

HR BRANDING: A STRATEGIC HR TOOL FOR FMCG MANUFACTURING COMPANIES

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ABSTRACT

Indian FMCG sector is a fourth largest sector in the economy. The scope for the sector is very large, and it has efficiently captured urban, semi-urban and rural market for its products. Today majority of the FMCG products have become the household need. In this research paper, researcher want to put more light on Human resource branding (HR Branding) and its role in FMCG companies with special reference to manufacturing sector.

Though, one of the strongest sector of the economy, today FMCG manufacturing sector is facing tremendous HR issues and sectoral problems. To name a few, high attrition, war for talent, war on cost, other booming sector are issues which are making this sector less attractive place to work for potential employees leading more severe HR issues. These HR issues and challenges can be controlled with the equally strong concept of HR branding. In this exploratory research, researcher want to explore the concept of HR branding as a strategic HR tool and its applicability in FMCG Manufacturing sector. With this concept of HR branding HR issues can be resolved in a very positive and right way so that business practitioners can concentrate more on core business rather than focusing on HR issues prevailing in the company. For the convenience of the study, only food and beverage business from FMCG sector is taken into account.

Keywords: FMCG companies, manufacturing sector, HR issues, HR Branding

INTRODUCTION

Fast-moving consumer goods (FMCG) can be defined as packaged goods that are consumed or sold at regular and small intervals. The prices of the FMCG are low and profits earned are more dependent upon the volume sales of the products. Fast Moving Consumer Goods sector has a very wide scope. This market can be broadly categorized as Personal Care, Household care, Food & Beverages and Others.

INDIAN FMCG SECTOR

(ASSOCHAM & TechSci Research, 2016), as per this report on Indian FMCG sector, this sector account for the fourth largest sector in the economy with a total market size of USD49 billion in 2016. Growing population of the country, increasing income level and changing lifestyle of Indian consumers are some of the reasons for a rapid growth rate in this sector, as all these growth factors are definitely going to accelerate in coming future, this sector definitely has a very good prospects in coming future. The sector is projected to grow at a CAGR of 20.6% to reach USD103.7 billion by 2020.

As FMCG products are daily consumed by each and every strata of the society irrespective of social class, income group, age group, the sector is extremely wide in scope taking the market size into consideration. On the other side FMCG sector is more lucrative because of low penetration levels, well established distribution network, low operating cost, lower per capita consumption, large consumer base and simple manufacturing processes for most of products resulting in fairly low capital investments. (Patil, 2016)

Though every product line of this sector is a separate business in itself, Food & beverages sector accounts for the largest share in India's FMCG market. The changing preferences of the upward middle class families from the urban areas gave importance to food & beverages sector and thus, fuelled the growth in the last few years. The food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export, and expected growth.

Today, Fast Moving consumers goods have become an integral part of human life. This sector is recession proof and has created huge employment opportunity in India, thus becoming one of the key pillar of the Indian economy. The sector is not only important due to its market size and huge product line but at the same time it provides employment to around 3 million people which accounts for approximately 5% of the total factory employment in the country.

INDIAN MANUFACTURING SECTOR

In this research paper, the researcher is more concerned about FMCG Manufacturing sector and its HR issues. Let's see the road map of it. According to Indian Brand Equity foundation, Manufacturing has emerged as one of the high growth sectors in India. This sector has the potential to reach US\$ 1 trillion by 2025 and India is