HRM in India: challenge for the management of the subsidiary of a multinational

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India context

- India in the BRICS (Brazil, Russia, India, China and South Africa) : a third of the world's GDP and 40% of the world's population.

- As for India, its annual GDP growth rate (3.1%) is twice that of the world average and three times that of the United States.

- Given the growing expansion of the Indian market, several multinationals are investing in this market and building factories and production units there; this requires adapting to local HRM methods."

Research question

- What are the challenges related to human resources management in India, one of the emerging countries?

- India, from a historical perspective
- Evolution of human resources management in the country.

- Multinational company of the firm (steel sector), since 2022, HRM is part of a global strategy (group level) which aims to standardize HR departments in different countries.

- 10 qualitative interviews of managers

India: emerging country

- Emerging economies is defined as an economy in rapid transition, undergoing industrialization, recording high growth rates and presenting investment opportunities (Boillot, 2016) (Saint-Mézard, 2014).

- In the 2000s, the expression was taken up by economists from the American investment bank Goldman Sachs to characterize four countries: Brazil, Russia, India and China, forming the acronym BRIC which would become following BRICS following the integration of South Africa (South Africa).

- Indian population is expected to continue growing until 2060 to reach 1.7 billion people. This country, which has more inhabitants than the whole of Europe, is a giant.

- With nearly 600 million people under the age of 25, India is the youngest country in the world.

Liberalization, privatization and globalization

- In 1991the country to accept a "structural adjustment program" proposed by the IMF (International Monetary Fund) and the World Bank. The Indian government then initiated a set of radical economic reforms (Landy, 2001).

- Deregulation of industries, reduction of controls on foreign investment and trade, the privatization of numerous public companies and reform of the tax system.

- These reforms opened the Indian economy to the global market, India gradually reduced its customs tariffs and eliminated many restrictions on imports and exports, thereby encouraging foreign direct investment and international trade (Boillot, 2016).

- Religion is omnipresent in Indian life. India is the cradle of Hinduism. There are also 15% Muslims in the population, 2.3% Christians and 1.7% Sikhs (Yacoub, 2003). When we talk about the social organization of India, we inevitably think of castes). It is a significant element that governs entire sections of society.

Litterature of HRM practice in India

- Following economic liberalization and opening to international markets, Indian companies have been faced with foreign competition.

- Oncrease productivity while reducing costs, without hindering job creation throughout the country (D. Saini & Budhwar, 2004).

- Job security is emerging as a crucial issue in human resource management (Cooke & Budhwar, 2015).

- Massive arrival of women on the job market: issues with recruitment, promotions, women frequently hit a glass ceiling, being seen as less suitable for high-responsibility roles.

- Shortage of skilled manpower : high turnover with qualified employees frequently change jobs, favoring the most advantageous offers.

- Pronounced hierarchy : castes and colonial past

Results of the research

- All the professionals interviewed unanimously and without exception described the socio-economic context of India as being in full expansion: strong growth in varied sectors, rapidly expanding demographics and increasing engagement in international trade.

- This global trend is supported by a government active in infrastructure development and the promotion of entrepreneurship, in women equality, to fight against the privileges reserved for certain castes (quotas, particularly in the public service).

- Workforce we will have a lot of expatriates but also the diaspora returning home.

- Job market is open and offers opportunities: there is little loyalty to the employer / feeling of dehumanization among workers.

Big challenges

- Recruitment process: the ability to select from many candidates, choose the best and keep them.

- Issue of staff retention linked with facilities for work-life balance and teleworking (became the norm).

- Training Policies : attractive impact but also generates a lot of turnovers; as soon as staff are trained, they tend to sell these skills elsewhere, to employers who will pay them a little more.

- Diversity challenges : gender /plurality of languages / religions.

Recruitment process

- "Finding the right set of skills for the right job is the difficulty. To get the skill set we need, we must hire, train, and then retain candidates. But there will always be a mismatch between the skills in demand and those present on the market"

- "The Indian market is booming and we can have hundreds of applications in a few days for a manager position. Many people apply, juniors and seniors alike, sometimes even without the required skills, it's a lot of work.»

