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Declaration

I, **Dr. Sharad R. Kulkarni**, herewith declare that the paper forwarded herewith is original and has neither been published nor has been submitted for publication

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Contemporary Issues in Innovative Management of People

Enterprises dealing with customers depend heavily on their people to enable them to be successful. The objective of achieving strategic change and a sustainable return to growth depends on attracting, retaining and developing the right people. Organisations are increasingly recognising the importance of helping their people in realising their potential.

At the same time, organisations need to reduce costs and improve profitability. In this process they have to fight with the challenges related to Human Resources (HR), along with other front and back office functions, in day to day as well as in long term duration. Only reporting and managing parameters leading to deficiency is not sufficient. Now it is highly essential for HR managers to help people in understanding the wider spectrum of risks, impact of macro-economic changes, and relationships involved to balance the work with life.

In this context, present research was conducted considering the fact that, 'people management is not just about traditional human resources practices such as recruitment, appraisal and training, but, it is important to take account of the whole person and address the satisfaction of all employees across a range of areas'. This research, concentrates on deducing solution to the problem of how to demonstrate a cause-and-effect relationship between the management of people and the performance of the organisation.

The data was collected from respondents working in selected organisations located at Sangli District of Maharashtra. The respondent organisations under study represent manufacturing as well as service sector. The study was focused on innovative strategies in terms of capabilities towards people management practices currently applied by organizations. The survey outcome was suitably tested to deduce the conclusion.

Key words: People Management, Human Resource, Work Life Balance, Performance Appraisal, Employee Satisfaction.

Contemporary Issues in Innovative Management of People

1. Introduction

Today, business world is changing at unprecedentedly faster rate. Similarly the professional environment is also facing challenges during their routine activities. The human resources (HR) in particular which is more sensitive and essential function in the business is recognizing these changes and challenges at an intensified manner. The last few years have seen great fluctuations in the patterns and overall shape of economic situations. But there have also seen extraordinarily rapid changes in the methods of getting the works done.

Due to globalization in the beginning and because of economic crisis afterwards, the world has recognized that making changes to people's working lives requires more respect and better communication. It is required for maintaining everyone's best interests, and also in order to retain competitive advantage through implementation of the major changes needed with the work force. Now it is clear that the rapid pace of economic and business development will continue, and so restructuring and change will be essential features for sustainable existence of the business in future.

2. Impact of Globalization on Business

Globalization has become a source of the integration between business and markets. As observed by Thomas Friedman (2005), 'in future, each and every job will be competed for, by people from all countries on the planet.'

In the new highly digital world, the strategy has to be agile and product life cycles have shrunk rapidly with drastic reduction in communication costs. The practitioners at the workplace, business leaders and human resource managers need continuously to remind themselves that actions and alignments in the workplace need to reflect global performance standards constantly. Business standards should be compatible with a global world. In future globalization will remain a major driver and will continue to have significant impacts on:

1. Business strategies, structures and operations
2. Product mix selections
3. Supply chain management and resourcing decisions
4. Decisions on people including their education, employer and employee selection
5. Workforce induction and career development
6. Standards for performance and ethics

3. Literature Review

In the 1980s, the concept of human resource management began to gain ground at the expense of personnel management (Storey, 2001). As Best, (1990) has observed, at the root of the new thinking about the management of people in organisations was the perception of the increasing competitiveness present in the global economy.

Studies of Japanese corporations emphasised the importance of effective people management in the competitive strategies of organisations (Ouchy, 1982). The studies showed that Japanese employers performed far better than their western competitors in terms of labour productivity and in process innovation. The key to this success lay in the human resource management practices adopted by Japanese corporations such as Toyota and Matsushita. The human resource management practices which had been so successful in Japan were transplanted with great success to overseas transplants (Wickens, 1987).

Perhaps the most important challenge of all and the one most commonly left to last is people. Competition for skilled people is intense at almost every level in the industry. A complex industry, highly dependent on new technology, facing multiple regulatory challenges and spread across the globe, requires talented, well-managed people with appropriate rewards. (Mike, 2005)

It is needed to make leadership development as the most important element in the work. People are to be put in the right job and let them develop a strategy, in that order. You

can’t start with strategy and then appoint someone to execute it. So it is essential to choose and develop business leaders who are bright enough to grasp the elements of their game, creative enough to develop a simple vision, and self-confident enough to liberate and inspire people. (Welch, 1996).

