

# “Crafting” the Future of Work in India: Towards a Socially Relevant HR

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## **Abstract**

The present buoyancy of the emerging sectors (BPO-ITES, telecom, financial services, retail, etc.) in Indian business environment seemingly offers tremendous opportunities for creating gainful productive employment. However, the available stock and skills of human resources in the society are grossly inadequate to meet these demands. Moreover, these opportunities in the organized corporate sector are too miniscule to have any significant impact in creating a sustainable productive society.

This paper suggests that the HR profession can remain (and become) socially relevant, only if it moves beyond the conventional corporate and academic boundaries, and focuses its efforts on the challenges of the ‘human resources’ in larger society. This shift is also in tune with the emerging business trends (e.g., ‘triple bottom-line’ reporting, 3-G CSR, ‘Equator Principles’ etc.) that are making the even the businesses to move ‘beyond business’, and build deeper and more responsible interface with society.

To enlarge the professional role of HR to socially relevant domains, the profession would need to develop new skills and capabilities, while also leveraging on the existing ones. The paper discusses the pre-requisites of such a broader professional role, and the capability requirements for developing a ‘socially relevant’ HR profession.

**Key Words:** Human Resource, HR Profession, Social Entrepreneurship, Social Development

## **Introduction: the two scenarios**

The Indian economic environment is witnessing a shift that, in many ways, is unprecedented in the business history of the country. Never before has the country seen such contrasting scenarios of tremendous opportunities of growth and employment, and hopeless inadequacy of existing human resources in Indian society.

During last few years, deregulation and technology have brought many new and fast-growing industries into the Indian business scene. The growth of, and investments in, sectors such as ITES-BPO, telecom, financial services and, more recently, retail have radically altered the Indian business landscape, and have created huge opportunities as well as challenges. Consider, for instance:

- In barely 6 years, the Indian ITES-BPO sector has created unique business and employment opportunities, with a turnover of \$5.2bn (FY’05) and has generated about 415,000 jobs (FY’06) (Nasscom, 2006a).

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- Overall, in 2005, the IT sector achieved a turnover of \$28.4bn, and contributed to employment of more than 1.3mn knowledge-professionals. According to NASSCOM, “Indian IT-ITES is estimated to have helped create an additional 3 million job opportunities through indirect and induced employment.” (Nasscom, 2006b).
- According to the Telecom Regulatory Authority of India (TRAI), the boom in the telecom sector resulted in direct employment of almost 430,000 people. In addition, the spillover effect in terms of PCOs and cyber-kiosks, have created more than 600,000 jobs (TRAI, 2006).
- According to a study by All India Management Association, “remote services” (ITES, e-learning, etc.) and “importing customers” (leisure and medical tourism, educational services, etc.) have the potential of creating between 20mn to 72mn jobs by 2020 (All India Management Association, 2003).
- The more recently deregulate retail sector is estimated to create approximately another 8mn jobs directly, or through the value chain (Price Waterhouse Coopers, 2005).

Etc...

What is exciting about these trends is that this growth is taking mostly in sectors that are people intensive, and therefore, pose both an opportunity and challenge for the HR professionals to contribute to country’s economic progress by creating productive work-force to harness these opportunities.

The optimism and buoyancy, however, fades if one looks at these opportunities, not just in the context of the corporate business, but within the perspective of overall economy and state of the work-force. In contrast to these opportunities, the profile and trends of Indian workforce shows a widening gap in the availability of requisite skills to leverage on these opportunities. Consider, for instance, the following facts (Planning Commission, 2002; Inderesan, 2002) :

- The new emerging job opportunities are confined mainly to the organized sector, which accounts for only 7-8% of the 401mn strong Indian employed manpower is in the organized sector. According to National Sample Survey (2000), 92-93% (or about 370mn) workers work in informal or unorganized sector. A majority, almost 80%, of them are in agricultural sector (Planning Commission, 2002)
- While new job opportunities are exploding, the SP Gupta Committee Report (2002) from Planning Commission suggests that the aggregate employment creation in organised sector became negative during mid-90s. During 1983-94, the employed workforce increased from 240mn to 316mn, while the unemployment had remained more or less constant at 20-21mn. In comparison, during 1994-2000, Indian economy created 21mn jobs; however during the same period, 27mn more people entered the workforce, thus increasing the unemployment by about 6mn. Moreover, more than 95% of the 21mn jobs created during this period were actually in the unorganized sector (Inderesan, 2002; Planning Commission, 2002)
- The education level of workforce in India is abysmally low. According to NSSO 2000, about 44% of the workers were illiterate, and another 22.7% had schooling up to primary level (Planning Commission 2002, Sharma, 2002)
- A majority of the Indian workforce does not possess “marketable” skills. According to a report by Ministry of Labour and Employment, in the urban area, only about 19.6% of male and 11.2% of female workers possess marketable skills. In the rural areas, the percentage of workforce with marketable skills was even lower: about 10% for male and 6.3% for female (Sharma,2002)
- According to the Khadria (2004), the total stock of graduates and post-graduates (in both general and professional education) was just slightly above 25mn in 2000. Extrapolating the growth trends during 1990s, at present (2006), the most optimistic estimates would be merely around 30-32mn.
- In 2002, about 41mn individuals were registered with the employment exchanges; 72% of them were less than 30yrs in age, and 80% of them were without any professional skill (Sharma, 2002)

