CHAPTER 6

“Benchmarking of HR Practices with Reference to IT / IT enabled Companies”

Benchmarking is the search for significantly better practices that will lead to superior performance. Benchmarking helps a company to learn its strength and weaknesses and those of other industrial leaders and incorporate the best practices in to its operations.

Benchmarking is not just copying the practices adopted by the competitors, outside the industry. The companies have started benchmarking their products, services and practices with those of other companies. First it is important for the company to determine the area to benchmark and next it should determine the aim of benchmarking. The Human Resources Department has a vital role to play in benchmarking since the employee motivation, teambuilding, role clarity and employee involvement are essential for this exercise.

The chapter tries to compare the various Best Hr practices adopted by the Information Technology and Information Technology enabled companies like Siemens Information Systems Limited, IBM, LG soft, Subex System’s, Kanbay, Satyam, and Spectra Mind etc.

The study tries to analyze and compare the current HR practices as the role and function of the HR department has undergone a radical change. In this context the focus is on areas like mission, vision, performance management, training & Development, Knowledge management and Employee Retention etc. The study tries to give some recommendations to IT / IT enabled organizations based on the comparisons about the HR practices adopted by the above mentioned companies so that they can identify the areas of improvement in their respective HR department.
6.1 INTRODUCTION

6.1.1 General Information

Benchmarking is a way of seeking superior process performance by looking outside the industry. Benchmarking helps to gain competitive superiority rather than competitive parity. The term benchmarking refers to the reference point by which performance is measured against.

6.1.2 Need for Benchmarking

Identifies Weak areas and indicates what needs to be done to improve:

1. Challenges operational complacency.
2. Creates an atmosphere for continuous improvement.
3. Creates a sense of urgency for improvement.
4. Confirms the belief that there is a need for change.

6.1.3 Types of Benchmarking

There are different types of benchmarking process like Strategic Benchmarking, Functional Benchmarking, Best Practices Benchmarking and Product Benchmarking.

6.1.4 Concept of Best Practices Benchmarking

It applies to business process. Here the functions are differentiated into discrete areas and these are benchmarked. It tries to benchmark the work processes and the Management practices behind them.

6.1.5 Concept of Best HRM Practices

The Search for HRM practices is originally inspired by the works of Prefer who strongly argued for the existence of “Best HRM Practices” that can increase company profits. Ever since the “Best HRM Practices”, High Involvement Work Practices”, “High Commitment Management” and “High Performance Practices” have been looked by several researchers.

The existence of best practices has additive positive effects on a firm’s performance. Therefore applying as many “Best HR Practices” as possible should maximize HRM effectiveness.
6.2 STUDY DESIGN

The study design relies mainly on desk research based on secondary data from books, Management journals, websites, workbooks, informal interviews, Management views, employee responses and personal observations.

The below mentioned Ten organization were chosen to represent the IT and IT enabled industries. The organizations are IBM, IT & T, LG Soft India, NIIT, Siemens Information System’s Limited, Subex Systems, M- Source, Kanbay, Satyam and Spectramind.

The areas Bench marked are Competency Management, Training, Work environment and recruitment. A comparative study was done and the companies having the best practices related to the above mentioned areas were identified and their best practices are highlighted.

6.3 AREA BENCH MARKED: TRAINING

6.3.1 Company Having the Best Practice: NIIT – eSEED.

NIIT is one of the leading software companies in India. The HR functions at NIIT are directed to keep pace with the change and cater to the demanding needs of the workforce alias knowledge workers. NIIT has an in house training school called SEED (School for Employee Education & Development). The greatest challenge for HR was to reskill its people for opportunities in new technologies and business when NIIT expanded its business outside India. The training needs were identified at three levels namely Independent Business Unit, Role and Individual

IBU Level: Focus is on technological Changes, Customer requirements and Project needs.

Role Level: Training needs are linked to competencies.

Individual Level: Competency is identified and evaluated through 360-degree feedback.

E- SEED Roll Out

It was launched with five courses. The prime objectives of E- SEED were to help every NIITian to upgrade his skills form his desktop and to achieve the purpose of reduced training time & slashed costs.
6.3.2 E-SEED Processes

1. NIITians login to the staff portal iNIITian where eSEED courses are available for online self-nomination. Confirmation of nomination is done by an auto mail, which reaches the learner (nominee).

2. On batch launch eMentor sends an introductory mail to all participants, introducing self-course, the milestones and the activities involved. The milestone includes the schedule for the assignments, tests, projects, chats and discussions.

3. This is followed by periodic communication from eMentor to the participants and their supervisors informing them about their progress. Ementor communicates to the supervisor in case of No-hows/dropouts.

4. At the end of eSEED batch a “Scheduled, Timed Online Exit Test” is conducted.

5. This followed by the participants filling in their Post Course action Plan. The score is displayed online to the participant and the supervisor along with the exit test performance.

6. The eMentor closes the eSEED batch on site after ensuring that all the participants’ action plans are logged in.

6.3.3 Benefits

It provides training as and when required by staff member at any place.

1. eSEED is cost effective.

2. eSEED reduces training time.

6.4 AREA BENCHMARKED: WORK ENVIRONMENT

Company Having the Best Practice: IT & T Limited. ER-Calendar.

IT & T are leader in outsourced customer/technical support services. It has over 40 multinational clients in India with operations from 65 locations. Currently it has employee strength of 700 and is expected to increase to 3000 within 2 years.