4. Globalization and Hyper-Competition

Globalization has resulted into hyper-competition. It means that the new market competition is producing change at enormous speed. Organizations are required to respond to competitive needs more quickly and effectively than ever before. This feature provides a specificr challenge for the HR profession. The research shows that, now, it takes an average of less than 15 days for a business to respond to a competitor’s pricing gimmicks, but it may take more than five years of consistent efforts to change an organization’s culture.

5. Globalization and Next Generation

From five to eight years now, there will be complete changeover of business leadership from the baby boomer generation to Gen X and Y. Gen Y will have become the decision makers of the operating divisions. In addition for contributing to the momentum of globalization, the new generations are keen to enjoy the benefits from it. Recent workplace research has shown that the speed of recent economic change has driven not only a greater volatility in economic decision making and structures, but also increasing indications of a loss of purpose, confidence and context among Gen Y employees about their future.

The pressures of inadequate work-life balance are building significant and ‘difficult to manage’ stress levels within Gen X people. It has also observed that, this generational group is searching for greater meaning from their work. Majority of younger workers are increasingly attracted to organizations with strong values and sound social responsibility programs towards community (CSR). Those organizations away from CSR activities have been making serious efforts in the last five years to redefine themselves and re-establish their

value as employers of choice to the next generation coming ahead. In response to these changes, alert organizations are separating business value propositions from their internal ethical values.

Now, a stated value of "growth, customer intimacy and profitability" came to be seen as a value to be achieved. Internal values of organizations are critical to maintain harmony among workplace and people.

6. Recent Global Challenges for Human Capital

According to BCG / WFPMA report, recent global challenges for human capital are,

1. Talent Management	2.Leadership Development
3. Work Life Balance	4.Employee Engagement .
5. Change Management	6.Corporate Social Responsibility

6.1. Trends in Human Capital

Global financial crisis has reinforced the contrast between economies and employment markets around the world. Multinational organizations are facing sharply contrasting human capital challenges.

6.2. Widening the Productivity gaps

Productivity dropped sharply in developed economies in 2011, making the regional differences in productivity much more dominating.

6.3. Dependency on Experience

The HR strategy comprising of choosing experience over youth, cutting back on the recruitment of younger workers and depending on the experience of older workers has worked in the short term. But it is storing up talent supply chain problems for the future.

6.4. Human Capital Analysis

The best organizations are leading the way in using analytics and the capabilities of the HR function to make sure that they get the most from the investment in their people.

6.5. Impact on Employee Engagement

The most significant and serious situation of the past few years has been the impact on employee engagement. The younger generation has been hit particularly hard as they see their opportunities shatter and their career path blocked by older workers.

7. About the Study

7. 1. Methodology

Present paper is based on the study of 50 organizations. They represent infrastructure, manufacturing, processing, retail and service sectors. The data has been collected from managers and owners of these organizations through a specially designed questionnaire. The five point Likert scale was applied designating 5 for strongly agree and 1 for strongly disagree. On the basis of analysis of responses, the hypothesis was examined using‘t’ test.

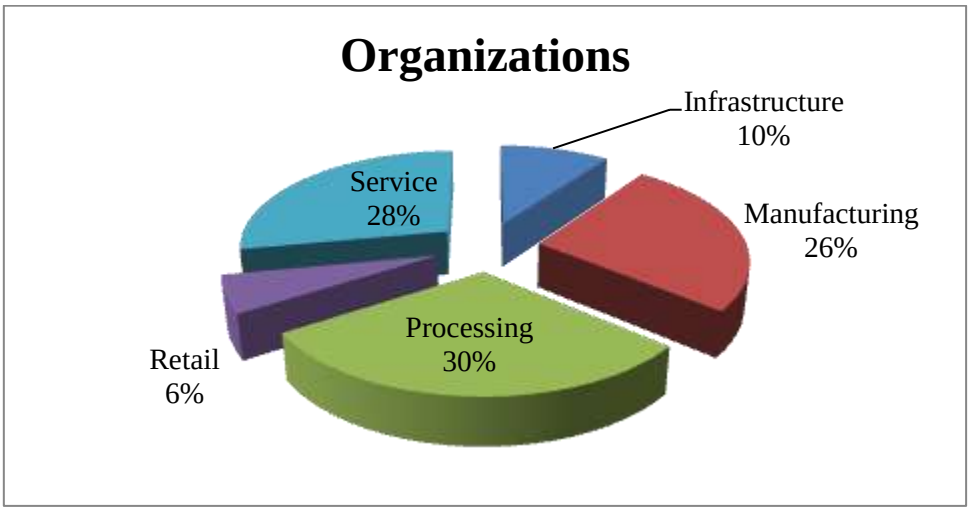
Table 1

Respondent’s Analysis

Sr. No.	Sector	Number	Percentage
I	**Infrastructure**	**05**	**10**
II	**Manufacturing**		
	Engineering	07	14
	Textile	06	12
		13	**26**
III	**Processing**		
	Agro Products	05	10
	Chemicals	05	10
	Pharma Products	05	10
		15	**30**
IV	**Retail**	**03**	**06**
V	**Service**		
	Academic	04	08
	Communication	07	14
	Insurance	03	06
		14	**28**
Total		**50**	**100**

Source: Field Study

Chart 1



7.2. Objectives

Present study was focused on following objectives.