- Though India boasts of a large young population, only 5% of the Indian labour force in the age category 20-24 have any vocational skills obtained through formal training (as compared to the industrialized countries, where the figure varies between 60% and 80% - in case of Korea, it is 94%) (Sharma, 2002).

Etc.

There are two significant conclusions that one can draw from these two contrasting scenarios:

1. There is a huge gap between the emerging job opportunities, and the existing skills in the Indian workforce, and
2. Even though the job market in some organized sectors is booming, the numbers are far too insignificant to build a society which provides productive employment to its human resources.

### **The response from the HR profession**

One response to the above challenges from the HR profession has been to design innovative ways to identify and source talent, develop responsive training systems to develop requisite skills, and to utilize and redeploy existing manpower in an efficient manner. Accessing untapped territories (e.g., mid-size towns, college students, etc.) to source talent, tie-ups with educational institutions to design curriculum required for developing the customized skills for the new sectors, new forms of engagements (e.g., part-time working, project-based contracts, telecommuting, use of 'temp' workers, etc.) to provide flexibility in employment terms, training systems for multi-skilling of workforce, etc. are some of the countless examples of the swiftness with which the HR professionals have innovated and improvised systems and processes to cope with the emerging demands.

Unfortunately, however, given their scope and focus, these professional innovations do not contribute to, or make any significant impact on, the long-term and sustainable socio-economic growth of the country, in any significant manner. As the facts above highlight, the organized sector – and in particular, the private sector, where the employment growth is happening – contributes to a miniscule part of India's total workforce. In fact, the impact of the innovative HR interventions to the human resources of the country, beyond the corporate boundaries, is likely to diminish in near future, since due to competitive and productivity pressures, the organised sector will continue to shed jobs. As the India's Vision 2020 (Planning Commission, 2002) states:

<b>Table 1: Employment and Contribution to GDP of Unorganised Sector across some Countries</b>		
<b>Country</b>	<b>Workforce in Unorganised Sector</b>	<b>Contribution to GDP</b>
China	70%	60%
Malaysia	65%	47%
South Korea	69%	50%
Japan	78%	55%
Indonesia	N.A.	57%
EU	N.A.	65%
USA	42%	45%
Germany	64%	49%
<b>India</b>	<b>93%</b>	<b>60%</b>
Note: Data collected from various sources		

*'The public organised sector has been and will continue to shed jobs. Although the private organised sector will contribute significantly to the growth of the economy, its contribution to the overall employment generation will be quite modest, since total employment in this sector currently represents only 2.5 per cent of all jobs. Even if this sector grows by 30 per cent per annum, over five years it will contribute less than one per cent to the growth of the workforce.'*

### **BOX 1: Profile of The Indian Unorganised/Informal Sector**

For the HR professional, to meaningfully contribute to the society, it is essential to comprehend the nature and size of the Indian unorganized sector.

Often classified as part of the “informal” economy, the unorganized sector constitute the largest, yet surprisingly the most invisible, part of the economically active workforce in India.

According to the definition of International Labour Organisation (ILO, 2002), they comprise

(a) *the own-account workers in survival-type activities*, e.g. vendors of vegetables, fruits, meat, fish, etc., and of non-perishable items like locks, clothes, vessels; garbage collectors, rag-and scrap pickers; head-loaders, construction and agricultural workers, rickshaw- and cart-puller, etc.

(b) *the paid domestic workers*, e.g., maids, gardeners, chauffeurs, etc.

(c) *the home-based workers*, e.g., garment makers, embroiderers, incense stick rollers, *bidi*-rollers, paper bag makers, kite makers, food processors, etc., and

(d) *the self-employed in micro-enterprises*, e.g., road-side mechanics, barbers, cobblers, carpenters, tailors, book-binders, owners of small stalls and kiosks, etc. What they share in common is a lack of secure contracts, worker benefits or social protection.

