

## Major role played by HR and financial services in making “Make in India” campaign

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### Abstract:

Today Rapidly increasing global competition has provided the manufacturers from across the globe major opportunities of cheap labor, availability of raw material, potential high profit making markets. Focusing and concentrating on the employment generation, safe guarding and sustaining the overall development of India and its citizen, boosting trade and economic growth, 15<sup>th</sup> Prime minister of India Narendra Modi on September 25, 2014 launched the ambitious “Make in India” campaign which is a new national program designed to facilitate investment (both domestic and foreign) in India, to intensify skill development, fostering innovation, preventing brain drain, generating employment opportunities and making the use of internationally standardized technology which is affordable for Indian citizens. In order to make India a manufacturing and production hub its human resources and financial assistance will play a major role in days to come. Certainly men and money being the two most vital organs of any business demands continuous innovation and careful capitalization. An efficient and effectively competitive and motivated human resource and availability of finance in hand for the manufacturing firm determines the survival of a company. The main concern behind this paper is to highlight the importance of the role of HR and financial services in making “Make in India” campaign a huge success and also making India as a manufacturing hub as well as benchmark of prosperity and development. Also the 'Digital India' programme will emerge new progressions in every sector and also generates innovative endeavors for geNext.

Keywords: Financial services, employment generation, fostering innovation, Digital India, benchmark, markets

### Introduction:

Present 15<sup>th</sup> Prime minister of India “Mr. Narendra Modi” unveiled the “Make in India” program on September 25, 2014 in New Delhi. Besides he also extended an invitation to foreign firms to invest in India and also solicited the CEO's of domestic firms to invest in India by saying “There is no need to leave the nation, we want our companies to shine as MNC's. Make in India program laid the foundation of India's new national manufacturing policy and rolled out red carpet to both the domestic and international industrialists with a major aim to make India a major manufacturing hub that which will turn boost the employment and overall growth of India. The ambitious program lays emphasis on 25 major sectors which includes automobiles, IT, chemicals, pharmaceuticals, ports, textiles, aviation, leather, wellness, tourism and hospitality, auto components, railways, design manufacturing, mining, renewable energy, bio-technology, electronics, pharmaceuticals, electronics etc. with major emphasis and focus on skill enhancement, job creation, economic, technical aspects as well as overall infrastructure development. The program also focuses on giving Indian industry a Global recognition. A country that which does not understand the importance and value of its workforce and its financial services can never survive or sustain. Hence, optimum and effective utilization of financial services and

human capital of an organization is certainly a secret for the success of any firm. Both financial capital and human capital of an organization is the secret of success of any firm. In coming years if India is converted as a major manufacturing hub and most preferred investment destination for both domestic and foreign investors and manufacturers, it will also create job opportunities for immensely talented Indian youths. Human resources and finance are two core competencies on which an organization relies. However human resources need to be trained developed and also kept to mark with technological advancements in international environment and standards. Also finance should be available as and when needed in order to train the human resources, setting up infrastructure facilities, procuring the raw materials, making an organization operative enough. Also in order to develop India as an manufacturing hub, match expectation with that of opportunities, the role of the financial services and human resource cannot be overlooked as such. More importantly if these two major key factors are ignored, Make in India will just become a slogan and nothing more.

### Rationale of the present Study:

With rapidly changing dynamic trends and increasing globalization, India too in order to cope up with other nations should develop its infrastructure in order to mitigate its presence in global arena and also to match rising demands and living standards of the citizens. However the most important and easy way to keep pace with the environment for any country is to develop its production and manufacturing sector. When more global and local players invest in a country, it will certainly boost the trade and economic growth of a nation in terms of developing infrastructure as well as generating more employment opportunities for its citizens. The success of Prime Minister Narendra Modi's 'Make in India' campaign would certainly depend upon sheer potential, availability and skillsets of its work force along with the availability and abundance of financial resources which is required to propel the operations and also growth of manufacturing unit. The present research study also intends to focus on importance of various available modes of financial services along with a major focus on how to utilize the potential of country's work force which can be capitalized and also enhanced in order to bring a desired change and also accelerate the desirable growth of manufacturing sector in India. However the main aim of the present study is also to bring forward the role of India's human resources and financial services in order to build the best in class manufacturing infrastructure facilities in India.

