CHAPTER 5

RESEARCH FINDINGS

5.1 INTRODUCTION

The current research represented the innovative conceptualization of extending the concept of CB to for profit organizations. HRCAP Score GRID—a perception-based, consensus-oriented, bottom-up assessment tool was developed. Using the data collected from the employees of the seven organizations, the capacity of HRM function for the individual organizations and the sector were calculated and GRID was plotted. Each assessment area had three to ten practices. Adoption of all those practices would be intricate for organizations. Hence, through Binary Logistic Regression and GEE the significant practices in each area that contributed to that area achieve HC-HC were identified. Binary Logistic Regression brought out the pulling factors and pushing factors in each assessment area. Finally, the theoretical model that explored the influence of Partnering and Financial Support on the activities of HRM and the above three on the Alignment with the strategic goals of the organization was tested. The findings of the research are presented in this chapter.

5.2 CAPACITY LAG AREAS OF THE ORGANIZATIONS

The raw, standardized and scaled capacity and consensus scores were calculated and GRID was plotted for the seven organizations and the sector. Plot on the GRID highlighted the capacity lag areas for the activities of
HRM function. The capacity lag areas identified for the seven organizations were:

1. The capacity assessment of Organization-A revealed that among the twenty-one assessment areas only three areas had achieved HC-HC. They were Financial Support of RSA, Performance Appraisal Needs and Alignment of PMSA. Fourteen assessment areas were in the high capacity-low consensus quadrant. This indicated the low degree of agreement among the employees with regard to the practices adopted in their organization. This low level of consensus might be due to lack of transparency or the organization had not adopted the common HR practices. Overall, the company had a low consensus profile.

2. The capacity assessment of Organization-B revealed that five areas Compensation and Partnering of RSA, Partnering and Financial Support of PMSA and Transfer of Training of TDA had not achieved HC-HC. Among the above, Partnering of PMSA was in the low capacity-low consensus quadrant which implied that the organization had not engaged in partnering for designing the appraisal system and for appraising its employees. The remaining four areas fell in the high capacity-low consensus quadrant which implied that the employees lacked consensus among themselves. Among the specific assessment areas Compensation of RSA and Transfer of Training of TDA had scored low consensus. This implied that with regard to the specific assessment areas the organization had high level of capacity and consensus implying the high capacity profile of the organization.
3. The assessment of Organization-C revealed that four areas Partnering and Financial Support of RSA, Financial Support and Alignment of PMSA had not achieved HC-HC. Financial Support of RSA alone was in the low capacity-low consensus quadrant. On the whole, the organization had a high capacity profile. Among the assessment areas Financial Support of RSA had a low capacity-low consensus profile and that of PMSA had a high capacity-low capacity profile. All the assessment areas of TDA had achieved HC-HC which indicated that the employees agreed among themselves that the organization was adopting the common training and development practices which implied the capacity excellence derived in TDA.

4. Among the assessment areas of Organization-D three areas namely Partnering of RSA, Partnering and Financial Support of PMSA have not achieved HC-HC. Among the above three areas Partnering of RSA and Financial Support of PMSA had a low level of consensus among the employees. All the specific assessment areas of the activities of HR function had achieved HC-HC which implied the focus given by the organization to the significant tasks of the activities of HR function. Partnering turned to be a low capacity profile with regard to RSA and PMSA but due focus was given for the partnership with external consultants for rendering training programs to the employees to keep them in pace with the technological advancements.

5. Seven assessment areas of Organization-E had not achieved HC-HC namely Compensation, Partnering and Financial Support of RSA, Job Evaluation, Partnering and Financial Support of PMSA and Identification of Training Needs of TDA.
Due focus was not given by the organization to identify the training requirements of their employees and rendering need based training programs. Partnering and Financial Support of RSA and PMSA had secured a low capacity profile which indicated that the organization had not considered partnering as an avenue for enhancing the effectiveness of their RSA and PMSA. Similarly, adequate Financial Support was not extended for recruiting candidates as well as rewarding them based on their performance. Further, the GRID revealed that the remaining assessment areas had achieved moderate capacity and consensus and the assessment areas were clustered around the midpoint of the GRID.

6. Assessment areas Alignment of PMSA, Identification of Training Needs, Design and Implementation of Training Programs, Transfer of Training, Evaluation of Training Programs and Alignment of TDA had achieved HC-HC with regard to Organization-F. Among the specific assessment areas of RSA Compensation had scored a low capacity and low consensus profile while the remaining three assessment areas had secured a high capacity but low consensus profile. All the four specific assessment areas of TDA had scored HC-HC which highlighted the focus given to the TDA by the organization. Employees had low level of consensus regarding the Performance Appraisal Process of PMSA which implied the discretion shown among the employees while appraising them. Employees had expressed a very high level of agreement that with regard to Financial Support and Partnering of PMSA, Financial Support of RSA and TDA that their organization lagged the required capacity. The organization had only few
employees and hence due focus could not be given to allocate the required funds to support the HR activities. The organization adopted contingency approach wherein according to the situations and requirements funds were utilized. On the whole, the assessment areas of RSA and PMSA were found to have a low capacity profile.