In India the self-employed workers account for 93% of the total workforce. In other developing countries/regions also, informal employment comprises 50%-75% of *non-agricultural* employment, e.g., 78% in Sub-Saharan Africa, 51% in Latin America, 55% in Mexico. Even in developed economies, the temporary/part-time/self-employed – i.e., employment without benefits or protection – account for a large working population (see Table 1)

The contribution of the unorganized workforce to the economic health of India society has largely remained neglected. In India, this sector accounts for 60% of Net Domestic Product (i.e., GDP minus depreciation), 68% of income, 60% of savings, 31% of agricultural exports, and 41% of manufactured exports. Even in the urban centers of India, the unorganized workers account for about 60-67% of the employment.

Women workers in the unorganized sector – the farm workers, vendors, casual construction labour, domestic help, home-based workers – are even far more neglected and unaccounted-for part of the informal economy. This is so, since the self-employed women work from homes and their contribution is mostly not calculated into the national economic data. However, according to the National Sample Survey '05, one-third of the informal sector workforce (about 120mn) comprises of women. Collectively, they accounted for 96% of the female workforce in the country, and contribute to about 20% GDP of India.

Thus, while one can't underestimate the significant contribution of large industries to GDP and in making high value products and services available to the consumer, there definitely is a need to re-examine the popular assumption that solution to creating a productive workforce lies with large industries in the organized sector (e.g., creation of SEZs, FDIs into emergent sectors, incentives to large private players, etc.). The potential to create gainful and productive employment – and a skilled workforce for sustainable growth - clearly lies in the unorganized sector. As the Vision 2020 points out:

*“...an in-depth examination of employment potentials makes it evident that the largest share of new jobs will come from the unorganised sector.”*

International comparisons also show that world over, the unorganized sector (i.e., micro small and medium enterprises) contributes to bulk of gainful employment and to a substantial proportion of GDP (see Table 1)

The profile of unorganized manpower in India, however, significantly, differs from the more advanced nations. A significant proportion of the unorganized/informal workforce does not possess high-end skills, even though its contribution to the GDP is significant (see Box 1).

The above facts also necessitate a need for introspection on the Role of HR as a profession within the larger socio-economic context. If the professional and societal responsibility of the HR professionals is to develop and sustain productive manpower, then there is also a need to enlarge the focus of HR profession beyond the corporate and academic boundaries.

### **HR ‘beyond business’**

It is perhaps appropriate to spend some thought about the meaning of HR as a “profession” here.

More often than not, the meaning of the “profession” remains confined to two parameters: (1) mastery over certain specialized skills or body of knowledge, and (2) membership to a community who possess those skills or knowledge. Lifton (1973), however, highlighted that the fundamental and distinctive meaning of the term “profession” (and specially in the context of people-focused helping professions) revolves around the self-acknowledged “public/social role” of the professional. The term “profess” is made up of the Latin prefix *pro*, which means "forward," or "into a public position," and *fess*, which derives from the Latin *fateri* or *fass* and means "to confess, own, acknowledge." Lifton pointed out that the original meaning of profession was "a personal form of upfront public acknowledgment."

Thus, a profession by its very definition has a public or social role that goes beyond mere possession of specialized knowledge/skill and membership to a professional body. In practice, this is also true of most other professions. A doctor, for instance, still retains his/her social identity as a doctor even when outside the hospital or his/her chamber. The same is true for a lawyer or a chartered accountant. This is because their professional knowledge and skills remain relevant to the society even outside their place of work.

The same criterion would hold for members of HR community to really qualify as professionals. That is, HR would become a true “profession”, only when its specialized skills and body of knowledge become relevant to the society even outside the corporate and academic boundaries.

### **The emerging business turf**

Such a shift and enlargement of the focus of HR interventions is also in tune with the emerging trends in business and regulatory environment, which are forcing the businesses to move ‘beyond business’. The following are some stray examples that highlight this escalating trend:

- Even though voluntary by nature, the UN Global Compact has been increasingly adopted by companies in India and abroad. In India, more than 125 companies have committed to support and abide by the 10 UN principles (which relate to human rights, labour standards, environmental protections, and anti-corruption) in doing business.
- ‘Triple Bottom Line Reporting’ (or TBL/sustainability reporting) that was mandated in France is increasingly becoming the norm across the world. This format recommends that companies not only disclose their financial accounts, but also their performance on environmental, and social and ethical parameters. About 25 Indian companies, including ITC, Dr Reddy’s Laboratories, Jubilant Organosys, Ford India, Tata Steel, Reliance, etc., have already shifted to triple bottom line reporting norms (Karunakaran, 2006a).