1. To identify expected HR function in different organizations under study.
2. To study the focus of HR policies in these organizations.
3. To recognize the trends of HR in various enterprises.
4. To examine possibility of assurance for motivation of people through innovative HR policies in these organizations.

7.3. Hypotheses

a. Null Hypothesis (H0): The innovative people management policy does not have significant impact on productivity of human resource.

b. Alternate Hypothesis (H1): The innovative people management policy has significant impact on productivity of human resource.

7.4. Scope of the Study

Present study has covered the significant sectors of local economy. The important sectors analysed during the field study includes, infrastructure, manufacturing, processing, retail and service sectors. Sample organizations in these sectors were selected considering their employability and involvement in development of the regional economy.

7.5. Limitations of the Study

This study covers only five sectors through fifty organizations. The sample size may not be sufficient to deduce a general conclusion. Further, limited number of (50) respondents were considered for data collection, which may not provide a chance to identify errors if any.

8. Findings and Discussions

8.1. Expected HR functions

Various functions of HR as expected in organizations under study are as shown in Table 2 below.

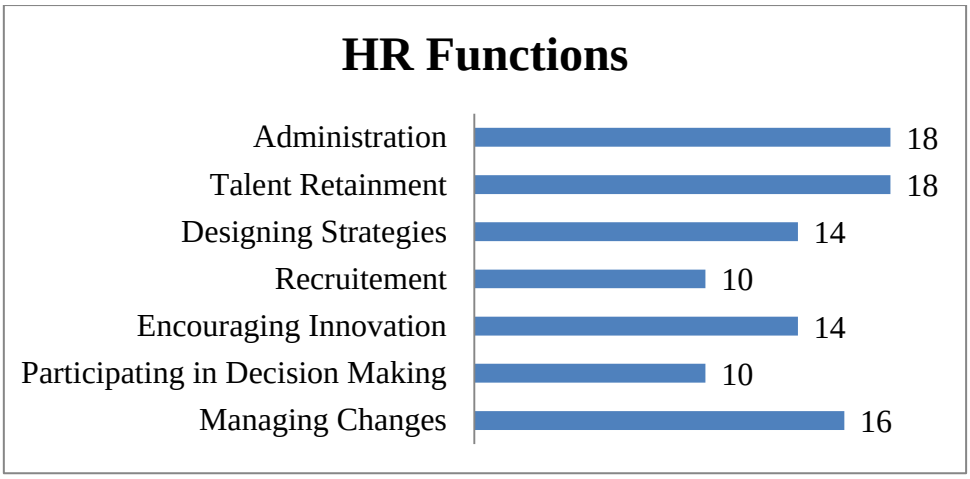
Table 2

Expected HR Functions

Sr. No.	HR Functions	Number	Percent
1	Managing Changes	08	16
2	Participating in Decision Making	05	10
3	Encouraging Innovation	07	14
4	Recruitment	05	10
5	Designing Strategies	07	14
6	Talent Retainment	09	18
7	Administration	09	18
	Total	50	100

Source: Field Study

Chart 2



The most significant functions of HR as observed by respondents were related with administration and talent retainment (18 % each). .The next important function was noted

with managing changes in the organization (16 %). Encouragement for innovations and designing strategies were considered significant by 14 % each, while, only 10 % each of the participants value for recruitment and participating in decision making as expected functions of the HR.

8.2. Focus of HR Policies

Focus of HR policies was broadly distributed into following six significant areas by the respondents as mentioned in Table 3 below.

