

# A Study on Positivity of Innovative Practices on Corporate Policies with Special Reference of Tata Consulting Group (TCS) and Infosys

Rajshree Sharma

Assistant Professor, Business Administration  
Parishkar International College, Jaipur

## Abstract

*Innovation is the basic need of survival in today's corporate world. Unless an organization brings the newness or uniqueness in the corporate practices, it can't beat others and go ahead. So, 'either innovate or die'. The purpose of this paper is to draw attention towards innovative practices that every organization should possess. Today, it is being seen that the organizations spend very less time for adding some novelty in the array of high competition. It is completely a people centric approach and human resources should work hard in the facilitation of this major aspect. An important aspect of innovation is not only to do variations, modifications etc. but also to facilitate these changes continue. Therefore, this paper has tried to understand the deep role of innovative HRM practices and to reveal the necessity of innovation in the corporate world for facing the innumerable challenges in present scenario.*

**KeyWords:** Innovation, attention, competition, facilitation, variations, modifications, challenges

## I. INTRODUCTION

The economic order of world is changing rapidly. Drastic changes are taking place at revolutionary speed which has a major impact in the organization due to external independent variables such as laws of government, exchange rate, tax rates etc. In this dynamic world research has also shown that innovativeness in human resource management techniques, policies and practices is considered as one of the most important factor of an organization success. Innovation means not only variations, additions, modifications etc. but also to enhance the adaptations toward these changes without which an organization can't survive. Every innovation should be adopted and that should be in continued manner. This paper basically examines the need of innovative practices to face the challenges of competition. The strategies, practices and policies should not be rigid, they must be flexible enough to adapt the external constraints. Therefore, this article has tried to understand the positive strongest impact on the success of an organization because innovative human resource

management responds accurately and effectively to the organization's environment and contingencies.

## II. OBJECTIVES

- To draw attention on innovation as a basic need for survival.
- The innovation should be continuous.
- To observe deeply the innovative practices of top most companies (i.e. TCS and Infosys) and its positive impact.

## III. BACKGROUND: THE DYNAMICS IN ENVIRONMENT

As we all know that there are number of challenges in corporate world because the business environment is constantly changing like the preferences, tastes, attitudes etc. of consumers keep evolving and require the organizations to adapt rapidly. HR innovation is somehow a non-technical innovation on which little attention is paid which is major source of value addition in gaining competitive advantage. 'Peter Drucker' stated that innovation is the specific function of entrepreneurship whether in an existing business, a public service institution or a new venture started by an individual in the family kitchen. It is the means by which an entrepreneur either creates new wealth producing resources or endows existing resources with enhanced potential for creating wealth.

Its elaborated version is that the molding or converting of current ideas and methods of the development for which we already known. The past scenario of Americans is that they travelled by foot, bike or train, had no cars due to which lot of time and energy got wasted, but later on the spirit of innovation got emerged out from them. Some intellectuals like 'Henry Ford' worked on it and proposed idea of powered machines. Therefore, we must say that innovation is the creation of wealth production utilizing human potential.

#### IV. REVIEW OF LITERATURE

Kossek (1987) has proposed some factors that identify the correlation with the adoption of innovative HRM practices:

1. All external independent variables (tax rates, government laws etc.) differentiate HRM innovations across industries.
2. The structural organizational characteristic may be associated somehow to HRM innovations.
3. Innovations of HRM which are easily recognized and marketed by consultants may be the most widely diffused.
4. Most by organizations usually adopt HRM innovations for presenting themselves more legitimate.
5. The strong culture firms may adopt HRM innovations for various causes than weak culture firms.
6. At last, the success of company's history with all previous HRM innovative initiatives affects the prospects for acceptance of new ones.

His main conclusion regarding all these aspects is that companies adopted new work practices for a variety of, often contradictory, reasons.

Gurkov (2002) has done many surveys on innovation practices in HRM practices of Russia. First in 1998, he has made research on seven hundred forty Russian chief executive officers (CEOs) which made them realized to think about the current human resource management practices in their companies. Then, in 2000, another survey was done which concluded major drive towards some modern instruments of HRM policies, mainly in recruitment and staffing policies. Besides this, the need to implement new forms of HRM personnel departments which were mostly preoccupied with routine functions of personnel administration.

Bhandarker (2003) also studied about building corporate transformation new HR Agenda. Its main focus is on the changing role of human resources in achieving corporate transformation in India. The four aspects which were analyzed during his study are –

1. Change in the mindset for corporate transformation,
2. Change in HR practices,
3. Change in HR role,
4. Mechanisms for change.

Som (2006) has also worked to know about how innovative practices were being adopted by Indian firms to face competition through eleven in-depth case

studies in eleven large Indian organizations in nine industries.