- The Global Reporting Initiative (GRI) that started in 1997 under UN Environmental Program, and is spearheading the TBL/sustainability reporting has around 20,000 ‘stakeholders’ across 80 countries. Its 2002 guidelines are followed by around 880 corporations worldwide that include almost all well-known MNCs. More are likely to join once the 3G (3<sup>rd</sup> Generation) guidelines get published in October 2006 (Global Reporting Initiative, 2006).
- One of the landmark events, which is likely to change how business is done globally, took place in May 2006, and resulted in ‘The Equator Principles’ for project financing that were adopted by 40 global international financial institutions with funds worth \$4trillions. These 10 principles lay guidelines about assessing the environmental and social risks in funding a project, and ensure compliance to the performance standards on these issues. These principle will come in operation from January ’07, when the EPFIs (Equator Principles Financial Institutions) will expect due diligence on the environmental, social and governance issues before funding a project (The Equator Principles, 2006)
- Increasingly the global trading companies (e.g., Chiquita, Gap, Levi Strauss, Marks and Spencer, Mothercare, Tesco, etc., to name a few) are adopting the nine standards of the ‘Ethical Trading Initiative Base Code’, which is based on the ILO recommendations about child labour, right to collective bargaining and association, working condition, wages, etc.. The ETI initiative also involves the trade unions and global NGOs such as Care International, Christian Aid, Fairtrade, Oxfam, etc. (Ethical Trading Initiative, 2006).

Etc.

As a response, and in tune with these changes, increasingly, the Indian businesses are also opting to engage in, and become accountable for, the social and environmental issues related to business.

- Besides its well-known ‘e-Choupal’ initiative (which covers 36,000 villages in 9 states, and connects about 3.6mn farmers to markets through internet kiosks), ITC has also got engaged in other rural ventures such as primary education, watershed management, women empowerment, etc. For instance, working with local NGOs, it has created more than 600 micro-credit groups, and helped more that 2,000 women to become rural entrepreneurs (ITC, 2006).
- The ICICI Bank implemented its ‘no white strategy’ for providing banking services to the rural hinterlands (covering about 60,000 villages and 40mn people), through a network of partnerships with local NGOs, micro-finance institutions (MFIs), self-help women’s groups, and even individual franchisee. The bank is also investing in health and primary education to have a long-term impact in developing the market (Karunakaran, 2006a).
- Working with an NGO, Mysore Rural Area Development Agency (Myrada) in Krishnagiri district, Titan developed Meadow (Management of Enterprise and Development of Women), a 200-strong organisation of rural women, to provide alternative livelihood in a largely farm-based economy (Ramaswamy, 2005).
- The Usha Martin group initiated an NGO, Krishi Gram Vikas Kendra (KGVK), in the state of Jharkhand, with the aim to promote village-level development through self-reliance. This initiative covers more than 350 villages, and 50,000 families, and engages in activities such as primary education, healthcare, watershed development, etc., by working with the national and international funding agencies, and 13 field NGOs (Karunakaran, 2006c).
- DCM Shriram Consolidated operates about 100 Shriam Krishi Vikas Kendras (SKVKs) across 9 states, which provide knowledge about issues such as waste water management, zero-tilling technologies, post-harvest management, etc., and address their other social needs (Kaushal, 2006).
- EID Parry’s ‘India Agriline’ ([www.indiagriline.com](http://www.indiagriline.com)) initiative uses information and communication technology to provide an end-to-end solution addressing the needs of the farming community in South India. The village level internet kiosks provide the hub from where the farmers can access information related to markets, farming solution, inputs, etc. To provide the

solutions, the initiative has partnered with the agriculture university and research centers (EID Parry, 2005).

- Lupin Pharmaceutical, Tata Steel and Usha Martin – along with CII - have come together to form a consortium for a renewable energy project for rural electrification in Jharkhand and Rajasthan (CII 2006, Karunakaran, 2006b).

Etc.

While many Indian companies have a history of engaging with, and supporting the local rural communities, there are broadly two distinctive features of these recent initiatives:

1. The motives behind these initiatives are neither merely ‘philanthropic’, nor to solely transact with the ‘bottom of the pyramid’ markets. Rather, they also represent deeper and long-term engagements and investments to develop the rural and under-developed segments of the society.
2. Even though initiated by a specific company, the model of these engagements is based on a network of partnerships which spans NGOs, local bodies and franchisees, government departments, and national and international agencies.

Viewed within the context of the above trends, the contemporary scenario of human resources in the society offers exciting and challenging opportunities for the HR professionals to participate in and contribute to the larger socio-economic reality. There are, indeed, many professional HR skills and competencies that have relevance for developing capabilities, designing change interventions and building empowering institutional structures that can unleash the potential of the huge human resource asset that the country possesses.

