



BENCHMARKING OF HUMAN RESOURCE PRACTICES WITHIN INDUSTRY AND RELATED SEGMENTS

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Abstract

Best HR practices enable the company to effect radical improvements, not just incremental ones. The quest for best HR practices is important for corporates in India today precisely because it offers a way to vault into the global league. With a view to ascertain the emerging trends in HR practices, a survey of HR practices of ten select Indian companies was conducted. The focus of the present study is on the three areas of HR practices: HR and strategic plans, Organization climate, Training and Performance management systems. Good HR practices were found in the surveyed companies. Notable among them was some unique HR practices in three areas namely reverse mentoring, performance evaluation and employee satisfaction.

Keywords: HR practices, Indian, Incremental, Training and Performance Management.

Benchmarking and HR practices

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests and/or best practices from other industries. Dimensions typically measured are quality, time and cost. Improvements from learning mean doing things better, faster and cheaper. Benchmarking involves management identifying the best firms in their industry, or any other industry where similar processes exist and comparing the results and processes of those targets to one's own results and processes to learn how well the targets perform and more importantly, how they do it.

The term benchmarking was first used by cobblers to measure people's feet for shoes. They placed someone's foot on a 'bench' and mark it out to make the pattern for the shoes. Benchmarking is mostly used to measure performance using a specific indicator (cost per unit of measure, productivity per unit of measure, cycle time of x per unit of measure or defects per unit of measure) resulting in a metric of performance that is then compared to others.

It is also referred to as 'best practice benchmarking' or 'process benchmarking'. It is a process used in management and particularly strategic management, in which organizations evaluate various aspects of their processes in relation to best practice, companies' processes, usually within a peer group defined for the purposes of comparison. This then allows organizations to develop plans on how to make improvements or adopt specific best practices, usually with the aim of increasing some aspects of performance. Benchmarking may be an on-off event, but is often treated as a continuous process in which organizations continually seek to improve their practices.

Human resource practices are implementation of an HR strategy. It comprised of systems that follow the normal or customary way of doing business. The term "best practices" refers to the HR systems that have the greatest impact on the workforce and the organization. In organization human resource practices refer to training and development programmes, work life balance and compensation provided by the organization.

Review of Literature

Tiwari & Saxena (2012) explored the nature of human resource practices conceptually. They identified the benefits of human resource practices in the area of staff commitment, satisfaction and competence among the employees. They also explored the various types of human resource practices and also contributing factors towards the human resource practices. They distinguish the factors on the basis of external and internal factors. Externally economic changes, technological changes and national culture affect the human resource practices, while internally organizational size, organizational culture, business strategy, top management, power and policies of the organization affect the human resource practices.

Wright and Kehoe (2007) examined the human resource practices and organizational commitment. They found that Human resource management practices affect the organizational commitment of the employees as well as impact on the organizational performance.

Jeet and Sayeeduzzafar (2014) studied the impact of human resource practices on employee's job satisfaction in the private sector banks. In their study, the estimated regression model identified that the HRM practices, for example, training, performance appraisal, team work and compensation has significant impact on the job satisfaction of the employees. On the other hand Employee Participation in the organization does not affect the job satisfaction of the employees of HDFC banks.



Research Methodology

Research Objective

The aim of this study is to evaluate the employees’ opinion about their organizations and found whether they opinion differ from each other or not.

Hypothesis

Null Hypothesis (Ho): There is no significant difference in the opinion of employees from different companies towards their organization.

Alternate Hypothesis (Ha): There is a significant difference in the opinion of employees from different companies towards their organization.

Sample

The sample for this study consisted of 100 employees from real state, banking and communication organizations. It consists of 10 employees from each company. The companies that the researcher selected for this study were: DLF, ANSAL, UNITECH, BESTECH, TDI, RELIANCE, NOKIA, TATA, ICICI& HDFC from Chandigarh region.