Adopt a Friend: Outstation employees are invited by the management team’s toothier homes on special occasions like diwali, Christmas, holi to be a part of festivity. It has
created a sense of belongingness

Facility Tour for parents: Parents and spouses are invited once a month for the facility tour. They are introduced to the peers, subordinates and senior management staff. HR gives presentation on IT & T thereby making them familiar with the working culture.

HR organizes theme days every month. These themes make the work place more fun. Every month an innovation is made in the dress.

Birthday Celebrations: HR ensures that birthday of all employees are remembered and wished. It is supplemented with photograph

Management day Out: Once in Six Months, the entire senior Manager team would stay back during the night staff will be allowed to interact with them, throughout the night. Snacks such as Ice cream, pizza.

6.5 AREA BENCH MARKED: COMPETENCY MANAGEMENT

Company Having the Best Practice: SIEMENS Information Systems Ltd- Competence Management.

SIEMENS INFORMATION SYSTEMS LTD is a leading system integrator and solution provider in the forefront of the IT Industry.

Competence Management has changed the course of SISL HR and has created maximum direct impact on business. The competence management system has been evolved on the basis of Siemens Worldwide Competence Management Framework” with the objective of linking personnel and organizational development with the business strategy 7 ensuring the development of critical competencies that are key for the market success.

6.5.1 Process

1. Develop Core Competencies required for the company to meet its future Business Plans.

2. Develop a Landscape of Job Families and Job Levels in the organization.

3. Workout job profiles in terms of knowledge, skills, and capabilities with desired competencies.
4. Allocate employees based on their role in the organization.

5. Carry out a Competency Analysis exercise to find out gaps between current competencies and desired competencies for each employee.

6. Career plan identified for each employee along with time frame.

7. Individual Development plans were prepared for each employee to bridge the gaps against desired current as well as career plan profile.

8. Match current competency status against Competency requirements for each Business unit and company as a whole.

9. Competency Building plans for each business unit and the company as a whole.

10. Competency building plans preparation for each business unit and the organization in terms of external recruitment and career development.

11. Periodic review plans to measure progress.

6.5.2 Competency Based Practices.

Competency Framework has been incorporated in all HR processes of SISL to motivate and support employees to develop core competencies.

6.5.3 Competency Based MPP

SISL use the concept of Rolling Quarterly Resource Plan, which is prepared every month for the next three months. Thus the MPP is not merely numbers but include competency status.

6.5.4 Competency based Recruitment

The MP requirements specify the required competencies for the vacant position. The assessment is based on desired competency profiles, which is an integral part of selection process.

6.5.5 Competency based Career Development

It provides a career landscapes to make aware of the employees the opportunities available within the organization for their career growth.

6.5.6 Competency based Performance Management System
Competency development of self and team is an integral part of each individual and manager’s KRA.

6.5.7 Competency Based Compensation

With competence building as one of the KRAs and minimum competency criteria to reach a higher profile brings clear linkage with performance, evaluation and compensation.

6.5.8 Competency Based Training

Training need identification is scientific and is clearly based on the competency gaps identified for each individual.

SISL is the 5 company in the world to achieve PCMM Level 3.

6.5.9 Results

1. Image of the organization improved.
2. SISL was able to attract better talent.
3. Improved score in employee satisfaction survey across parameters Indian IT Industry.
4. Better Utilization of MP through right skill matching leading to improved profitability.

6.6 AREA BENCH MARKED: RECRUITMENT

Company Having the Best Practice: Wipro Spectramind

Spectramind, a company founded by Raman Roy, who successfully created and operated offshore centers for American Express and GE Capital, was incorporated in March 2000. It has grown into one of the leading Customer Contact Centers in India with manpower of 3600 professionals those service clients, which include well-known fortune Global 500 clients. In July 2002 the company was merged with Wipro. The company is in to outbound / inbound voice non-voice processes, CRM, accounting services and transaction processing. Wipro Spectramind aims to build long-term commitment to retain workforce through rigorous recruitment & Selection. Spectramind uses Employee referral Program, internal Job Posting, Portals,
campus and consultants. A unique outsourcing initiative undertaken by them is training for pre-hiring skills. Every employee who gets into spectramind is being met by at least one member of the senior management teams before he/she is made an offer. This goes with their shared value of respect by ensuring that every individual who enters into the organization feels a sense of belongingness and also feels that he is being respected.

6.6.1 Results

1. 4002 hired from January till date.
2. 1005 – On time hiring.
3. Hiring conversion rates at 12.83% compared to an industry average of 6%.
4. 16% of total employee base through CONTACT.
5. 43% of all non-Associates hired through Spectramind Talent Engagement Program (STEP)
   the Internal Job Posting.

6.7 CONCLUSION

There is no single best practice to which all organization should aspire. The concept of “best” is highly subjective and non-specific. HR systems represent core competencies required for the survival and sustainability of the organization.” Best Practice is not a set of discrete actions but rather a cohesive and holistic approach to organizational management.

The study tries to provides some information about the Best HRM activities related to the areas of training, work environment, recruitment and competency management and support knowledge transfer between the organization surveyed.

The role of IT sector in the national economy is constantly increasing and IT sector is becoming a major employer in the society. In this context it becomes important that organization should select the best HRM practices to manage this ever-growing population of IT professionals effectively.