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CASE STUDY

FLEXIBILITY AT WORK PLACE- REAL OR MIRAGE BEST HR PRACTICES IN ENGINEERING INDUSTRIES IN COIMBATORE – A CASE STUDY OF A MODEL ENTERPRISE

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INTRODUCTION

*“The only God to worship is the human soul in the human
body.*

*If I cannot worship in that, no other temple will be of any
advantage”*

-Swami Vivekananda

In a business, HR activities and HR practices go hand in hand. To offer thorough human resources involvement in a business, HR professionals must understand, generate and implement an integrated approach to HR practices and HR activities. The process can be viewed as having two-steps: First, establish practices designed to achieve the goals of business in efficient, safe and legal ways; and, second, execute the practices through associated activities, enacting improvements when necessary. HR practices should create a natural flow to HR activities. When this occurs, human resources department should be functioning at optimum levels for the benefit of your business.

All the above desirables are seldom practiced. There are exceptions. A case study was undertaken in a Model Enterprise and the best practices prevailing therein were documented and synthesized. The core components of the above practices are worthy of emulation in identical environment.

Keywords: HR practices, reputation, employee-friendly, overview, best practices, recruitment, selection, training, development, employees, performance appraisal, employee retention, employee friendly.

Background Note

The Indian engineering industry has now truly emerged as a dynamic sector in the country's industrial economy. Indeed it has put India on the map of industrial world and given us much needed self-reliance in vital areas from a modest beginning and with a steady growth. The engineering industry is one of the important basic industries and it occupies a premier position, as one of the major instruments of the economic development of the country. Since independence, this industry has achieved spectacular growth. Emphasis on industrialization during the various five year plans encouraged the establishment of thousands of large, medium and small manufacturing undertakings scattered all over the country.

For Coimbatore, economic growth is driven largely by industrial development. It is known for its entrepreneurship and manufacturing facilities. The region has a strong presence of traditional manufacturing units such as foundries, engineering industries, and textile mills. In the recent years, it is seeing the development of the Information Technology (IT) sector too. Despite challenges on several fronts such as labour and power shortage during the last two years, the city and its industries are surging ahead.

New manufacturing facilities are coming up, existing ones are expanding, and growth is seen across a range of industrial sectors to cater to the domestic and export markets. Several overseas companies have started operations in Coimbatore. The micro, small and medium-scale enterprises (MSMEs) have also developed as vendors or job working units for larger industries. Coimbatore's engineering industry is spread across a range of products. Textile machinery, general engineering, pump sets, castings, valves, and automobile components are some of the products made by these units. According to Tamil Nadu Association of Cottage and Tiny Enterprises, the district has nearly 30,000 cottage and micro enterprises, employing over two lakh workers.

These units do components for all the sectors and for public sector units too. Coimbatore has always had micro units. Many of these grow into small and medium-scale enterprises over a period of time. Apart from the domestic market, the larger units get several overseas orders and the micro sector does job works for these industries.

The Southern India Engineering Manufacturers' Association (SIEMA) was founded in the year 1952, with a sole aim of representing and protecting the interests of Micro, Small, Medium and Large Scale Engineering Industries of this Region. Most of SIEMA members are engaged in manufacture of

- Electric Motors
- Monoblocks
- Pumps
- Submersible Pumpsets

- Diesel Engines
- Foot Valves etc to cater agricultural sector
- Centrifugal and Centripetal Pumps
- Textile Machineries, Spares and Parts
- Starters & Switches
- Air and Borewell Compressor Pumps
- Rough Castings, Steel Castings, S.G. Iron Castings and
- Auto Components

The main objective of the Association is to inculcate awareness and provide platform to share knowledge and best practices in Manufacturing. The Association also acts as a forum to represent the member's grievances to the Government and other agencies.

Challenges

There are challenges such as labour shortage, lack of training and skilled labourers, indefinite HR practices and varied job security. The region needs more large-scale industries and best HR practices to attract employees with low turnover and absenteeism. Since most of the engineering units come under SMEs and MSEs, there is no scope for better HR practices. Lack of skilled labourers, skilled technicians are some of the problems faced by this industry. It is expected that a combined effort by the industry to provide good HR practices will take the industry to the next higher level in growth.

Issues

To understand the role of an organizational philosophy in the development of human resource practices in manufacturing industries.

HR Practices – As Needed for the Hour

Human resources practices are strategic in nature. They represent a vital guidance system that coordinates with executive business plan. HR practices form the foundation supporting the way a company's human capital will operate. For example, HR practices include formulating a method for measuring and analyzing the effects of a particular employee rewards program. Other examples include the creation of a program to reduce work-related injuries, and building a framework to ensure employment laws that are adhered to. The activities performed by human resources teams should directly correlate with HR practices. If they don't, the disconnection can illustrate the concept of being up a creek without a paddle: It is possible to function this way but it is not very effective.

Employee should be trained to be focused on the objectives of the organization. An organization has to be declared as a learning organization where in the potential of

employees are disseminated in line with changes emanating in organization. If a suggestion given by an employee for the improvement of organization, the organization has to take it as a NOBLE idea. If that idea didn't turn out the expected success, the organization should accept it as a noble failure. "A Leader should balance both PEOPLE and TASK". The leader should take every possible step to MEND the employees' attitude to fit in the organization than to SEND the employee out of the organization for mistakes or failures.

Philosophically handling the HR practices needs few aspects that organization will have and never follow due to its demanding business. They are

- Openness and Mutual Trust
- Team Culture
- Customer First Strategy
- Win-Win Strategy (A leader can only win when his subordinates also win)
- Empowerment

Training

The motto of training is "*We can train anybody - Even a deer can train a tiger to eat grass*". Training should change the personality- person's ability to lead, motivate and inspire others. Analyzing the employee's competency and mapping the skills as per expectancy will lead the organization for better appraisal systems. The appraisal system will take the organization to the pay and rewards which will take out the organization to fame.

Performance Linked Compensation (PLC)

- To reward employees at the time of best performance
- To build human assets in the transformation from "Good to Great"

Variable Pay Scheme

Depending upon the cadre of the employee a variable pay scheme can be introduced in salary which will induce the employees to show maximum efficiency in production. A variable pay in percentage of salary that can be added or deducted based on their performance.

Challenges

- Effective planning
- On-time delivery of components
- Quality of outsourced components
- Quality of raw materials
- Upkeep of process efficiency

- Marketing of enhanced production
- Effective utilization of resources (Machineries, Tools and Manpower)

If in organization, the basic HR Practices and activities as expected by employees are given; their performance at work will be efficient.

Employees are Main source of production → All profit comes from employees

Higher the Job Satisfaction of Employees → Greater the Profit

→ Higher Productivity + Lesser Turnover

→ Increased Morale + Decreased Grievances

“Greater the flexibility at workplace and more sound the HR Practices; better the job satisfaction; higher the productivity; greater the profit; lesser the turnover; increased morale and decreased grievances”

Ways to implement Best HR Practices

The small, medium and large enterprises should concentrate on best HR practices to have a prosperous engineering industry. Employees should be treated in the following ways to elevate in best HR practices.

- ✓ Accept and appreciate
- ✓ Educate and elevate
- ✓ Enrich the potential
- ✓ Balanced leadership
- ✓ MEND than SEND
- ✓ Accept noble failures
- ✓ Make your employees responsible citizens
- ✓ Win-win strategy

Questions for Discussion

1. Do HR practices really act as means for productivity?
2. How does a HR manager be trained to understand the problems of employees and to implement HR practices?

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