### **HR professional as a social entrepreneur**

The requirements of this enlarged, socially-relevant role of the HR professional can perhaps be best understood by comparing it to the role of a ‘social entrepreneur.’ This comparison is also relevant since some of the most socially relevant ‘HR interventions’ (on empowerment, systemic change, capability development, etc.) that have impacted the society have been designed and implemented by the social entrepreneurs. Dees (2001), in his classic article, *The Meaning of Social Entrepreneurship*, described the social entrepreneur as ‘*an entrepreneur with social mission*’. Hartigan and Billimoria (2005) defined the social entrepreneur as an individual who:

*‘...identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems... social entrepreneurs are people who seize on the problems created by change as opportunities to transform societies.’*

Even though social entrepreneurs work in a variety of fields (e.g., tribal and rural development, primary education, women empowerment, micro-credit lending, etc.), and with differing models of social development, the literature and studies (e.g., Barendsen and Gardner, 2004; Bornstein, 2005; Dees, 2001, etc.) on social entrepreneurship have identified five common qualities that they possess. The following sections describe these qualities, with some examples, to underline the immense possibilities that the enlarged role of the HR professional holds for making an impact:

#### **1. ‘Inspired Pragmatism’**

The underpinnings of the motivation of social entrepreneurs are admittedly certain deeply cherished principle and beliefs. Just like the business entrepreneurs, who focus on creating economic value, the social entrepreneurs are driven by an internal need to create ‘social value’, to ‘do something for the marginalised’ or to ‘contribute back to the society’, etc.. However, they do not adopt charitable models to address social issues, since they seek transformation of the status quo. Moreover while they aim at social change, their efforts do not get constrained by subscribing to any ideological position. They are pragmatic and recognize that a staunch ideological stance can prevent one from spotting opportunities to create social transformation.

Consider, for instance, the Grameen Bank of Bangladesh, which has provided micro-credit loans worth \$5bn to more than 5mn of the ‘poorest of poor’ women who cannot provide any collateral, and has a record repayment rate of 97%! The bank, however, charges interest on the loans at the market rates, and has stiff penalty for default. As the founder of the bank, Prof Muhammad Yunus explained this in an interview at Wharton University (Yunus, 2005):

*‘...I wanted to give money to people... so that they would be free from the moneylenders to sell their product at the price which the markets gave them -- which was much higher than what the trader was giving them.... (I charged interest because) I thought if you do things in a businesslike way, then the project can become as big as you want it to because you are earning enough money to cover all your costs. You are not dependent on anybody.... This is not charity. This is business: business with a social objective, which is to help people get out of poverty. Other banks were not giving loans to these people...’*

For the HR professionals, the implications of this aspect of social entrepreneurship are twofold: *one*, to identify the core purpose and set of values (the inspiration) that define the profession in terms of its societal role; and *two*, to develop actionable agenda points that translate the purpose and values into practical solutions. For instance, if the core purpose of HR profession is, say, ‘to make productive manpower available for creating economic value and well-being’, then (besides its implementation within the corporate sector by creating incentive schemes, training and capability building, etc.), the professional responsibility would also include creating options for those who have been laid-off to remain productive and gainfully employed.

## **2. Belief in possibility of change and human potential**

The social entrepreneurs are driven by the optimism that despite adversities and lack of resources/support, it is possible to create large transformations in a social system. This optimism is supported by a belief in the human potential – their own and of those others who are focus of their efforts - to make such changes happen. In turn, the optimism and firm belief allows them to envision futures that leverage on this human potential for self-empowerment. As Ela Bhatt (2002), the founder of SEWA (Self-Employed Women’s Association) stated this perception and belief:

*‘I am a product of that early atmosphere.... Our teachers sent us out to the people of India, particularly to the rural poor... Over a period of time we realised that the right to vote was not enough for the poor and women. They wanted a voice and visibility. As the poor, they wanted more than just day-to-day survival. As women, they wanted opportunities to learn and to act. As workers in India’s self employed sector, they wanted to be a part of the labour movement. As Dalits and minorities they wanted to move in from the margins to the mainstream. Yes, they wanted a voice and visibility. It took still more years for us to realise that this was not possible without access to and ownership of economic resources by the poor women.’*

It was this belief that even the poor illiterate women have a vision of personal change, and the capacity to make it happen, that led Ela Bhatt to organize them into a 700,000 ‘owner-member organization’, spread across more than 80 trade/craft-based cooperatives (including SEWA Bank).

This aspect of social entrepreneurship poses two very distinct challenges for the skill-set traditionally available with the HR professional. Firstly, it implies knowledge of technologies for large scale systemic transformations under uncertain conditions. The traditional change management skills are suitable for settings where the HR professional has some degree of influence on relevant parameters (e.g., organizational structure, company policies, access to top management, etc.). Change interventions in large social systems, however, require dealing with the government institutions, local power structures, state regulations, etc., which are not only outside one’s influence but are also often the impediments to empowerment of people.

