

Organizational Case Study on Innovative HR Practices

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Abstract:

In the present time the world has become very competitive, where the organizations are facing different types of crunch in terms of shortage of talent, lack of skill, high turnover of employee. These innovative HR Practices helps the organizations to have their identity and establish their footage in the market. These practices attract the talent. A small HR initiative can come up with positive and exciting change in the productivity of an organization. In fact the HR department aligns resources with business strategy and structure and this will help the organization to create value to the organization and become more competitive in the global market. What is more important in the context of HR Practices is that they have to be updated from time to time, this will enable the organizations to take corrective measures in right scenario. Good HR Practices becomes the Benchmark for other Organizations.

The research paper will do the cross study of the cases of few renowned Organizations to observe their HR practices.

Key words: 1) HR Practices 2) Organization 3) Human Resource 4) Employee.

I. Introduction:

The work force of today has grown up into more diverse classifications in terms of age, culture, geographic base, skills, experiences, business cultural preferences hence forth. This has made the organizations to adopt newer practices for recruitment, retention and engagement. The contemporary human resource management deals with the modern HR practices and policies. The HR strategies are designed in such a way that there exists peaceful co-existence between the organization and the work force. The management of the enormous work force requires lot of planning which should incorporate lot of flexibility as well as extensive training for the employees. Several workshops have to be held and all this needs immense expenditure to be incurred. This also makes it essential to implement strategies so as to enable the work force to maintain work life balance. As we can see that the employees suffer from lot of stress and succumb to spill over cost of work on their personal life. There are several organizations that have resorted to lot of new innovative practices and this has added up to their brand equity.

II. Review of Literature:

The notion that HRM activities can affect the competitive advantage of firms draws upon the resource-based view of the firm, which encourages employers to identify critical resources that can be used to obtain a

sustainable competitive advantage (Barney & Wright, 1998; Wright & McMahan, 1992). A firm obtains a competitive advantage when it earns profits that exceed the average for its industry (Campbell et al., 2012). However, a firm only achieves a “sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy” (Barney, 1991, p. 102). Interrelated HRM activities that form a coherent HRM system can be a resource that leads a firm to a sustainable competitive advantage because such a system can be valuable and rare as well as non-substitutable and difficult if not impossible for competitors to imitate. Thus, the resource-based view of the firm serves as the backdrop for describing the conditions under which interrelated HRM practices within a system can provide an economic foundation for a sustainable competitive advantage (Barney & Wright, 1998; Campbell et al., 2012; Wright & McMahan, 1992).

Those HRM practices that are valuable, they provide a firm with returns that are above market average in the short-run. However, to be a strategic resource and generate long-term above average returns, HRM practices should be difficult to be imitated, If it can be described as causally ambiguous or socially very complex (Barney, 1991; Hatch & Dyer, 2004). The ambiguity exists when there is a lack of understanding of the link between a resource and a competitive advantage.

Social complexity can result from transaction-specific human capital (Becker, 1964) or social exchange relationships (Belau, 1964) that develop over the long period of time (Wright et al., 1994). Social exchange relationships exhibits continuous dependence (Molm, 1994) and are not easily transferred to other firms. Accordingly, HRM practices can be used to create effective social exchange relationships that are difficult to get imitated (Hatch & Dyer, 2004). If interrelated HRM activities are socially too much complex and their link to individual, unit, and firm-level outcomes is causally ambiguous, then they are a resource that is difficult to be duplicated or copied (Barney & Wright, 1998; Wright et al., 1994) to be a strategic resource, HRM practices must be something that cannot be substituted without great effort (Barney, 1991). If competing firms are able to develop alternative activities that can be leveraged to create value, any competitive advantage gained may get nullified. For example, if technological services are developed that serve the same function as certain HRM Practices, the HRM activities cannot be a resource for a sustainable competitive advantage (Wright et al., 1994). So, to make HRM practices to be resourceful for a sustainable competitive advantage, they must be difficult to be substituted.

CASES ON INNOVATIVE HR PRACTICES:

1. Microsoft India's HR Approach

Dealing with the human resources in the IT sector has been challenging for most of the companies that have set up operations in India. These companies aimed to take advantage of the relatively low cost of technically competent labor in India in comparison to the US and developed countries in Europe. There was a huge demand for skilled personnel in this sector, but companies confronted by a lack of sufficient numbers of skilled personnel to meet the demand.

Though Microsoft India's HR practices received accolades from many quarters, the 'Best Employer Survey 2008' released by Dataquest said that in totality employee satisfaction at Microsoft India was below the industry average in India.