### Major objectives of the present study:

The feasibility of India's manufacturing sector cannot just be revived only by announcing campaigns or focusing on fiscal policies. However keeping this aspect in mind the major objectives of the present study has been confined to the following:

1. To know and identify the impact of HR and financial services on development of manufacturing sector in India and also overall Indian economy
2. To suggest various techniques and systems through which financial assistance and needy help can be provided for propelling the manufacturing industry
3. To understand the major importance of capitalizing human potential and also put forward new ways of enhancing and enriching human resources which is very much essential for the overall growth of manufacturing firms
4. To emphasize promotion and assistance of financial services and also importance and significance of human potential required for face-lifting the Indian manufacturing sector which is the major objective of Make in India Campaign

**Research Methodology adopted for the study:**

Research type conducted: Descriptive Research

Type of data used/ Data source used: Secondary data/ Data source. The present study is based on secondary data. However the required information pertaining to the present topic under study has been derived from:

- a. Various books related to topic
- b. Articles referred from magazines, newspapers and journals
- c. From related websites which deal directly or indirectly with topics related to FDI and Indian retail sector. After referring various web sites, relevant information is downloaded and analyzed to address the objectives of the present study

**Major Limitations of the present study:**

1. Primary data has not been collected through questionnaire and surveys and the present study is purely based on published data and information
2. Due care has been taken to entice the qualitative and correct data, but as the study is purely based on secondary sources of information certain limitations might occur
3. The objectives, methodology, nature which is used to collect the information through secondary data might not be appropriate for the present situation
4. Secondary data might be lacking in accuracy or might not be completely authentic and dependable source of information
5. Time constraint is probably the major limitation of the study
6. Bias and prejudices can always play a major role in research
7. Before using secondary data it is however very important to evaluate the information which consumes the same time period as that of primary data collection

**Major Need and impact of HR and financial services on manufacturing sector in India and overall Indian economy**

India's current ranking in the world in factory output is 10. Its overall contribution to Indian GDP is 28% and it engages nearly 17% of the total work force. The basis of any manufacturing organization is governed by the quantity of money it is willing to invest and the kind of people who are going to work in it. For transforming the health of the manufacturing sector and in order to make it a most preferred destination for domestic as well as foreign investors and industrialists, it is very much important to promote both fund based and non-fund based financial services. Manufacturing firms to withstand the global competition, and to ensure their long term sustainability, have to invest in huge quantity in setting up and developing its infrastructure, raw material, skill development of its human resource, and R&D. Hence, the manufacturing houses need such sources which should make the finance available as and when needed. Such a continuous need of inflow of heavy finance can only be satisfied by the financial services. The attention of the domestic as well as foreign manufacturers can only be sought if the investment climate is made favorable. As the investment climate is directly proportional to manufacturers' way of thinking, hence, this climate needs to be favorable in every aspect. The current technological status, available mode of finance and human resource skill set and its availability needs to be identified along highlighting the development initiatives and future imperatives that are required to make India a manufacturing hub and most preferred investment destination for both local and international players.

**Understanding Financial Services and its various forms:**

In common parlance and in layman language financial services simply

mean services with respect to money management provided by various organizations that which are operating in finance industry of a country. These organizations necessarily include banks, insurance companies, stock broker funds, investment funds and government sponsored firms.

**1. Asset/ Fund based financial services:**

The asset or fund based type of financial services help raising the finance against assets including both movable and immovable, bank deposits etc. It also necessarily includes debentures, underwriting shares, venture capital, housing finance, factoring, mutual funds, leasing etc

**2. Fee based financial services:**

It involves higher expertise and also less financial risk. It includes credit rating, merchant banking, capital restructuring, bank guarantee, corporate advisory services etc