The secondly, and related, challenge lies in the very nature of the change that social entrepreneurs strive for, which is based on a form of empowerment that is largely alien in corporate settings. The empowerment efforts in organized corporate environment are top-down, in that the agenda for change and empowerment is decided by people who are not its direct recipients. The operational meaning of

empowerment in these settings is making skills, resources and decision making rights available to them (or one may say, the empowerment is 'given'). Large transformational changes, on the other hand, occur when its recipients 'become' empowered to decide the agenda itself. The key to this 'empowerment' is not in just providing people with skills, resources and democratic rights, but first and foremost, in the skills of the change-agent to bring together and organize people into an identifiable social entity.

### **BOX 2: Examples of the Opportunity Orientation of the Social Entrepreneurs**

- *Salaam Baalak Trust* (SBT - [www.salaambaalaktrust.com](http://www.salaambaalaktrust.com)), a Delhi-based organization, works to provide shelter, education and support to around 3500 street children each year. It maintains four shelter homes and 5 contact-points around the railway stations, which offer children education, meals, boarding facilities, information on basic hygiene, counseling and medical help, and a wide range of recreational activities. To partly finance its activities, SBT offers guided street walks to visitors, which are conducted by the street children. Not only this helps in humanizing the interface between the street kids and the social elites, it also provides a source of income to them and SBT.
- In its early days of *SEWA*, Ela Bhatt used to write articles about the plight and exploitation of the unorganized women in newspapers. One of her articles about the unfair wages given to the head-loaders (women who carry cloth merchandise from the godown to the shops) drew a denial from the cloth merchants, testifying to their fair treatment to these women. She turned this denial (and testimony) to the advantage of the head-loaders by reprinting the merchants' claims, and circulating it. The merchants were now bound by their own words (Malhotra and Shukla, 2006)
- In India, more than 70% population has no access to sanitation and toilets. A large part of the population defecates in open or uses dry latrines, which increase chances for health hazards and infection. Identifying this as an opportunity, Dr Bindeshwar Pathak started the *Sulabh Shauchalaya* ([www.sulabhinternational.org](http://www.sulabhinternational.org)), a sanitation movement to provide clean and affordable toilet facilities to ordinary people. Sulabh operates 7,500 community toilet complexes in more than 1,150 towns, and has installed 1.2mn public toilets in villages, slums and towns. The community toilets are also linked to biogas plants, which provide energy for cooking, lighting, warm water supply, etc., and also provide employment to more than 60,000 local people.
- *The Yashaswini Health Scheme* promoted by Dr Devi Shetty's Narayana Hrudayalaya Foundation, provides complete healthcare (including operations of the stomach, gall bladder, uterus, eyes, heart and brain) to about 1.7mn farmers and their families at the cost of merely Rs.5/month. The scheme was based on identification of a gap: the farmers do not have large sum of money to pay for healthcare, while the occupancy rate of the beds in government hospitals in Karnataka was just 35%. The scheme leverages the number of members; since in any given month only a small proportion of members require healthcare, the cost of their healthcare is borne from the contributions of the healthy members.
- 8% of Indian population is tribal, who live in remote villages, and have no access to education. In fact, the government-initiated literacy programs for them have largely failed due to lack of response, because they do not cater to the needs of their day-to-day lives (e.g., why would a tribal like to learn about Indian history, when his/her life depends on crops, infections, etc.) . Sensing this gap – and the need – Rakesh and Rama Popli started *Ekal Vidyalaya* (single-teacher schools – [www.ekalvidya.org](http://www.ekalvidya.org)) in these areas in 1988. Currently, the organization runs more than 18,000 schools across more than 20 states in the country in the remotest areas, and provides non-formal education. In stead of binging in outside teachers, it identifies local talents and trains them to become teachers. It has doubled the literacy rate on average (and achieved 100% literacy in many places).

### **3. Capacity to reframe problems as challenges and opportunities**

Social entrepreneurs, being entrepreneurs, are opportunity-oriented in their approach to social issues. Their actions do not start from the decision about how best they can deploy the resources that they have; rather, they start from the question, ‘what issues need to be addressed?’, and then work backward to identify the resources that are needed to address those problems, and the opportunities for generating those resources. Based on their study of social entrepreneurs, Barendsen and Gardner (2004) concluded that the social entrepreneurs ‘*have the ability to see that something positive... can emerge from a painful or tragic situation... (they) demonstrate an ability to reframe these challenges into opportunities for growth.*’ This ability also helps the social entrepreneurs to identify the leverage-points, even in an adverse and hopeless situation, and convert them in their favour. (see Box 2 for some examples).