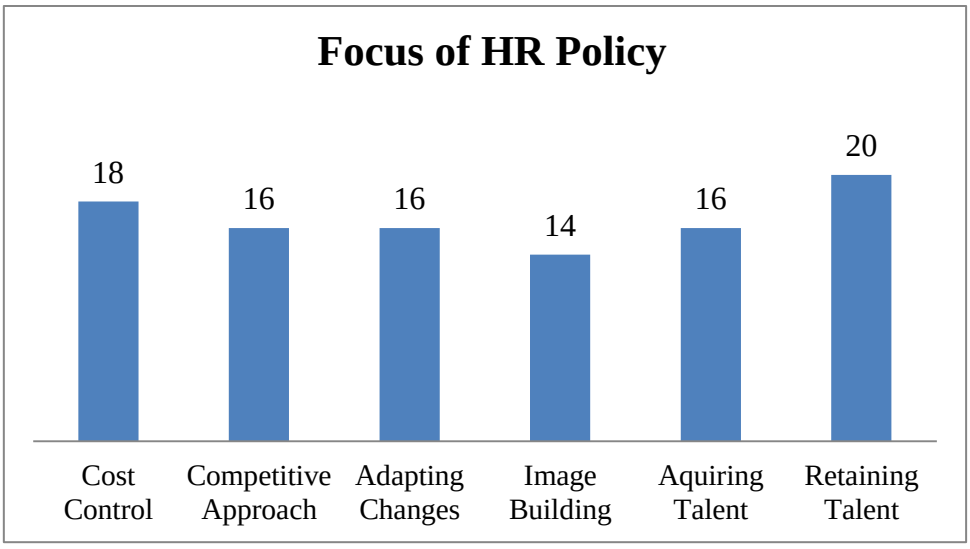
Table 3

Focus of HR Policies

Sr. No.	HR Policies' Focus	Number	Percent
1	Cost Control	09	18
2	Competitive Approach	08	16
3	Adapting Changes	08	16
4	Image Building	07	14
5	Acquiring Talent	08	16
6	Retaining Talent	10	20
	Total	50	100

Source: Field Study

Chart 3



Twenty percent of respondents wanted the HR policies to be focused equally on retaining talent in the organizations. Cost control was observed as focus for HR policy by 18 % of respondents. Competitive approach, adapting changes and talent acquisition were

viewed to be focused by 16 % each of participants. Only 14 % respondents were favoured for image building as the focus of HR policy.

8.3. HR Trends

Table 4 below shows different HR trends experienced by the respondents for rejuvenation of organizations.

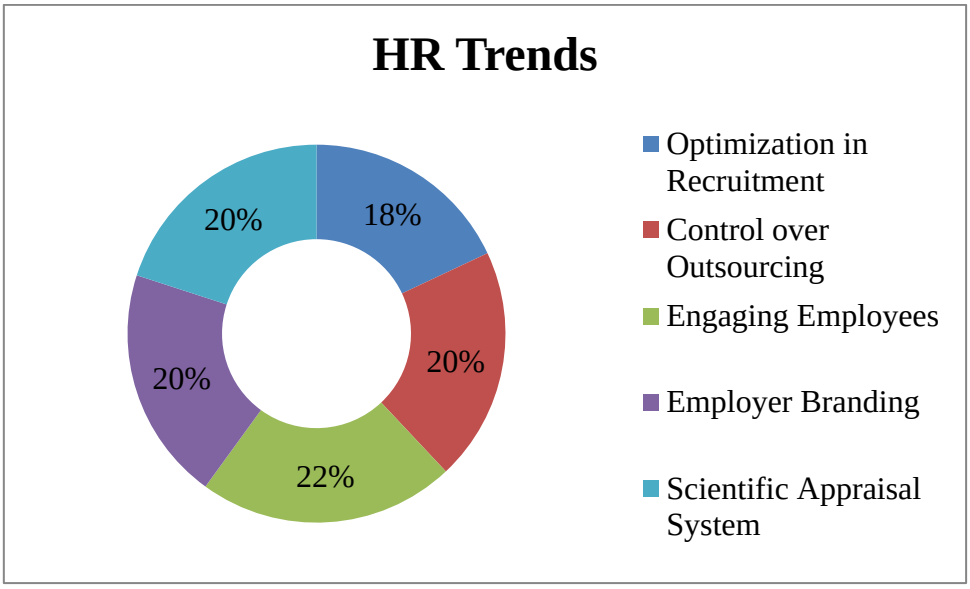
Table 4

HR Trends

Sr. No.	HR Trends	Number	Percent
1	Optimization in Recruitment	09	18
2	Control over Outsourcing	10	20
3	Engaging Employees	11	22
4	Employer Branding	10	20
5	Scientific Appraisal System	10	20
	Total	50	100

Source: Field Study

Chart 4



According to 22 % respondents, measures for engaging employees would be strongly helpful in rejuvenation of organizations. Scientific appraisal system, employer branding and control over HR outsourcing were recommended by 20 % (each) respondents.