Konstantopoulos and Alexopoulos (2007) have given a thought on the HRM practices and its changes in the Greek dry-bulk shipping. The changes regarding redesigning of processes or business structures or while other kind of business changes were taking place.

Kossek (1987) considered that HRM innovation also improves change in social system of the organization, the adoption and diffusion of them is restricted to not only the external independent variables but also to social process.

J.M.Hiltrop (1996) examined the implication of organizational change and the use of human resource practices for building and maintaining the commitment towards organizations.

Gopinath (1998) reward a sample of management research in India from the perspective of two paradigms:

1. the interpretivist
2. the functionalist

Libutti (2000) focused on building competitive skills through innovative Ben Dankkaar in 2003 studied over the thinking on the issues and challenges for innovation management in the modern, knowledge based economy.

Charles Edquist (1997) surveyed on "System of innovation technologies institutions and organizations" which has a major contribution to the economic theory of innovation. It is a useful analytical approach for better understanding innovation processes as well as the production and distribution of knowledge in the economy. According to him, there is an anatomy of different systems of innovation approaches, where the system of innovation approach is characterized in nine dimensions.

William M. James (2002) who was a founding member of and chaired the industrial research Institute's Human Resources Directors Network. He proposed that HR Practices finely grounded in a few basic principles that covered a wide range of business environments for providing good personnel practices. Apart from this he also categorized the innovative practices as either radical or incremental.

L. Libutti (2000) focused on building competition skills through innovative management techniques in SMEs. He studied that Innovative Management techniques (IMTs) were presented to a

number of industrial clusters in five Italian regions in the areas of –

- (i) Marketing of innovation
- (ii) Technology watch (TW)
- (iii) Technology Search (TS)
- (iv) Management of intellectual property rights
- (v) Quality Management

S. Liyamage and P.S. Poon (2002) had an attitude survey of 128 students from five high schools across Botswana to design and technology. Then their findings showed that design and technology (DT) enrollment could be improved by forgetting children who deemed DT too difficult. By this they concluded that combined quantitative and qualitative analysis can act as effective evidence based means to inform educational policies.

## V. PRESENT SCENARIO OF ORGANIZATIONS

Over 94 percent of India's working population is a part of unorganized sector. The remaining part is for licensed organizations included in the organized sector. Although, nowadays the modern organizations are giving a thought on new ideas, variations and modifications in their strategies but still somehow that process is not continuous. Some companies have rigid skill requirements and practices in terms of their previous experiences. Organizations don't want to work in isolation as for that they have to think for the innovative practices continuously which has major impact over the success of an organization, most of them are dependent on one another for its effective operation and running in the competition. The variations in practices should be considered not only for dependent variables like employee relationships, interactions, delegation of authority etc. but also for the independent variables as well. Before innovation and adaptation, an organization should be properly assessed.

Rather than a generic survey a predetermined planning process is needed that extracts the principles and methodologies that uniquely define or distinguish the organization. Modern organizations are far behind the outcome driven innovation that have the major certain measurable outcomes that the organizations are attempting for achievement. Innovation in overall is the key concept that each and every organization should have to beat the competition and gaining the market share. The methodologies adopted for solving the problems are very duel and unproductive. If an organization is trying to change things it has to be willing to discuss openly and debate the pros and cons of various probabilities: When people are concerned a lot for one another than to figure out or observe how to do things differently, innovation is impossible.

## VI. PRACTICES OF SOME MAJOR ORGANIZATIONS

The organizations which have technology or domain, should refresh and improve their expertise on continue basis, but still, not all the organizations do it. TCS (Tata Consulting Services) is an international multinational information technology services consulting and business solutions. It headquartered in Mumbai, Maharashtra and a subsidiary of the Tata group and operates in forty six Industries. As we know TCS is one of the largest Indian companies by market capitalization, recently, demonetization has changed the economy of world entirely. During this time the IT firm came up with multiple and numerous innovative solutions to cope up the adverse impact of demonetization.

There was the immediate concern to have the systems that would handle currency exchange. Earlier their policies were so rigid that they didn't want to do any variation as they used to expect more than they did. But gradually they also made a reporting system for bank that allowed details of currency transaction. Apart from this, they have started innovation labs like TRDDC etc. Software Tools is one of the major research in which Zero Defect Software that has made significant contributions to reengineering assignments. The great initiatives of TCS are iron ore slimes, high ash coals, sustainable manufacturing, Green Date Centre. Some other fields of research are Sensor Informatics and Fusion, computer vision and spatial intelligence, Argumented reality, health and wellness, security and privacy etc. Similarly Infosys Limited is an Indian multinational corporation that provides business consulting, information technology and outsourcing services. Its main head quarter is in Bangalore, India. The major innovation of Infosys is 'Zero Distance'. They solved an important problem of restricted or burdened by corporate boundaries. They approached for ensuring that every developer, project manager, analyst will be at zero distance that means to the end user. Whether working side by with the customer's or thousands of miles away, we should be closed and become personally invested and empowered to find the right problems and even better solutions.

