



# Effectiveness of Human Resource Management Practices on Employee Retention in NTPC Ltd. Ramagundam

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## Abstract

The study aimed to evaluate the predicting role of various human resource management (HRM) practices in retaining employees at NTPC Ltd. NTPC is a leading power industry player that has been successful not only in attracting the best talent but also retaining them. The study analyzed data from NTPC's annual reports and Power Management Institute annual calendars for the previous five years. The study examined various HRM practices such as Security, training and development, quality of work life, compensation, career advancement, promotion, award and rewards, and work-life balance. The findings revealed that Training and Development and Compensation are the most significant HRM practices in retaining employees at NTPC. These findings align with NTPC's annual reports, which suggest that the company's robust HRM practices have contributed to its success in retaining employees. The study highlights that Training and Development emerged as the most prominent HRM practice in NTPC, which is also considered the backbone of the company. This finding suggests that investing in employee training and development can significantly impact employee retention. Additionally, the study found that Compensation is also a critical HRM practice in retaining employees, emphasizing the importance of fair and competitive compensation policies. The study also found that Promotion is the least significant HRM practice in retaining employees at NTPC Ltd. This finding suggests that NTPC may need to revisit its promotion policies and practices to align them with employee retention goals.

**Keywords:** Employee Retention, Human Resource Management Practices NTPC Ltd., Training and Development.

## Introduction:

NTPC's commitment to training and development as a key aspect of its human resource management practices. By providing world-class training at all levels of hierarchy, NTPC has been able to attract and retain top talent, which is essential for the success of any organization. NTPC's vision of creating a learning organization is also noteworthy, as it reflects the company's emphasis on continuous learning and improvement. This approach helps to ensure that NTPC remains competitive and can adapt to changing market conditions and customer needs. It's also worth mentioning that NTPC's training activities are being driven by the Power Management Institute (PMI) at the corporate level, six Regional Learning Institutes (RLIs), and Employee Development Centers (EDCs) located in all power projects and stations. This shows that NTPC has a comprehensive and decentralized approach to training and development, which ensures that employees at all levels have access to the necessary skills and knowledge. NTPC's emphasis on training and development is a testament to its commitment to building a world-class workforce and creating a sustainable competitive advantage in the power sector in India.

NTPC Ltd is corporate responsible citizen, and contributed to the society in the area of gender equality , empowering women setting up homes and hostels for orphans and women, old age homes, day care centers, for senior citizens, drinking water, education , and health NTPC has been conferred various awards in area the of Corporate Governance such as ASSOCHAM Corporate Governance Excellence Award – 2014-15 for Listed Companies in the PSU category in recognition for outstanding governance practices undertaken by the Company. ‘Golden Peacock Global Award for Excellence in Corporate Governance’ by World Council for Corporate Governance for the year 2014. This award was also received by the Company during the years 2007, 2009, and 2012. Award for Excellence in 2011 - Good Corporate Citizen Award by PhD Chamber of Commerce and Industry. ‘ICSI National Award for Excellence in Corporate Governance-2009’ by the Institute of Company Secretaries of India.

### Brief Profile of NTPC, Ramagundam:

NTPC Ramagundam is a coal-based power station located in the state of Telangana, India. It is owned and operated by the National Thermal Power Corporation (NTPC), which is a government-owned company and the largest power generating company in India. The plant has a total installed capacity of 2600 MW, which is generated through six units of 210 MW each, two units of 500 MW each, and one unit of 260 MW. The station receives its coal supply from the Singareni Collieries Company Limited (SCCL), which is a government-owned coal mining company in Telangana.

NTPC Ramagundam is one of the most efficient and environment-friendly power stations in India. It has received numerous awards and recognition for its operational excellence, safety practices, and contribution to the development of the local community. The station has implemented various measures to reduce its carbon footprint, such as the use of ash and fly ash in cement manufacturing and the installation of a 10 MW solar power plant.

### Training & Development

Table -1

Training & Development

Human Resource Practices	Insignificant	Neutral	Significant	Total
Training & development	67	67	367	500
Quality of work life	100	83	317	500
Compensation	52	86	362	500
Education-up gradation	111	93	296	500
Promotion Policy	200	100	200	500
Work life balance	180	80	240	500
Awards & Rewards	86	155	259	500

Source “Based on” NTPC ltd.,

Human resource management practices can have a significant impact on employee retention. Here are some ways in which HR practices can help retain employees:

**Recruitment and selection:** The recruitment and selection process should be designed to attract and hire candidates who are a good fit for the organization and the job. Hiring employees who have the right skills, values, and culture fit can help reduce turnover.