For the HR professional, this facet of social entrepreneurship opens up new challenges for innovating models that can translate an adversity or a weakness into an opportunity. The key to such innovation, perhaps, lies in enlarging the implicit definition of ‘human resources’ that is used by the HR professionals. Largely, the HR professionals use the term ‘human resources’ to implicitly describe only the skilled ‘industry-ready’ workforce. Correspondingly, certain skill-sets are seen as ‘useful’ – and part of ‘human resources’ - while others are not. An opportunity orientation, on the other hand, would require focusing on whatever skills the manpower has, and creating opportunities and processes to provide their gainful and productive usage. For instance, Taj Cormondel in Chennai tied up with self-help groups of fisherwomen, trained them on quality, hygiene, delivery and cost management, etc. - and they now supply about 40% of the hotel’s seafood requirements. Similarly, many companies tie up with ‘unskilled’ housewives to supply *chapattis* etc., for their canteens (Agrawal, 2005)

### **4. Heightened sense of accountability to those served**

The social entrepreneurs feel a sense of obligation to the constituencies they serve. One reason for this, of course, is their deeply held convictions, and the ethical impetus which guides their actions. But there is another, more important rationale for this sense of accountability.

Unlike the business entrepreneurs, markets do not work well for social entrepreneurs. The markets in which the business entrepreneurs operate (i.e., the investors, customers, ability to attract resources, etc.) provide a tangible feedback about their success or failure in delivering value. As Dees (2001) noted: ‘*...markets do not do a good job of valuing social improvements, public goods and harms, and benefits for people who cannot afford to pay... As a result, it is much harder to determine whether a social entrepreneur is creating sufficient social value to justify the resources used in creating that value. The survival or growth of a social enterprise is not proof of its efficiency or effectiveness in improving social conditions. It is only a weak indicator, at best.*’

To offset this inefficiency in the environment in which they operate, the social entrepreneurs (need to) develop greater sensitivity to assess the needs of the communities which they aim to serve – and the extent to which their efforts and actions make an impact in meeting those needs. Wherever possible, they design market-like feedback mechanisms that reinforce their accountability to their constituencies. SEWA, for instance, developed a unique methodology to monitor its impact by asking 10 questions related to its twin goals of providing ‘full employment’ (including income *and* social security) and ‘self-reliance’ to its members.

There is much overlap between this aspect of the social entrepreneurship and the corporate role of the HR professionals. The impact of many HR interventions is often difficult to measure in tangible manner. Some of the recent initiatives on ‘measuring HR’ and creating a ‘HR scorecard’ are also geared to create such feedback mechanisms for HR to self-correct its actions and interventions. The need for innovation would be to extend and customize these processes to the point of contact with the larger society.

## 5. Networking skills or working across boundaries

The social entrepreneurs create sustainability of their ventures not by building organizations, but by creating a collaborative network across different stakeholders in the issue.

They share ideas, resources and credit with others to increase the sense of ownership in the network. Since mostly there are no socio-political or legal institutional frameworks for the issues that the social entrepreneurs try to solve (that is why they remain an unsolved issue, in the first place), creating such networks of participation is an essential step in that direction. Often meaningful social entrepreneurial ventures rely on partnerships among diverse players (e.g., local population, state machinery, technology partners, micro-financial institutions, donors, etc.) which are forged by the social entrepreneur. Not only new institutional arrangements emerge out of such networks, but also these networks act as the market-like feedback mechanism mentioned in the previous point.

It is this capacity of the social entrepreneur – to work in the absence of a institutional framework, and to carve out a network of diverse partners – that would pose the major challenge for the HR professionals in making a socially meaningful impact. Most HR professionals – both in industry and in academics - work in environments, where certain processes and systems can be assumed to exist that will support one's efforts. Working in the absence of such mechanisms, and more importantly, creating such mechanisms by forging partnerships across boundaries will be a one of the new competencies that the HR professional will need.

### Conclusions: Towards a 'socially relevant' HR

This paper proposes that the challenge of 'crafting the future of work' in the Indian context extends beyond the human resources in the organized sector workforce. To meaningfully contribute to the process of building a productive, skilled and empowered workforce in the country, the HR professionals must participate and engage in human resources issues beyond the corporate and academic boundaries. This 'beyond business' role of HR also requires the profession to review its own skills and capabilities, and the gaps, which need to be addressed to make it a 'socially relevant' profession. The following is a tentative SWOT the HR profession to redefine its role (see Table 2 for a tentative SWOT of HR Professional as a Social Entrepreneur):

**Strengths:** One of the greatest assets for the HR community is that temperamentally, and attitudinally, its members are inclined to help and develop others. Their background and experience also enables them to be more sensitive to the 'people processes'. In addition, most HR professionals possess the knowledge and expertise in change intervention tools/techniques (e.g., diagnosing a social system, planning and making the change interventions, institutionalizing change by developing relevant processes and systems, etc.). These basic capabilities are an essential prerequisite for engagement in initiating large systemic changes.