So, these are some observations and reviews of two major companies (TCS and INFOSYS) that are indulging innovative practices at their best, the success is at their peak as they are working effectively and actively.

## VII. CONCLUSION

The approach of innovation is not a new concept. In this rapid changing world, an innovative culture helps an organization to cope up the challenges

and moving forward constantly. This practice should be adopted continuously, there is a major need to continue the efforts for improving organization for its survival. The tendency for successful companies is not just to do some variations and improvements, then just sit and watch or wait, they don't focus on their current business only but also respond to the change on continue basis. Without bringing innovation an organization can't survive for long in the corporate world, as consequently, it starts declining, innovation provides an organization a core asset which ensures a lifelong return to it. The problems may come in this process like their different ways of evaluating ideas but somehow it gives worthwhile ideas and solutions. So every organization definitely needs to innovate to remain profitable, maintaining goodwill, fulfillment of higher order needs (achievement, growth, satisfaction etc.) and utilizing the capabilities optimum. TCS and Infosys are two of the bigger companies that have done their best for bringing innovation in their working and today as a result success is on their doors. Many disappointments faced by the organizations in this process, but along with this, it also gives them a step closer to success and a kind of positive value to do better by innovation-cum-improvements. Therefore, innovation must be adopted as it is the heart of building better lives for the organizations.

#### REFERENCES

- [1] Afuah, A. (1998) *Innovative Management : Strategies, Implementation, and profits*. New York: Oxford University Press
- [2] Ahuja, G. (2000) Collaboration networks, structural holes, and innovation: a longitudinal study. *Administrative Science Quarterly*, 45, 3, 425 – 455.
- [3] BhandarkerAsha (2003), "Building Corporate Transformation New HR Agenda", *Vision – The Journal of Business Perspective*, pp.1-23
- [4] Butler, J (1999) A practical model for technology and innovation management. *Proceedings PICMET conference*, 1, 103-105, IEE
- [5] Chesbrough, H.W. (2003) *Theera of open innovation*. MIT Slogan Management Review, 44, 3, 35-41
- [6] Dankbaar, B. (2003) *Innovation Management in the knowledge economy; Some preliminary reflections*. In Dankbaar, B. (ed.), *Innovation Management in the Knowledge Economy London* : Imperial College Press, pp. 13-68
- [7] Edquist, D. (1997) *System of Innovation. Technologies, Institutions and organizations*. London; Pinter
- [8] Gopinath, C. (1998). *Alternative Approaches to Indian Management in India*, *Management International Review*, 38 (3) : 257 – 275
- [9] Gurkov, I. (2002) "Innovations and legacies in Russian Human Resource Management practices : Surveys of 700 Chief Executive Officers," *Post Communist Economies*, Vol. 4/1
- [10] Hiltrop, J.M., (1996) "The Impact of HRM on Organizational Performance: Theory and Practice," *European Management Journal*, 17 (4) : pp. 628-637
- [11] James W.M. (2002) *Best HR practices for today's innovation management*. *Research technology Management*, 45, 1, 57-60
- [12] Libulti, L. (2000) *Building competitive skills in SMEs through innovation management techniques, overview of Italian experience*. *Journal Information Science*, 26, 413-419
- [13] Liyanage, S. and Poon, P.S. (2002) *technology and innovation management learning in the knowledge economy*. *The Journal of Management Development*, 22, 7/8, 579-602.
- [14] Konstantopoulos, Nikolaos; Alexopoulos, Aristotelis B, (2007), "The Human Resource Management in Dry-Bulk Shipping, Computation in Modern Science and Engineering : Proceedings of the International conference on Computational Methods in Science and Engineering 2007 (ICCMSE 2007) : Vol. 2/963, pp. 1102-1105
- [15] Kossek, E.E. (1987) "Human Resource Management Innovation," *Human Resource Management*, Vol.26, No.1, pp.71-92
- [16] Som, A. (2006), "Bracing MNC competition through Innovative HRM practices: The Way Forward for Indian firms," *Thunderbird International Business Review*, 48(2) : 207-237

#### WEBSITES

- [17] [www.europeanbusinessreview.com](http://www.europeanbusinessreview.com)
- [18] [www.googleweblight.com](http://www.googleweblight.com)
- [19] [www.en.m.wikipedia.org](http://www.en.m.wikipedia.org)
- [20] [www.ovrec.com](http://www.ovrec.com)
- [21] [www.hollybennett-travellandtourism.weebly.com](http://www.hollybennett-travellandtourism.weebly.com)
- [22] [www.sheilmargolis.com](http://www.sheilmargolis.com)
- [23] [www.forbes.com](http://www.forbes.com)