

Make In India- The HR Perspective

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Abstract

Every government has something new to give to the public with its hidden motive of vote winning game behind the curtain. Earlier we had “shine India” in 2004 by BJP government and now it is “make in India” by the same government. Government has identified twenty five sectors in the nation which shall receive attention and encouragement. The initiative taken by our Prime Minister is to promote innovation, production, manufacturing and invention. The study is a brief synopsis of this new initiative in terms of make in India. The purpose is to make this concept clear in the mind of the readers.

Keywords: make in India, manufacturing, innovation, sectors, R&D etc

Make in India is not just a program, it can become a national campaign to improve innovation, invention, production and manufacturing in India. With the major focus on improving economy and employment opportunities, this new initiative is generating response from all major sectors in India.

25 sectors in India have been identified for the Make in India initiative of Prime Minister Modi and a blueprint has also been prepared. Some of the proposals include direct tax exemptions during the first three years for micro, small and medium enterprises, tax holiday for local manufacturing of defense and aerospace products, SOPS for R&D, and tax benefits to attract electronics and telecom manufacturers among others. According to the campaign website, Make in India is ‘a major new national programme designed to facilitate investment, foster innovation, enhance skill-development, protect intellectual property and build best-in-class manufacturing infrastructure.’

Major 'Make in India' Focus Areas:

Automobiles
Automobile Components
Aviation
Biotechnology
Chemicals
Construction
Defence manufacturing
Electrical Machinery
Electronic systems
Food Processing
IT and BPM
Leather
Media and Entertainment
Mining
Oil and Gas
Pharmaceuticals
Ports and Shipping
Railways
Renewable Energy
Roads and Highways
Space

Textiles and Garments

Thermal Power

Tourism and Hospitality

Wellness

Government has allowed 100% FDI in all sectors except Space (74%), Defence (49%) and News Media (26%)

India's current ranking in the world in factory output is 10. Its overall contribution to Indian GDP is 28% and it engages nearly 17% of the total work force. The basis of any manufacturing organization is governed by the quantity of money it is willing to invest and the kind of people who are going to work in it. For transforming the health of the manufacturing sector and in order to make it a most preferred destination for domestic as well as foreign investors and industrialists, it is very much important to promote both fund based and non-fund based financial services. Manufacturing firms to withstand the global competition, and to ensure their long term sustainability, have to invest in huge quantity in setting up and developing its infrastructure, raw material, skill development of its human resource, and R&D. Hence, the manufacturing houses need such sources which should make the finance available as and when needed. Such a continuous need of inflow of heavy finance can only be satisfied by the financial services. The attention of the domestic as well as foreign manufacturers can only be sought if the investment climate is made favorable. As the investment climate is directly proportional to manufacturers' way of thinking, hence, this climate needs to be favorable in every aspect. The current technological status, available mode of finance and human resource skill set and its availability needs to be identified along highlighting the development initiatives and future imperatives that are required to make India a manufacturing hub and most preferred investment destination for both local and international players.

Rightfully once said by the Walt Disney, "You can create, design and build the most wonderful place in the world but it requires people to make that dream a reality." Indian work force is immensely talented and adaptable. In order to develop an organization and ensure its sustained growth, it is very much important to develop its human resource working in it. Continuous investment and up gradation of their skills, knowledge and competencies is essential for an organization if it wants a guaranteed survival in the immensely competitive environment. The organization which does not understand the importance and talent of its human resource cannot withstand the competition. A motivated, up to date human work force will help an organization achieve its mission and vision. Various modern HR policies include performance and career management, development of various continuous improvement and learning programs. Focused on the up gradation of employee's knowledge, skill and abilities, programs such as employee development should be promoted. Employee development is a joint, on-going effort on the part of both the employee and the organization for which he or she works. A highly skilled work force can accomplish higher goals than an under skilled human resource. Employees' performance needs to be enriched by developing training and development programs if 100% potential of the human resource needs to be tapped. The human potential is immense and if it is left untapped, it will go waste. Human resource is the most valuable asset of an organization and it needs to be continuously monitored and injected with performance development programs, programs that increase the job satisfaction of employees, employee welfare programs etc. The human performance can be appraised with the use of various performance appraisal models.