Microsoft follows following practices:

- i. **Recruitment and Selection:** Microsoft India recruited, fresh graduates from academic campuses and experienced professionals in the IT industry. For campus recruitments, the selection process included written tests and several rounds of personal interviews.
- ii. **Training and Development:** Microsoft India conducted a training program named Leap Engineer Acceleration Program (LEAP) which imparted technical and personal skills required to carry out the job.
- iii. **Flexible Work Timings:** Microsoft India followed a flexi-time policy that enabled the employees to work according to their convenience liberating them from rigid work timings.
- iv. **Career Management:** In all the six business units present in India, Microsoft India provided both vertical and lateral growth prospects for its employees.
- v. **Work-Life Balance:** Microsoft India launched a program called 'Bring Your Child to Work' in a move to improve work-life balance among its employees, in 2007. Employee benefits were standardized for all the employees.
- vi. **Employee Retention at Microsoft Global Technical Support Center (MSGTSC):** Microsoft India initiated various programs particularly in MSGTSC, Bangalore, where work was carried out 24 X 7, in order to provide technical support services to its customers in different nations and time zones. For employee retention, Microsoft India conducted special recruitment drives exclusively for women in line with the overall IT industry's aim of raising the female-male ratio in the workforce.
- vii. **Performance Management:** Microsoft India followed a candid and transparent process while evaluating the performance of employees so as to enable employees to identify their performance levels and have a clear idea of what was required in terms of performance in order to reach to the next level as well as for compensation.
- viii. **Women Empowerment:** In line with the overall IT industry's aim of raising the female-male ratio in the workforce, Microsoft India conducted special recruitment drives especially for women

HR Metrics Followed by Microsoft India: Metrics were developed to track and define the effectiveness of the HR function. In Microsoft India HR policies focused on talent acquisition and development, management development, leadership development, and management of evolution of the Microsoft culture. They aimed to maximize the value of human capital in achieving business growth.

2. Innovative HR Practices at Wipro Technologies:

Wipro technologies conduct an employee survey on interval of four months, where all employees provide inputs on the health of the workplace that enables them to identify what employees feel about the organization, and how strong is the person's clarity of his / her existence in the organization. It also helps to examine the person's own ability to identify with the vision of the organization, and to know whether employees have any say in management. Employees also reveal whether their supervisor take interest in their development, whether they received any word of praise from the boss for a good job done and

henceforth. This works as an eye opener for the managers. They have the HR review in the planning cycle, in which it involves everyone, right up to the head of the organization. They do succession planning for individuals wherein they identify the best talents - the top ten people and they also identify the bottom ten people, who are asked to pull up their socks and improvise their performance, failing which they get fired. They carry out this exercise every quarter and this helps the people to be well informed about people as an asset.

Wipro Technologies CEO Mr. Azim Premji spends 3 to 4 hours with every new group of employees, briefing them about their promises, values and beliefs. They have a program, known as "wings within" - an internal job posting system in which an internal employees can apply for jobs in other departments. They don't have to inform their supervisors about it. If they get selected then they can move out and nobody can stop them. Employees feel that they are not buttonholed into a specific job.

3. HR Practices at Google

With the rapid growth and expansion, Google's human resource department was falling behind in the recruitment and selection area. And it was pointed out that, they would have to revise their human resources policies and placement time in order to be at par with the demand. In fact Google's human resource policies and practices were contradictory to efficiency and productivity which could affect business effectiveness growth and expansion. Google should quickly connect with that employee on various levels be it physical/emotional/spiritual. This can only be achieved, if they demonstrate this ethos by 'walking the talk', which means, putting a personal touch to the brand. It also re-enforced the whole human dimension where interpersonal skills are foundation to team success by entrenching team based functioning. It further considered whether the Benefits at Google were just expenditure or an effective pull function. They have to pay the highest to attract the best and with their extensive benefits including work-life balance to retain the employee to have a good return on investment, which they have rightly enjoyed. It all means business to Google. Due to Google's flexibility and forward thinking they started enjoying more success than their competitors, managing their collegiate atmosphere together with speedy growth. Their work culture now, drives and supports successful careers. This is evident by their low attrition rate. When everything is counted upon from recruitment of an employee to the benefits and to Google's dynamic work-culture, is what employees are attracted to work with one of the top 'ten organizations'. It is anticipated that management students and entrepreneurs will emulate and learn from the Google's experience and make businesses savvier and people friendly in order to become successful in emulating the basics from Google.

