for HR specialists.

(Courtesy: Infosys Website, 2008)
Prologue

In today’s knowledge economy, business experts claim that the organizations who can constantly change and realign themselves with the fast changing business environment would survive for the long run. Fostering and building knowledge, developing and retaining talents and promoting creativity and innovation would thereby become the strategic needs for future organizations. For, only their abilities to learn, create, and innovatively utilize knowledge faster than those of the competitors – and quicker than the environmental changes – would provide them competitive advantage in the fast changing business environment. Hence the core competence of any organization would be their human capital, the collective learning of the people – and the value chain they would create by nurturing and developing new knowledge. Thus for ensuring organizational success CEOs and business captains would principally depend on how their people are being procured, developed, retained and nurtured into knowledge workers. Every organization believing in this philosophy would thereby be emphasizing on composing their people with such innovative capabilities and utilizing their services, developing their skills, motivating them to enhance their levels of performance and ensuring that they remain committed to the organization. This probably would be true for all types of organizations — government, business, education, health, recreation or social service organizations like NGOs irrespective of the type of business or service they are involved with. Organizations that can achieve these people capabilities have been suggested to be both effective as well as efficient. Inefficient or ineffective organizations without such people capabilities would face the threat of stagnating or being driven out of business by their rival organizations.

Hence from the above discussion it is evident that, the emphasis to acquire people capabilities would only be feasible if proper and effective human resource management principles and practices are fine tuned with the strategic needs of the business and the needs of the customers. HRM would thereby emerge as one of the most important strategic factor in contributing to the success of an organization. With the growing importance of knowledge workers to organizations and the rising expectations of employees, it is essential to have a good human resource management system in place. It is also important that all the different processes in an organization, like finance, HRM, marketing and operations align their objectives and strategies to those of the organization and work in harmony with each other.

Human Resource Management (HRM) can be primarily described to consist of four essential functions namely— acquiring, developing, motivating and retaining human resources. The acquisition of human resources is a crucial function that starts with planning for the number and categories of employees required (with the right capabilities and expertises) and ends with staffing. The development function has four dimensions namely— employee training, management development, and career development followed by succession planning. The motivation function is perhaps the most important for the retention of people in today’s organizations. It involves identifying the individual motivational needs of employees and finding ways to motivate them. The retention function is perhaps the most complex function amongst all challenges in today’s competitive business environment. It varies from industry to industry, business to business, capabilities of people and most importantly their changing needs and expectations. In a simpler way, it aims to provide a conducive work environment to the employees and nurturing them to make them feel committed and psychologically attached to the organization. The following caselet depicts how a reputed publishing house in India maintains excellent employee relations to retain their employees.

What is Human Resource Management?

Definition: According to Invancevich (2008), Human Resource Management (HRM) is concerned with the most effective use of people to achieve organizational and individual goals. It is the strategic and coherent approach to the management of an organization’s most valued assets—the people working there who individually and collectively contribute to the achievement of its goals.
HRM can also be described as a set of interrelated policies with an ideological and philosophical underpinning, concerned with the employment, development and reward of people in organizations and the conduct of relationships between the management and the employees. HRM is a strategic approach to the acquisition, motivation, development and management of the organization’s human resources (Sharma, A.M.)

It can be said that although all the line managers and team leaders play a pivotal role in managing an organization, the HR specialists play a vital role in shaping the overall strategy of an organization as well as acting as “Internal Consultants” for the organization. Today’s HR professionals constantly need to nurture an empowering culture so as ensure effective retention of human resources in their organizations. This philosophy is nurtured well in an organization like ICICI Prudential India, as revealed by the following exhibit.

On the other hand for an organization like TCS, the company’s success depends to a great extent on its ability to recruit, train and retain high quality IT professionals. TCS places emphasis on the human resources function in the organization, investing a substantial percentage of its annual revenues in training.