**Training and development:** Providing training and development opportunities to employees can improve their skills and knowledge, and also make them feel valued and invested in the company. This can increase employee loyalty and reduce turnover.

**Compensation and benefits:** Offering competitive compensation and benefits packages can attract and retain top talent. Employees who feel they are being paid fairly and have access to good benefits are more likely to stay with the company.

**Performance management:** Clear performance expectations, regular feedback, and recognition for good performance can motivate employees and increase their engagement. This can reduce turnover by creating a positive work environment and improving job satisfaction.

**Work-life balance:** Offering flexible work arrangements, such as remote work or flexible hours, can help employees manage their work-life balance. This can improve their job satisfaction and reduce turnover.

## Human Resource Practices at NTPC Ltd.

### Security

This is being taken care of by deploying CISF at all units of the Company as per norms of the Ministry of Home Affairs. Concrete steps are being taken for upgrading surveillance systems at all projects/ stations by installing state-of-the-art security systems. A 24x7 Security Operation Centre (SOC) is in operation where round the clock monitoring of all external and internal data traffic is being analyzed with the latest tools monitored through SOC and the latest threat management tools are being applied to prevent any cyber-attack or data theft.

### Training and Development Institutes:

The learning activities are being driven by a comprehensive infrastructure comprising the NTPC Power Management Institute (PMI) at the corporate level, six Regional Learning Institutes (RLIs) located strategically in six large power stations of NTPC and Employee Development Centers (EDCs) located at almost all power projects and stations. At the foundation of the learning structure of the Company are the EDCs. The EDCs take care of training requirements of non-executives and junior level executives at the projects and stations. The training requirements of middle and senior level executives are catered to by RLIs at regional level and PMI, Noida at the corporate centre as the apex learning centre launched the Harvard Management or e-learning modules with 2000 licenses made available to middle level executives across the company.

### Level-Wise Planned Interventions

NTPC conducts specially designed leadership and management development programs at certain identified stages of the careers of all the executives across all the functions in order to build these competencies. These specific program modules include strategic thinking, communication skills, negotiation skills, risk management, conflict resolution, boundary management, corporate governance, decision making, understanding of finance, commercial and regulatory issues, team building, contract labour management and other areas of practical significance. NTPC PMI also conducts Employee Development Programs for non-executives posted at our corporate Centre. These programs are called "Planned Intervention".

### Enhancing Technical Expertise

The programs designed to enhance technical knowledge and competencies have benefited greatly from advancements in technology, specifically in the area of e-learning. With the help of video and web conferencing, these programs can be delivered right to the participants' doorsteps, allowing them to learn at their own pace and convenience. The benefits of such learning modes are numerous, as they eliminate the opportunity cost of participants' absence from their workplace, reduce the expenditure on training, and eliminate the hassles of travel. Moreover, participants can learn in a comfortable environment, which can greatly enhance their ability to absorb new information and apply it to their work. Some examples of

programs that have been successfully delivered through e-learning include Advanced Excel, Cryptography, Control Valves and Actuators, Earthling, Grounding and Shielding for instrumentation engineers, import management and customs clearance, and roof-top solar plants for buildings. These programs are designed to keep up with new and emerging areas of technology and advances in various fields, and they offer participants the opportunity to stay ahead of the curve in their respective industries.

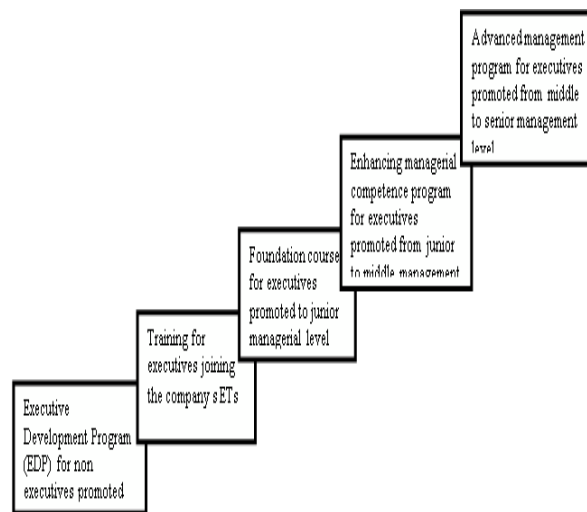


Fig.1 (Source) NTPC Ltd. power management institute calendar 2016-17

## Successive Leadership

It is well recognized that leadership is needed at all the levels in the organization – junior, middle and apex levels. NTPC has developed a series of leadership development interventions at critical transition levels in the organization pyramid. The identified transition points are: From junior executive to junior manager, from junior to middle management, from middle to senior management. Business leaders groomed in NTPC are occupying leadership positions in many enterprises in the power sector. This is a concrete proof of the effectiveness of our approach to leadership development.