- We use tools like Success Factors to automate part of the recruiting stage, but that doesn't solve this problem [...]. This is a major challenge that we may be able to meet with the arrival of AI, but for the moment it is not perfect, it takes a lot of time. "

- There were a fairly intense diaspora with quite a few profiles who left for the United States to train and who returned to India.

Work life balance and teleworking

- People look for a good organizational culture, adequate salary, and if the company works 5 days a week. Here we works 6 days a week and we lose a lot of candidates over that.

- They will look at whether there is teleworking and work-life balance policies.

- Recently we were hiring people, [...] we made them an offer and they accepted, but a little later they told us that they no longer wanted to come from their place to Mumbai [...]]. So we saw that offers were being declined because relocation in Mumbai was a problem.

- We accept a hybrid work mode, and we see that, now, this is how we attract candidates. [...] the candidate want to work from home.

- It is common for more than 10 people to live together in the same household, often bringing together three generations under the same roof. This dense family configuration does not create ideal conditions for teleworking.

Training policies

- "We can say that at the level of skills, there are three groups: high skill levels, medium skill level and low level. If we hire a very low level person, it's a big challenge because we have to fully train them [...] The high levels are all recruited by big IT companies with big resources, offering bigger salary packages. So we have to choose from the rest and train them properly. »

- "We have to retrain them on the job, that is to say we take you, we put you to work knowing that you have shortcomings, and for each task that you are going to have to do in the profession, a person is next to you, like a mentor, it trains them directly [...] We don't have standard training, it's on the job. »

- "We do it this way because a standardized training package per function could take longer and be expensive.[...]The real problem is the basic training of candidates."

Diversity : castes/ religions/ gender

- "There are still quite a few other things that impact human resources. For example, an internal mobility policy does not work the same way in India as it would in another Western country because there is a deference to hierarchy due to the caste system, and even to revolution and so immediately, which is imposed »

- "Indeed, women constitute a significant part of the workforce in India. [...] In our company, for example, we have rules in place regarding sexual harassment in the workplace to protect them. [...] There are still many areas where women are under-represented. When we attend career days in schools, it sometimes happens that there is only one woman per class."

- "One of the challenges is to make the work experience good and human in order to keep our workers and for that we discuss with them and we give them time. Before asking them if they did well, we offer them tea and ask them how their family is doing, so they know we are interested in them. The human aspect is one of firm's values, it's how we motivate, connect and communicate. »

Magritte, L'art de la conversation (1950)

Suggestion for a model for HRM in emergent country : REVER - DREAM

REVER	DREAM
RESPECT	**D**ELEGATION
ECOUTE	**R**ESPECT
VALORISATION	**E**QUITY
EQUITE	**A**TTENTION
RESPONSABILISATION	**M**OTIVATION

Manuel

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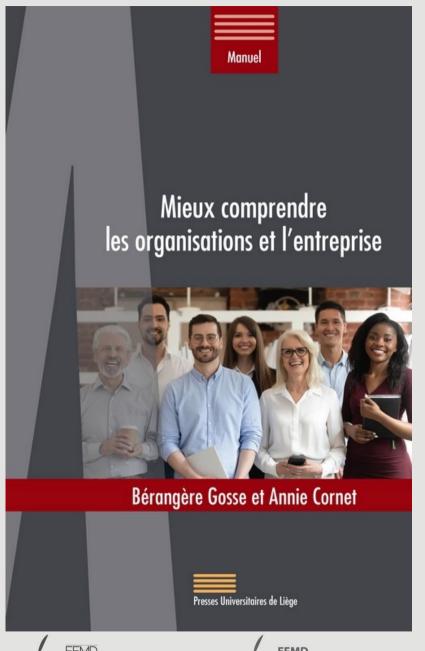EQUIS
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