Procedure

Data for this investigation was collected in two stages: the first step was about to seek permission from the subjects. All the subjects agreed to cooperate with the researcher.

After obtaining permission from the subjects, the respondents were asked to complete the questionnaire at their own time and leisure. Those who had free time in the office filled in the questionnaire on the spot and others chose some other time.

Research Tool

One way analysis of variance was employed by the researcher in this study. Researcher attempted to evaluate the following:

1. Opinion of employees towards their organizational performance on the basis of experience, categorized into less than one year, one year to less than two years, two years to less than five years, five years to less than ten years and ten years and more.
2. Opinion of employees towards their organizational performance on the basis of department in which they work, finance department, marketing department, selling department, human resource management department and project management department.

Results Analysis and Interpretation

One way ANOVA for experience and organizational performance

Table 1: Descriptive Statistics

Experience (Years)	N	Mean	Std. deviation	Std. error	95% confidence interval of mean			
					Lower bound	Upper bound	Minimum	Maximum
>1 year	24	4.29	.624	.127	4.03	4.55	3.00	5.00
1 to 2 year	16	4.19	.655	.164	3.84	4.53	3.00	5.00
2 to 5 year	50	4.34	.592	.084	4.17	4.50	3.00	5.00
5 to 10 year	6	4.66	.516	.211	4.12	5.21	4.00	5.00
10 year and above	4	4.50	.577	.288	3.58	5.42	4.00	5.00
Total	100	4.33	.603	.060	4.21	4.45	3.00	5.00

Table 1 presents the mean difference shows that there is a difference between the mean of the employees on the basis of experience in the organization.

Table 2: ANOVA: Experience and organizational performance

	Sum of squares	Df	Mean square	F	Sig.
Between groups	1.16	4	.290	.789	.539*
Within groups	34.94	95	.368		
Total	36.11	99			

*p value>.01

Table 2 presents the one way analysis of variance. The F value is .789 and the p value is greater than .001 which shows that the null hypothesis is accepted and alternate hypothesis is rejected. It indicates that the experience of an employee does not have any effect on the opinion of employees towards the organizational performance.



One Way ANOVA For Department And Organizational Performance

Table 3: Descriptive Statistics

Department	N	Mean	Std. deviation	Std. error	95% confidence interval of mean			
					Lower bound	Upper bound	Minimum	Maximum
Finance	26	4.15	.732	.144	3.86	4.44	3.00	5.00
Marketing	40	4.50	.506	.080	4.33	4.66	4.00	5.00
Human resource management	10	4.10	.316	.100	3.87	4.33	4.00	5.00
Project management	14	4.29	.611	.163	3.93	4.64	3.00	5.00
Others	10	4.40	.699	.221	3.89	4.90	3.00	5.00
Total	100	4.33	.604	.060	4.21	4.44	3.00	5.00

Table 3 presents the mean difference shows that there is a difference between the mean of the employees on the basis of department of the employees in the organization.

Table 4: ANOVA: Department and Organizational Performance

	Sum of squares	Df	Mean square	F	Sig.
Between groups	2.57	4	.642	1.82	.132*
Within groups	33.54	95	.353		
Total	36.11	99			

*p value>.01

Table 4 presents the one way analysis of variance. The F value is 1.82 and the p value is greater than .001 which shows that the null hypothesis is accepted and alternate hypothesis is rejected. It indicates that the department of an employee does not have any effect on the opinion of employees towards the organizational performance.

Discussion

The present study was employed by the researcher on the employees working in various organizations. This study attempted to identify whether the perception of the employees vary on the basis of experience of the employees in the organization and department of the employees. A sample of 100 employees was selected 10 from each organization. It was found that experience of the employees has no effect on the opinion of employees towards their organizational performance, same results were found in case of department of the employees. It indicates that whether an employee is newly recruited or has experience in the organization thinks about same about the performance of his/her organization. In the same way whether an employee is from finance department or marketing or any other department, have same opinion about the performance of his/her organization.

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