## Providing Research and Consultancy Solutions

NTPC PMI offers a wide range of consultancy services related to Human Resource Management in the power sector. Some of the areas of expertise include Manpower Planning, Organizational Behavior, Training Needs Analysis, HR Systems and Manuals, and Organization Development. It's great to hear that NTPC PMI has conducted various assignments for state power utilities during times of reforms and restructuring programs. Additionally, it's great to know that NTPC PMI is engaged in research in several techno-managerial areas related to the power sector through their Senior Research Fellowship Programs. This indicates that NTPC PMI is dedicated to staying current and up-to-date with industry developments and trends. It's also worth noting that NTPC has steered several organizational development interventions such as Team building, Communication dynamics, Project management, and Knowledge management. These interventions can help improve organizational effectiveness and efficiency, leading to better outcomes for both the company and its employees.

## Social Welfare

NTPC Promotes gender equality, empowering women, by setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities face by socialite and economically backward groups.

## Post-Retirement Benefits

### (a) Medical Facility (PRMF)

The Group has a Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Group's hospitals/empanelled hospitals.

## (b) Gratuity & Pension

Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days' salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 0.10 crore on superannuation, resignation, termination or disablement on death.

## Whistle Blower Policy

That sounds like a comprehensive and well-designed policy. The presence of a Whistleblower Policy can help promote a culture of transparency and accountability within the company, and can encourage employees and directors to report any unethical behavior or violations of the company's code of conduct without fear of retaliation. The fact that the policy provides safeguards against victimization of employees who utilize the mechanism and provides direct access to the Chairman of the Audit Committee is also very positive. It indicates that the company takes this issue seriously and is committed to ensuring that employees who report violations are protected from retaliation. It is also reassuring to hear that no personnel of the company have been denied access to the Audit Committee. This suggests that the policy is being implemented fairly and consistently across the organization.

## Corporate Social Responsibility

Table -1

### Corporate social responsibility

Sl. No.	Activity	CSR Spend 2016-17 (Rs. Crore)
1	Swachh Vidhyalay Abhiyaan	35.73
2	Healthcare & Sanitation	55.52
3	Education & Skill development	60.45
4	Rural Development	51.30
5	Environment	35.33
6	Drinking Water	9.36
7	Sports	1.90
8	Capacity Building	11.39
9	Protection of National Culture and Heritage	0.82
10	Other CSR Activities	16.01
11	Grand Total	277.81

Source: NTPC Ltd. Annual Report

NTPC is committed to contributing to society by promoting inclusive growth and environmental sustainability. The focus areas of NTPC's CSR & Sustainability activities are very important for the overall development of society, and it's impressive to know that more than 400 villages and more than 360 schools have benefitted from these initiatives.

Clean Water and Sanitation are critical components for healthy living, and it's encouraging to hear that NTPC has given special thrust to these areas. Access to clean drinking water and proper sanitation facilities can significantly improve the quality of life of people living in remote locations.

Education, Capacity Building, and Women Empowerment are other important areas that can contribute to the overall development of society. It's great to see that NTPC is actively involved in these areas as well. By supporting education, capacity building, and women empowerment, NTPC is creating opportunities for people to improve their lives and contribute to the development of their communities.

Lastly, it's commendable that NTPC is also focused on environmental sustainability. Climate change and environmental degradation are significant challenges that we face today, and it's essential that companies take responsibility for their impact on the environment. By promoting environmental sustainability, NTPC is not only contributing to the well-being of the planet but also creating a more sustainable future for all of us.

## Conclusion

Human resource management practices play a critical role in employee retention. Organizations that implement effective HR practices tend to have better retention rates and are able to retain their top performers. Effective HR practices can include things like providing competitive compensation and benefits packages, offering opportunities for professional growth and development, fostering a positive and supportive work culture, and providing clear communication and feedback to employees.

By investing in their employees and creating an environment where they feel valued and supported, organizations can increase employee loyalty, job satisfaction, and engagement, which in turn can lead to higher productivity and profitability. On the other hand, organizations that do not prioritize employee retention may face high turnover rates, which can be costly and disruptive to their operations. Overall, it is important for organizations to prioritize HR practices that support employee retention if they want to attract and retain the best talent and maintain a competitive edge in their industry.

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