Another strength that HR community has in India is its diverse and networked nature. Through the overlapping and cross-memberships across the various professional HR forums - e.g., National HRD Network (NHRDN), National Institute of Personnel Management (NIPM), Indian Society for Applied Behavioural Science (ISABS), Indian Society for Individual and Social Development (ISISD), Indian Society for Training & Development (ISTD), etc., - the Indian HR professionals have access to a vast reservoir of professional resources and expertise, which can be tapped. Many members of these bodies are, in fact, HR professionals who work entirely in the social sector, and can play a pivotal role in sharing and developing the relevant skill-set for the socially relevant HR.

**Weaknesses:** However, the exposure and work-experience of a large majority of HR professionals – both executives and academics - is limited to the organized corporate sector environment. They have limited or no exposure to/understanding of the nature of work and issues of workforce in the unorganized and non-corporate sector. Moreover, besides the conventional HR skills and capabilities, working within the macro-social realities also requires an in-depth knowledge of allied disciplines,

such as sociology, anthropology, public policy, etc., which are not part of the HR professional's domain knowledge.

The corporate-centric HR expertise also inclines one to work within a given institutional framework. Most of the HR interventions and initiative are, thus, focused on making the given institutional framework (e.g., an organization, department, or a factory shop-floor) more effective and robust in delivering its purpose. Making relevant impact on the larger social reality, however, often requires skills and capabilities for not only working without an existing institutional framework, but often for evolving and molding institutions at grass root levels (e.g., organizing the unorganized).

<b>Table 2: A Tentative SWOT-Analysis of the HR Professional as A Social Entrepreneur</b>	
<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ Most HR professionals are attitudinally inclined to “helping people”</li> <li>▪ Due to their background and experience, HR professionals are sensitive to “people processes”</li> <li>▪ Through various professional HR forums (e.g., NHRDN, NIPM, ISABS, ISISD, ISTD, etc.), there is a network of HR professionals across sectors, which one can access to tap resources and expertise.</li> <li>▪ Most HR professionals have the knowledge and expertise in change intervention tools/techniques (e.g., diagnosing a social system, change interventions, developing processes to institutionalizing the outcomes of change, etc.)</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ HR professionals are mostly too corporate-centric, and have little exposure to /understanding of the unorganized/ non-corporate sector</li> <li>▪ The HR expertise predominantly equips one for working within a set framework, but not within the scope of institution-building</li> <li>▪ Lack of in-depth knowledge in the areas of sociology, anthropology, public policy, etc., which have relevance for dealing with macro realities.</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ The emerging changes in the business landscape provide ample opportunities ‘to make a difference’.</li> <li>▪ The growth of Indian business is increasingly creating situation where the “implicit contract” between the business and society is getting reframed and redefined.</li> <li>▪ Businesses are embracing the philosophy of “3G” Corporate Social Responsibility, which necessitate deeper and more proactive interface with the marginalised sections of the society.</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ There can be loss and dilution of HR professional’s identity, with the danger of being seen as an “activist”.</li> <li>▪ There can be conflict of interest between the corporate HR role and the larger professional role in the society.</li> </ul>

**Opportunities:** One of the most optimistic reasons for support to make HR more socially relevant emerges from the very nature of changes that are happening in the corporate sector itself. Most

business organizations are embracing CSR initiatives, and are redefining the nature of their engagement with society. The emerging environmental trends that will have impact on the way business gets conducted in future (e.g., Global Compact, 'triple bottom-line reporting, 'equator principles' etc.) also necessitate a move 'beyond business', and greater 'inclusiveness' in the manner in which businesses interface with the society. This changing landscape provides an ideal opportunity to take a lead by redefining its role in the society.

**Threats:** Along with the opportunities, there are also two dangers to this 'shift' in focus of HR activities. Firstly, as a professional community, HR in India is still in the process of maturing and coming together. Over the years, a variety of events (e.g., various national and regional level conferences, co-hosting of professional events, industry-academia interactions, etc.) have helped bringing HR professionals with similar skill-sets and backgrounds together to forge a common, though still in-process, professional identity. Though this professional identity is largely corporate-centric, an enlargement of its scope can also lead to dilution of HR's role and focus.

Secondly, though not inevitable, but one must also appreciate that often the process of industrial and business development can create conflicts of interest between the corporate HR role and the larger professional role in the society (for instance, within the framework of present regulatory framework, issues such as land acquisition for industrial development, exit policy, labour reforms, etc., have different and often opposite implications for the business and the community – and therefore can be a source of dilemma for the HR professional). On the other hand, it is only by capitalizing and converting these 'threats' to one's professional integrity into 'opportunities' for positive systemic change that the HR professionals can become 'socially relevant'.

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