**Different ways to enhance and promote financial services:**

1. The initiative of government is must in order to reform the investment climate in India which is essential to make India a manufacturing hub. It should encourage promotion of more and more technological, research and development parks on the pattern of special economic zones.
2. Foreign manufacturers as well as domestic manufacturers will only be encouraged to invest in India if they will be provided with an enabling environment. Ensuring timely availability of money, relaxing the norms and regulations governing the banks in order to make the easier and cheaper credit available to the manufacturing houses
3. Government should Facilitate and encourage merchant banking, factoring, invoice discounting facilities in order to make the finance readily available
4. Promoting and help flourishing the financial service advisors who provide end to end advise as from where will they finance come from, how much finance is required covering the whole life cycle and production scenario of the plant in manufacturing industry. These financial advisors also keep track of the inflow and outflow of the money and the manufacturer does not have to worry about his time management worrying about tracking the movement of money. They have wide range of funding solutions available in hand which a potential taker can choose from.
5. Encouraging commercial banks to make finance readily available for manufacturing enterprises. Government should frame such policies which are a bit lenient and relaxed, and thus have an insight to performance and financial constraints of the manufacturing units.
6. Regulatory environment should be improved in order to pave a way for the development and growth of the manufacturing industry in India.
7. Government of India should facilitate the promotion of more and more credit card companies and angel investors which will benefit both the manufacturer and the consumer.

**Understanding the major significance and importance of Human resources in manufacturing sector in India and its impact:**

Besides promoting the various types of financial services, it is also essential to exploit, tap and enhance the immense talent and potential of the work force available in India. Rightfully once said by **Walt Disney**, **"You can create, design and build the most wonderful place in the world but it requires people to make that dream a reality."** Indian work force is immensely talented and adaptable. In order to develop an

organization and ensure its sustained growth, it is very much important to develop its human resource working in it. Continuous investment and enhancements in up gradation of their skills, knowledge and competencies is essential for an organization if it wants a guaranteed survival in the immensely competitive environment. The organization which does not understand the importance and talent of its human resource cannot withstand the competition. A motivated, up to date human work force will help an organization achieve its mission and vision. Various modern HR policies include performance and career management, development of various continuous improvement and learning programs. Focused on the up gradation of employee's knowledge, skill and abilities, programs such as employee development should be promoted. Employee development is a joint, on-going effort on the part of both the employee and the organization for which he or she works. A highly skilled work force can accomplish higher goals than an under skilled human resource. Employees' performance needs to be enriched by developing training and development programs if 100% potential of the human resource needs to be tapped. The human potential is immense and if it is left untapped, it will go waste. Human resource is the most valuable asset of an organization and it needs to be continuously monitored and injected with performance development programs, programs that increase the job satisfaction of employees, employee welfare programs etc. The human performance can be appraised with the use of various performance appraisal models. Organizational excellence can only be achieved by investing continuously in the work force of the organization

#### Major benefits of enhancing and capitalizing on Human Potential:

Some of the major benefits of enhancing and capitalizing on human potential for Make in India campaign are as follows:

- To enhance Growth in Sales: When good quality products will go in the hands of the consumer, satisfaction level of consumer will result in increase of demand of goods. Hence sales will be boosted which in turn will boost production and thus manufacturing and production unit can flourish
- Focus on organizational goal and priorities
- Reduction in time taken for creating strategic or operational changes by communicating the changes through new set of goals and objectives
- Overall organizational development
- Reduction in cost: Up to date knowledgeable and trained work force can decrease and automatically omit the defects for the production system which in turn will bring cost of production down

#### Conclusion:

There is indeed certainly a major need of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established that should attract more domestic as well as foreign industrialists towards Indian territory. There is a need for financial service provider and also advisors who could work for these industrialists right from the beginning i.e., right from clearance of project. Better performance management systems and improved quality needs to be in place to monitor and enhance the skill set of its work force. Mind set of Industrialists both foreign and domestic towards India needs to be changed. On the basis of the study it can rightfully concluded that People and money, both are the organization's greatest competitive edge. Indian has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. "Make in India" mission is one such long

term initiative which will realize the dream of transforming India into manufacturing Hub. Start - ups in the core manufacturing sectors are poised to play a crucial role in the success of 'Make in India' ambition.

It is essential to unlock the human talent for the success and sustainability of any organization. The development, prosperity and sustainability of India as a Manufacturing hub clearly depend upon the immense potential of its human resources and the financial services that are available for the domestic and foreign players. Employees possessing high value and unique intellectual skills significantly contribute to generate intellectual products. If India successfully provides the industrial houses all this then it will certainly become a world manufacturing hub. This study both empirically and rationally explained the patterns through which India can become a manufacturing hub. Favorable investment climate, assistance of financial services, relax and industry favorable government policies are the essential ingredients of "MAKE IN INDIA"

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