The role of HR is 4 fold:

1. Intellectual: feelings of growth.
2. Spiritual: organizational values and those of people.
3. Emotional: sensitivity in relationships and concern.
4. Material: quality of life and fair compensation.

Organizational excellence can only be achieved by investing continuously in the work force of the organization. Here are few measures that can be taken:

1. Bring in the required reforms like labor reforms, make good infrastructure available, reduce red tape for clearances;
2. Build the required skills in the workforce and offer strong vocational training and skill-building;
3. Invest in R&D; create world-class quality, achieve mastery in technological advancements and develop research-oriented curriculums.

How would enhancing and capitalizing Human Potential benefit?

The Answer to the above question is:

- ❖ Growth in Sales: When good quality products will go into the hands of the consumer, the satisfaction of consumer will result in increase in demand of the goods. Hence, the sales will be boosted which in turn will boost the production and hence the manufacturing unit will flourish.
- ❖ Cost Reduction: Updated & trained and knowledgeable work force will decrease and automatically omit the defects for the production system which will in turn bring the cost of production down.
- ❖ Focus on Organizational Goal
- ❖ Reduction of time taken in creating strategic or operational changes by communicating the changes through a new set of goals
- ❖ Organizational development
- ❖ Contract labor issues 80% of workforce in manufacturing firms are working as contract labor, which poses permanent and secure working tenure issues affecting Make in India concept which requires high level of motivation and sense of security within Indian manufacturing workforce.
- ❖ Recruiter issues Recruiters are finding tough to attract expertise in manufacturing sector due to high boom of IT Industry and IT Professionals demand.
- ❖ Industrial relation issues- as manufacturing firm faces labor disputes and Industrial relation issues it is mandatory for Human resources to get trained in IR Issues and face negotiation and dispute handling in an effective manner.
- ❖ Infrastructure issues- still there are lack of proper infrastructure near most of the manufacturing units, and it is difficult to attract good manpower to these units.
- ❖ Workplace Safety -There are lack of safety norms and policies in most of the manufacturing units and HR has to work with policy makers and government to make more better safety norms and policies to avoid numerous casualties and health hazards and attract workforce.

Conclusion:

It is essential to unlock the human talent for the success and sustainability of any organization. The development, prosperity and sustainability of India as a Manufacturing hub clearly depend upon the immense potential of its human resources and the financial services that are available for the domestic and foreign players. HR has to develop analytical skills to understand the environmental signals for an effective change development process. HR has to identify what are the values that an organization nurtures, how stakeholder values need to be created and satisfied, and lastly, how the value chain can be more efficient, and lastly, to build a learning organization. Employees possessing high value and unique intellectual skills significantly contribute to generate intellectual products. If India successfully provides the industrial houses all this then it will certainly become a world manufacturing hub. Favorable investment climate, assistance of financial services, relaxes and industry favorable government policies are also the essential ingredients of "MAKE IN INDIA".

The government has said that it has, so far, received Rs 1,10 lakh crore worth of proposals from various companies that are interested in manufacturing electronics in India. Companies like Xiaomi, Huawei have already set up manufacturing units in India, while iPhone, iPad manufacturer Foxconn is expected to open a manufacturing unit soon. Recently, Lenovo also announced that it has started manufacturing Motorola smart phones in a plant near Chennai.

In a report released by the World Bank, about a state-wise bifurcation based on ease of doing business, Gujarat was ranked as the top state, followed by Andhra Pradesh and Jharkhand.

1. PM Modi said, "We want to present to the world the enormous opportunities that India presents... This is the best time to be in India, even better to 'Make in India'."

2. This morning, PM Modi opened the 'Make in India' Centre at Mumbai's Bandra Kurla complex, where an expo showcasing India's manufacturing capacities is on.
3. Make in India is the government's flagship initiative, launched by PM Modi last year in September, to encourage international companies to manufacture their goods in India. After its launch last year, India surpassed China and the US as the top destination for Foreign Direct Investment.
4. The Make in India week, in the Prime Minister's own words, "celebrates the achievements of the manufacturing sector and offers insights into the investment opportunities in India."

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