



INNOVATION THROUGH HUMAN CAPITAL MANAGEMENT

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Abstract:

Every company wants to succeed in capturing the market and maximizing the profit. With the changes in technology and increase in globalization the world has become a village which leads to high competition and complexity in performance of work. As companies are not only competing with domestic companies but with companies all over the world, this is when innovation is needed in a company. How can a company be different from others? Innovation can only be achieved when there are talented human resource and good HR practices in the company. Innovation in companies is through talented minds in the company. Company has to acquire, develop and retain these people. This paper is a case study of the Tata consultancy services TCS. Secondary data is used to identify how TCS manages to retain the best talented workforce. The HRM practices of TCS are understood in depth and a linkage between HR practices and innovative talented employees is drawn.

Index Terms: HRM Practices, Innovation, Talented Employees, Case Study & TCS

1. Introduction:

Innovation is everything in accompany. For a company to sustain in the market it has to be innovative. India accepted LPG in the year 1991. From that time foreign companies have entered the Indian market. The domestic companies had to compete with foreign countries. With this it also led to development in technology in the country. With all these things human resource became a vital part of a company. Innovations made companies stay in the market. This innovation can only be achieved through people. This paper present on how innovation can be achieved through people. This is connected with the case TCS secondary data is used.

2. Objectives:

The objectives of this paper are

- Understand the HRM practices of TCS
- Identify the innovative practices followed by the company
- To establish a relationship between innovative HRM practices and achievement of the bottom-line

3. Methodology:

The paper is based on the secondary data available through published report, case studies and the literature available. Thus it is a purely secondary data based paper which can be a further supported by primary data desired to be collected.

On this background we now switch over to a case study of human recourse practices in TCS which help in innovations.

Tata Consultancy Services Limited (TCS) software services and consulting company headquartered in Mumbai, India. It is the largest provider of information technology and business process outsourcing services. It is part of one of India's largest and oldest conglomerates, the group TATA. One of TCS' first assignments was to provide punch card services to a sister concern, Tata Steel (then TISCO). It later bagged the country's first software project, the Inter-Branch Reconciliation System (IBRS) for the Central Bank of India.

TCS have a standard set of practices for maintenance of its HR practices. It is closely linked with the business strategy by planning it according to the structure of the company through the support given by innovative HR practices. Throughout the European countries, it is considered as the best employer with the lowest attrition rate of 9.9%. The company is known for the overall development imparted to its employees which also offers multi-lingual training concepts.(tcs.com)

Human resource is a vital part in a company, with best HR practices it leads to motivated employees which leads to innovations through employees. This can be connected to the case study about TCS

4. Employment or Job Security:

TCS is a good base to work at, especially for fresher's because they are given good opportunities under comfortable cozy environment .Working in TCS feels like working in a government organization because there is high job security. The companies lower turnover rate and career development programs for its employees. With a sense of security and a career development, this builds morale among the employees and motivates them for new innovations.

5. Selective Hiring:

Planning for human resource is the most important task to be done for selecting the best candidate among many applicants .TCS company recruitment process is best in hiring policy which include mix of fresh and experience candidate. This is done so as to acquire best talent to the company. Fresh candidates and experience candidate are recruited in the company so as to bring new ideas and also modify the old ones. With this innovation has a very high chance to occur in the organization .the company also uses innovative ways for recruitment such as online recruitment outsourcing from consultants and former employees.

6. Team Building:

TCS encourages team work in the company .with the mixture of diversity of people from different places this help in bringing about new ideas to the company hence innovation through people.

The company encourages open door policy which is good in motivating employee in bringing out their ideas.

7. High Pay Contingent on Company's Performance:

TCS Company is the best employer who has a structure of composition having only 5% respect on performance. an employee performing good will be motivated to increase his or her productivity as the company rewards according to performance .TCS also assigns task to teams and the teams can decide their pay structure .TCS uses EVA model(economic value added) to measure performance and bonus focused on the goal to align people to the mission of their company.

8. Extensive Training:

TCS provides training immediately on the first day of joining the organization and continues for a period of three months. Training is given throughout the entire period of working in the company. Training is also imparted to employees when ever new technologies or new platforms are introduced at any point of time. Different kinds of training are provided example Initial Learning Program, Leadership Development program and Workplace Learning. With all these kinds of training in the company it helps employees be familiar with the changing world and how to use these technologies for further innovations

TCS has proved to be one of the best in the country and managed to imbibe in HR practices which help to nurture talents and bring about innovations. Innovations in a

company come from employees but these employees cannot bring out these potential unless and until they are well motivated.

Figure 1: Relationship between HRM Practices that foster innovative human capital at TCS



Figure 1 shows the relationship between general HRM practices; in association with practices in TCS in specific which leads to innovative human capital .The innovative human capital help achieve the organizational goals. The specify HRM practices include extensive selective training ,team building initiatives ,high contingent pay extensive and elaborate training and above all high job security. These HRM practices of TCS keep the employees highly motivated and engaged .Thus the human capital is innovative and this leads to the achievement of the organizational bottom-line Conclusion: It is observed that TCS has a number of good HRM practices that fosters an innovative organizational culture. This organizational culture helps the organization to retain the talented workforce and empower them to achieve greater results .Thus it can be observed that human capital plays a vital role in the overall development of the organization.

9. References:

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