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Only 3,500 new HR personnel to recruit 8 crore people in next 5 years

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Industry will face a shortfall of 1 lakh HR professionals

MUMBAI: A huge deficit of talented human resource professionals is staring India Inc in the eye.

With the economy going strong, according to industry estimates, at least 80 million new jobs are likely to be generated over the next five years.

Assuming a very conservative figure of one HR person for every 500 employees, though typically the ideal figure should be 1:200, there would be a shortfall of more than 1-lakh HR professionals in the coming five years, considering that only 500 students pass out with specialised HR degrees each year.

"There is a huge mismatch between the demand and supply sides. Few institutes have been able to offer specialised HR courses that are in tune with the industry's needs," says Shiv Agarwal, CEO, ABC consultants.

With retention and attrition of employees being the chief headaches of company bosses, the question arises as to how we address the problem of a shortage of those whose work it is to recruit and retain the human capital at companies.

At present, there are approximately 1,132 management institutions in the country (of which 161 are in Maharashtra), the approved by the All India Council for Technical Education (AICTE), as of October 2006.

(Figures for 2007 are still being compiled). Of these, hardly seven to eight institutions like Xavier Labour Relations Institute (XLRI), Management Development Institute (MDI), **Tata Institute of Social Sciences (TISS)** offer specialised programmes and labour relations.

Though the IIMs and other business schools like Indian School of Business (ISB), SP Jain Institute of Management and Research (SPJIMR) have specialisation in HR, there are only a handful of takers, as most students opt for either finance or marketing.

Also, many students who complete their masters in HR join human resource consulting services rather than the industry.

"HR was traditionally seen as a back office function though times have changed. Although we get ten times the number of applicants for our 60-65 seats in personnel management & industrial relations (PM&IR), the figure is still small when compared to those who go in for marketing or finance.

This can be because many believe that HR is not as lucrative, both in terms of payment and job profile when weighed against the other two, which is not true," states XLRI's Prof. Madhukar Shukla.

Turning towards the industry, there is acute attrition and poaching in the HR departments.

When a good HR professional leaves, it becomes difficult to immediately hire another efficient person; hence companies normally take in someone from another department, say sales or operations.

Even though a person from another department can bring in additional experience and exposure, which can work in the best of the business, there is still the vacuum that can be filled in a better manner by a traditional HR professional.

"There are hardly any retention plans to check HR attritions. Some companies have gone HR focused and give HR the pilot seat, but the majority lack structured career paths and compensation equivalent with other business functions.

It is an irony that HR people speak for others but there are only few spokespersons for HR," says Ratna Sinha, HR Head, Emami Ltd.

Nonetheless, certain colleges are taking measures to attend to this problem. XLRI has devised a certification course in human resource, which is completely handled by the institute faculty for companies like Accenture, Larsen & Toubro, Mahindra & Mahindra, and targets those employees who show an inclination towards HR.

Companies like Hindustan Unilever Ltd, PepsiCo India, Coca-Cola India have started outsourcing certain HR functions like payroll processing, recruitment processing, training, etc. to consulting firms, as they believe that outsourcing can provide access to new skills and fresh insights and divert the HR managers' attention towards strategising.

But both these measures, namely outsourcing and certification courses can answer only short-term problems. Industry needs to start taking this problem of HR deficit seriously and find a long lasting solution.

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