**The 3Cs in Rajshri Productions**

Excellence in HR practices is no longer the standalone buzzword in the corporates. The Indian film industry which is gradually shaping up into a growing corporate entity is no where behind any of these big giants in implementing innovative HR practices, like fostering confidence and empowerment in people and creating a culture where employees are allowed to participate and share their views on the final product or service offered by the organization. Rajshri Production is a bright illustration of the same.


**HR Philosophy in Rajshri Productions:** The organization over the years had focused on its people centric HR practices and the evidence of this can be had from one of the comments made by Mr. Sooraj Barjatya, Producer and the Chief of Rajshri Productions during an interview with a reputed daily. He said, “At Rajshri we believe that it is vital to take everyone’s opinion, be it an assistant or a technician. As a producer, I should know if the film has touched people’s soul or not”.

By employing this practice, not only Rajshri Productions been able to inculcate a culture (The 1st C) of participation and employee empowerment, it had also ensured that the capabilities or competencies (2nd C) of its technicians, editors, crews and employees are wholeheartedly utilized, which also results in strong employee commitment (3rd C) and intrinsic motivation. These 3Cs have been instrumental in shaping Rajshri’s success as a successful production house giving quality entertainment to the Indian film lovers. On the other hand, by instigating and successfully administering the 3Cs Rajshri had been able to enhance the quality of its production process, where the team members themselves have contributed to identify various technical as well as editorial flaws in the final print of the film, the company produced. In the post production works of Rajshri’s latest movie “Ek Vivaah Aisa Bhi” a similar approach was used to rectify one such editing error. The company also encourages the family members of its employees to actively participate in the promotional activities of the production house, interact with the film stars; that have instilled a sense of belongingness and close association with the employees and the management of the organization.

The brains of the organization are widely distributed one per person. And ultimately it goes to the credit of that organization’s HR practices so successfully utilize these untapped resources. Creative ideas are like insects, many which are born and few live up to their maturity (Gifford Pinchot, http://www.pinchot.com/). The chain of command in organizations which had been the order of many Indian film production houses are perhaps no more appropriate in the information age whether it be for a high profile ITES company like TCS or a film production house like that of Rajshri Productions. Could the 3Cs of Rajshri inspire Indian corporate giants would be worth watching.
Overview and Introduction to Human Resource Management

Three Cs of HRM

The above case has brought about the importance of 3Cs which has been successfully used and implemented in a reputed Indian film production company. For any organization, irrespective of the industry type, in order to achieve organizational effectiveness, it is essential for HR managers to strictly emphasize upon these three Cs, namely:

- **Commitment**: It is the psychological contract and the sense of belongingness of the human resources to the organization and its management.
- **Culture**: The second and one of the most important components of organizational success and development is the culture of the organization. Culture has been recognized as the vital sustaining force and background contributing to organizational growth and development.
- **Competencies**: Organizations need to depend strictly upon the competencies of their human capital rather than depending on individual knowledge, skills and abilities.

**HR Practice**: Thus carrying on with the above discussions, it can be said that HR practices can be described as:

- Any practice that deals with enhancing competencies, commitment and culture building can be considered as a HR practice.
- The practice could be a rule, a system, a process, and an activity, an accepted or expected way of doing things.
- For an organization like Arvind Mills, the HR practice acts as the foundation that integrates organizational culture, vision and values, fosters an environment that facilitates the maximization of human potential.

**Fig. 1.2**: The three important Cs of HRM

- **Commitment**: Tasks may not be done at all or done at a slow pace that they lose relevance.
- **Competencies**: Tasks to be completed cost effectively, with optimal efficiency.
- **Culture**: This is the sustaining force and spirit for the organization to live.

**THEME READING: ICICI PRUDENTIAL’S EMPOWERING CULTURE**

The culture at ICICI Prudential Life Insurance India stems from its core values, which comes from the following components

*(Based on introductory presentation made by ICICI prudential representatives in their B School campus recruitment program Udaan)*