

# **National Institute of Personnel Management NIPM - India**



## **Dhaka APFHRM Board Meeting 12<sup>th</sup> March, 2016 INDIA Country Report**

*Greetings & Best wishes from NIPM India.*

### **1. Current Economic and Political Situation in India**

#### **(a) Economy and Labour Market situation in India**

India is widely expected to become the world's fastest growing large economy in coming days. India is likely to grow at 7.6% in the Financial year 2015-2016, faster than the previous year's 7.2%. According to Indian advance national income estimates, the manufacturing sector is estimated to grow at 9.5% from 5.5% in the previous year. The latest data comes barely three weeks before Indian Finance Minister presents the Indian Annual Budget for 2016-2017 on February 29, 2016 amid heightened anticipation that he might announce measures to boost investment and create jobs. India's near-term outlook has improved, benefitting in particular from recent policy reforms and the lower oil prices, which have helped the country to address some long-standing economical barriers, including high inflation and large current account and fiscal deficits. Consumer price inflation has fallen significantly in recent quarters and is expected to remain below 6% until the end of the current fiscal year (April 2015 to March 2016). In an environment of easing inflation, the Reserve Bank of India lowered its policy rate twice, reducing it to 7.5%, and is expected to maintain an accommodative stance to support growth. Fiscal deficits have declined over the past several years, with the central government's fiscal deficit falling to 4.1% of GDP in the last fiscal year, as the government took the opportunity of the lower global oil prices to remove some fuel subsidies. India's current account deficit has also declined, falling from 4.8% of GDP in 2012 to about 1.4% in the last fiscal year.

Recent policy reforms, including plans for accelerated public infrastructure investment, appear to have balanced the business and consumer confidence about the economic outlook. Against this backdrop, it is expected that India's growth to accelerate over the next few years to around 8%. The Indian government has also taken a number of steps to improve the business climate. Additional structural reforms to address the legacy impediments to growth, including measures to reduce bureaucracy and speed up infrastructure investment, could help to sustain the strong pace of growth in the coming years. According to the latest IMF projections, India's contribution to global growth is expected to be even larger than the combined contribution of the G7 Countries by 2018.

During the present economical growth in India, the overall job market looks optimistic as the Indian companies geared up for large-scale recruitments. Organisations are busy streamlining their hiring strategies and organisations are all set for aggressive recruitments. With an improving economy, initiatives such as **'Make in India', and plans to create 100 smart cities are likely to further stimulate job growth**. The Indian job scenario is slated to witness more stability, especially in sectors such as manufacturing and automation. Social professional networks have developed over the last four years and are now the number one source of quality hires for Indian staffing firms. Social networking has evolved to become a vital source for quality placements in the country, followed by job boards. Online professional networks are the most preferred channels today for promoting a firm's brand.

(b) **Political Situation in India**

Mr. Narendra Modi became Prime Minister of India in May 2014 with a great expectation of good governance and a strong economy. He started several measures for economical growth of India, encourage investment & create jobs. To make India a manufacturing hub, he started the "Make in India" programme all over India. Two important reform bills – one to streamline India's Federal and State Sales tax and the other to facilitate land acquisition are in progress for approval of the Indian Parliament. The Indian Parliament has recently passed an amendment in the Payment of Bonus Act, 1965 by which more employees will become eligible for bonus. This amendment is significant for two reasons, one is

that the number of beneficiaries have gone up because of the raising of the illegibility limit from salary of Rs. 10,000/- per month to Rs. 21,000/-. And the second is the wage ceiling has been doubled for calculating bonus from Rs. 3500/- per month to Rs. 7000/- per month or the minimum wages as fixed whichever is higher for factory workers and establishments having twenty or more workers. Moreover, the Narendra Modi-led Government is making a fresh attempt at pushing Labour Law Reforms with a plan to boost manufacturing, job creation and reduce the unemployment.

## **2. HR Challenges in India**

In India, the role of HR is changing very fast and facing new challenges in the present economic scenario in India. Indian HR plays a vital Strategic role for the growth of business to introduce the latest technology for reducing the production cost and engage the workforce with adequate knowledge of upgraded technology. It is a big challenge for Indian HR Professionals to understand the psychology of diverse workforce, to identify new talent sources, retain the best talents and motivate them for better performance. In the present competitive business world, they are constantly updating their knowledge with the latest trends of global HR functions and implemented the same in the work place in a regular way. Indian HR plays a key role to search the innovative ideas for the growth of business and well aware about the customer expectations for the quality products and other aspects. Indian HR professionals are not only managing the fast technological changes which are taking place but at the same time they have anticipating the changes ahead and execute the same for survival in the business. They are constantly working for the development of HR relationship and to meet Professional Challenges with unique HR Best Practices for betterment of the Society.

## **3. NIPM Projects and Initiatives**

Major areas of NIPM-India activities include the following :

### **(a) 34<sup>th</sup> Annual National Conference – 2015 of NIPM-India**

NIPM-India successfully organized its 34th Annual National Conference - 2015 on the theme ‘**Winnovate HR for Business and People Aspirations**’ during October 08-10, 2015 at Hotel Le Meridian, Coimbatore, Tamil Nadu, India. The Conference was inaugurated by Dr. Partha Chatterjee, Hon’ble Minister-in-Charge, Department of Higher Education, School Education & Parliamentary Affairs,

Government of West Bengal, India and Past National President, NIPM-India. Mr. R. Mohan Das, Chairman, National Organizing Committee delivered the Welcome address. The occasion was graced by Guest of Honour Md. Musharraf Hossain, President, APFHRM & President, BSHRM, Bangladesh. The Presidential address was delivered by Mr. Somesh Dasgupta, National President, NIPM-India. HR Best practices companies were awarded with the prizes and Best Chapter awards were also given away for various NIPM Chapters. More than 800 delegates from all over India have participated in the Conference. Under the Exchange Programme, delegates from IPM Sri Lanka, BSHRM, Bangladesh and JSHRM, Japan have also attended the Conference. A large number of eminent Speakers have shared their valuable thoughts and views on Global HR scenario in the different Sessions of the Conference.

- (b) During the period July-December 2015, about 50 nos. of professional programmes such as, Conferences, Seminars, Workshops, Lecture Meetings, HR Conclaves were organized successfully by the NIPM Chapters & NIPM-National Office for the benefit of HR Professionals / HR Students.

#### 4. Scheduled Conference & Seminar

- The biggest event of NIPM-India, the 35th National HR Conference will be hosted on the theme '**Powering ahead – Strengthening Bonds of Business by Focusing HR**' during September 23-24, 2016 at CIDCO Exhibition Hall, Navi Mumbai, Maharashtra, India. Some renowned International and National Speakers will share their views and ideas in the forthcoming Mega Conference.
- **Scheduled Seminar** : NIPM-India is going to organize a National Seminar on the theme '**Managing for Excellence – Be Different, Do Different**' during April 22-23, 2016 at Hotel Yogi Executive, Navi Mumbai, Maharashtra, India.

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