4. Innovative HR Practices at Airtel:

Airtel's innovative HR policy prefers to work with young employees for new innovation and creativity. Similar to the practice at Google, their senior management was advised to "walk the talk" and invite criticism from its employees. Airtel's HR success was powered by a well-defined rewards and recognition system of the company. And this was backed by a strong training program. The company has set up a state-of-the-art learning center to encourage learning within the organization. The employees can get logged on to their respective customized training programs as developed by British Telecom (BT). The entire organization is measured on the yardstick of five performance parameters: customer satisfaction, employee satisfaction, brand saliency, market share and profitability. From time to time they conduct an internal

employee satisfaction survey called PACE (Progressive Assessment of Culture and Environment), the inputs of which go into the company's annual strategy. The future strategies and practices are based on this survey.

5. HR Practices at Taj Hotel:

The Taj Hotel HR policies reveal its sound recruitment policies, the well-planned training programs and emphasis on practical application than the theoretical knowledge. It has always adopted, since its inception, an employee-centric culture, which strives to develop organizational citizenship behavior (OCB) in its employees and it has been responsible for the utmost care undertaken by the employees for the safety of their guests.

Let's witness some of the points that explain its distinguished policies:

- **Policy of Hiring:** The candidates are measured on their value system and they are trained for 18 months, i.e. 6 months more than the industry standard. The process of hiring particularly includes the recruits who would carry values to be able to adapt to the Organization's Culture. It is believed that the employees can be trained to be better drivers, teachers, waiters, but they cannot be taught to be good individuals. Therefore Taj expects an employee to possess good values to become a part of the Taj family.
- **Talent Management (strength):** Taj ensures that the employees are trained not just on the area of their expertise but all the related functions so as to upgrade the "Taj standards" to an international level. It keeps perpetual track of their performance for their future career planning. This helps to inculcate sense of belonging amongst the workforce so that they feel that their careers are safe with their employers.
- **Sharpening leadership skills:** Each employee is given an authority to take the decisions relating to his work and this empowers them. This was primarily the reason why each one of them could impromptu take the decisions during the attack, when none of them had been trained for such a situation. Therefore apart from the normal training sessions, leadership skills should be imbibed in the employees to deal with any crisis practically.
- **HR department & Individualism:** Taj amalgamates the HR practices with all the other activities taking place within the organization. This makes HR an integral part of the organization. Unlike those organizations, who consider HR as a support function.
- **TPP (Taj people philosophy):** 'The Womb to Tomb Approach' as designed by Bernard Martyrize, incorporated all the essential aspects of an employee since his induction to his superannuation. These aspects could be broadly categorized into 3 parts as follows:
 - i. Learning & development
 - ii. Welfare policies for employees
 - iii. Works systems

III. Conclusion:

- Different Organizations are adopting different and very wide range of innovative as well as employee friendly HR Practices, which is need of the day.

- Being hands on at a job and technical expertise are a must for the success of any task. An organization requires people who are sincere and hard working. If the employees are aware of the fact that any action from management against them will not affect their career in any ways then they will be encouraged to work in an undisciplined manner.
- Most important need today is to manage the work force with dignity. They should be geared up to perform. Pay for better performance will always be the motivating factor for the employees to be productive and effective.
- Appropriate work force planning and implementing apt strategies will lead to the successful HR Policies, HR Practices and HR Practices. This means a well derived synergized effect will be visible of all the three. By this means the major aspect of satisfying the needs of work force will be functional and the objectives of the organization to make money and establish its footage in the market will also be achieved.
- Be it hospitality Industry or be it customer care or service sector industry or any other, what is of outmost importance is the people of the organization as in Taj Hotel, “Taj people philosophy” is adopted which seemingly is very apprehensive.
- Similarly in Airtel, they prefer to work with young employees for new innovation and creativity.
- Likewise Google is more apprehensive and open as well as closer, courteous and cordial towards the employees.
- The HR review system at Wipro technologies has a rigorous Planning process involving everyone, right from the head of the organization to the bottom. This provides parity.
- Metrics were developed to track and define the effectiveness of the HR function in Microsoft India. Their HR policies aimed to maximize the value of human capital in achieving business growth by focusing on their talent.
- These cases reveal the ongoing change processes that are adopted in the HR environment to keep it dynamic and versatile.

IV. Recommendations:

- The organizations in present time need to be vulnerable to the present dynamism.
- Formulations of strategies have to be more practical rather than being only on paper.
- Appropriate alignment of HR strategies with that of business should be made for better returns.
- Apt reward and instant reward system has to be implemented.
- Pay for performance is the need of the day to keep the work force motivated to perform effectively and productively.
- Work force planning is the most valued task for increasing the work force capabilities.
- Times to time modifications are required in the present dynamic scenario.

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