

# HR, THE RESCUER

It's a known fact that the economic performance has a direct impact on one's business. And HR today is taking the onus to address this situation by bringing its expertise to the table, says **Unnati Narang**

Now that we are well into the not-so-new year, it makes sense to look back and reflect. "We have witnessed ups and downs and got a pulse of the prevailing state of the economy as well as future prospects. Given the global economic scenario, we expected the Union Budget in 2012 to incorporate measures to handle the fiscal deficit. There was a strong hope that the Reserve Bank of India might take into account a reduction in CRR (Cash Reserve Ratio) in the month of March by 100-200 basis points, as a result of which, the interest rates would also have come down. The corporate India sustained a view that the Central Sales Tax (CST) rate must be cut from current two per cent to one to accelerate implementation of the Goods and Services Tax (GST), which is likely to push the country's economic growth by 1.4 per cent-1.6 per cent and might add Rs.1.50-lakh crore annually to the government's kitty, while stressing upon the need for tax reforms," says Rajita Singh, head HR, Broadridge Financial Solutions India Pvt. Ltd.

Given these expectations, did reality fall in line with corporate India's foresight? Apparently not – things were unfortunately not as rosy as one would've expected. Take the rupee-dollar movement, for instance. "Nobody expected the rupee to depreciate as much as in the past as it actually did," adds Ronesh Puri, MD, Executive Access.

"Anaemic economic growth, unrelenting inflation, weak rupee, policy hurdles — India's litany of woes over the past several months has been long. Performance of over 50 per cent of the listed companies dipped impacting HR initiatives. Growth in the domestic economy is so far subdued, as the government continues to consolidate its fiscal position. The low revenue and re-

ported loss by one of the major IT firms in India took us by surprise, not to mention a low growth graph in retail, oil and gas with the rising international oil prices adding to the inflationary pressures," says Singh.

Given these circumstances, HR was called upon to take a leadership stance and drive companies towards change and growth driven by its people. "The first half of 2012 reflected 'HR leadership' – the best of HR-driven companies displayed great presence of mind by putting together an effective HR roadmap for the year. The focus was entirely on people engagement. Progressive, growing companies continued their investments in people management. These companies continued to invest in learning and development initia-

tives that led to value creation. Rewards to high performers were glaringly differentiated, so as to give the message that it is 'pay-only-for-performance' only. Similarly, the non-performers were not rewarded at all and many of them were given sever-



The non-performers were not rewarded in the first half of 2012

ances too. Interestingly, a few companies took a different stand. Based on past experiences during such slow-downs, these companies believed their

advantage  
**ascent**  
MID-YEAR REVIEW