8.4. Employee Priorities

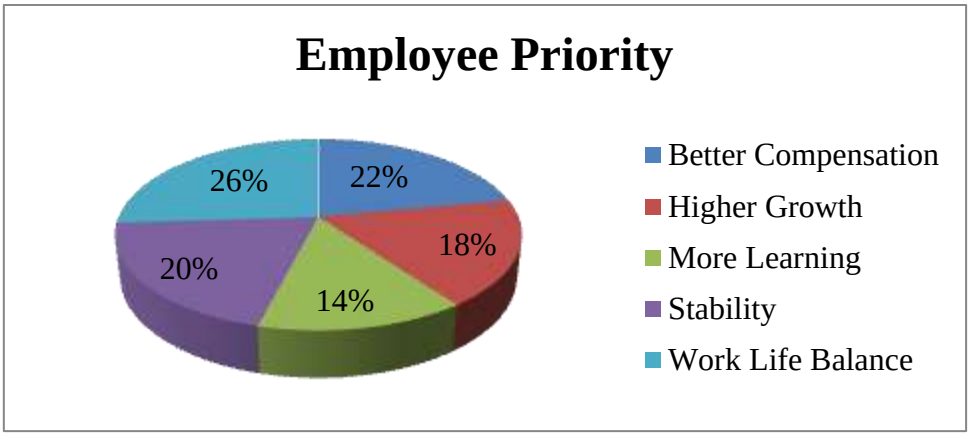
Table 5

Employee Priorities

Sr. No.	Employee Priority	Number	Percent
1	Better Compensation	11	22
2	Higher Growth	09	18
3	More Learning	07	14
4	Stability	10	20
5	Work Life Balance	13	26
	Total	50	100

Source: Field Study

Chart 5



The major priority of employees seems towards maintaining balance between work and life (26 %). It was followed by better compensation (22 %), stability in the job (20 %), and higher growth (18 %) and additional learning opportunity (14 %).

8.5. Hypothesis Testing

Table 6

Hypothesis Testing

Sr. No.	HR Trends	Responses (X)	$(X - X_m)$	$(X - X_m)^2$
1	Optimization in Recruitment	09	-1	1
2	Control over Outsourcing	10	0	0
3	Engaging Employees	11	1	1
4	Employer Branding	10	0	0
5	Scientific Appraisal System	10	0	0
Total		50		2

Source: Field Study

$X_m = (50 / 5) = 10$

S. D. = {(Sq. Rt. [$\sum (X - X_m)^2 / (n-1)$]}

= {(Sq. Rt. [(2) / (5-1)]} = {Sq. Rt. [0.5]} = 0.7071

t = {[Xm - μ] / [S.D. / Sq. Rt. (n)]} = {[10 - 11] / [0.7071 / Sq. Rt. (5)]}

t = {[-1] / [0.7071 / 2.2361]} = {[-1] / [0.3162]} = -3.1626

t = -3.1626

Calculated value of t = -3.1626

At 95% level of significance and (n – 1) i.e. 4; degree of freedom,

Table value of t = + / - 2.776

As t (calculated) is greater than t (table); the null hypothesis (H0) has to be rejected. Hence, the alternate hypothesis (H1) has to be accepted, which states that, '**The innovative people management policy has significant impact on productivity of human resource**.'

9. Suggestions

a) HR policy should be designed with core focus on retainment of the talent.

b) Measures are required not only to control but also to cut the costs.

c) Engaged employees will prove themselves as an asset in real terms. So organizations have to concentrate on employee engagement methods.

d) Employer branding can be fruitful for both talent acquisition and talent retention. So attempts are essential to strengthen the organization's image.

e) Organizational climate should be streamlined for appropriate work life balance.

10. Conclusion

Organizations cannot realize their growth potential without the people to make it happen. Businesses that develop a well-informed and proactive approach to strategic workforce planning have an opportunity to gain a crucial competitive edge. The right talent management means you can worry less about talent problems and more about business

opportunities. Whatever the size or shape of business, the talent management: aligns the business plans, prepares to face the future, ensures return on investment and integrates business with the human value.

HR professionals will have to build agility in their systems such that they are prepared to deal with the best and the worst at all times. Organizations will have to focus on getting their HR metrics right and making the most out of it to be able to better predict and make informed decisions. Outsourcing does not seem to be a priority; it appears to be catching up and will act as a major cost optimizer in the future. Organizations will have to focus on building their employer brand to attract talent. Compensation alone will not be a proper retention tool. Today, employees are looking for combination of stability and flexibility. HR professionals have to come up with innovative practices to deal with the challenges which they would face due to the economic crisis. It is the right time now to start differently for retaining the success. Better late than never!

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