7. Among the assessment areas of Organization-G Partnering, Financial Support and Alignment of RSA, Job Evaluation, Partnering and Financial Support of PMSA and Financial Support of TDA were assessed as low capacity-high consensus areas. The degree of agreement was very high among the employees that their organization lagged the required capacity in these areas. Assessment area other than Financial Support of TDA had secured HC-HC which indicated that adequate funds were not allocated in the budget for the training programs. However, due focus was given by the organization in rendering need based training programs to imbibe the required skills among their employees. Since, the organization had the fewest employees among the organizations included in this study management has less scope to focus on the Partnering and Financial Support areas.

5.3 CAPACITY LAG AREAS OF THE SECTOR

The capacity assessment of the organizations portrayed the capacity lag areas for the individual organizations. The capacity assessment of the sector would serve as a benchmark for the organizations that had registered themselves with ACMA and for the other auto components manufacturers in Coimbatore district. The findings from the sectoral capacity assessment were:
Assessment areas Job Analysis, Recruitment Procedure, Selection Process of RSA, Performance Appraisal Needs, Performance Appraisal Process of PMSA and Identification of Training Needs, Design and Implementation of Training Programs, Transfer of Training, Evaluation of Training Programs and Alignment of TDA were assessed as having achieved HC-HC.

Assessment areas Compensation, Financial Support and Alignment of RSA, Job Evaluation, Compensation, Rewards and Incentives, and Alignment of PMSA and Partnering and Financial Support of TDA had obtained a high capacity-low consensus score.

Assessment areas Partnering of RSA and PMSA and Financial Support of PMSA had obtained a low capacity-low consensus score.

Assessment areas Partnering of RSA and PMSA fell in the low capacity-low consensus quadrant, while Partnering of TDA fell in the high capacity-low consensus quadrant. This implied that the auto component manufactures in Coimbatore district had not yet realized the benefits of the Partnership deal with consultants/academic institutions for enhancing the effectiveness of their RSA and PMSA but had realized for that of TDA.

Assessment areas Financial Support of RSA and TDA had scored a high capacity but low consensus profile while that of PMSA a low capacity and low consensus profile. This implied that these organizations had not adopted a systematic process in planning for their recruitment and selection and training.
expenses and for providing performance-based rewards to their employees.

- Organizations evaluated the critical jobs in the marketing and production departments and not for all the jobs in the organization.

- Among the HRM activities, organizations gave due importance to the TDA. Organizations ensured that its employees had acquired the skills needed to combat competition and the skills needed to perform their job effectively.

- Employees had low level of agreement regarding the compensation pattern adopted. Since organizations were likely to adopt unique compensation pattern to suit their requirements the level of consensus was likely to be low.

- Assessment areas Alignment of RSA and PMSA of the organizations with the strategic goals had scored low consensus which might be due to the degree of dispersion of agreement among the employees of the seven organizations.

This sectoral assessment pattern would help organizations benchmark the extent of adoption of common HRM practices among themselves and with that of the sector. Assessment areas Partnering and Financial Support of the three activities of HRM function and Alignment of RSA and PMSA were identified as capacity lag areas. Having identified the capacity lag areas the focus turned to the identification of the significant HRM practices in each assessment area that would help an organization achieve HC-HC.
5.4 SIGNIFICANT PRACTICES IDENTIFIED THROUGH BINARY LOGISTIC REGRESSION

This research identified and included common practices pertaining to the assessment areas of HRM function. Adherence of all the above practices by the organizations was intricate. Hence this research identified the statistically significant pushing and pulling practices in each assessment area through Binary Logistic Regression.

Significant practices in Recruitment and Selection activity

The pushing factors identified in the assessment areas of RSA were

1. Job Analysis - Using Job Analysis information for preparing the responsibilities.
2. Recruitment Procedure - Adopting transfers as internal recruitment source and schools, colleges and universities as external recruitment source for recruiting candidates.
3. Selection Process - Selecting candidates through committees.
4. Compensation - Fixing up compensation to candidates based on their competency and job profile. Special compensation schemes like providing vehicle loans to the employees at low interest and providing security and health benefits emerged as significant pushing compensation practices.
5. Financial Support - Allocating funds in budget for recruitment and selection programs expenses.
6. Alignment - Recruiting employees based on the organization’s work force requirements.

The pulling factors identified in the assessment areas of RSA were
1. Job Analysis – Nil

2. Recruitment Procedure – Adopting employment agencies as external recruitment source for recruiting employees.

3. Selection Process – Adopting systematic selection process and using mental ability tests for selecting candidates in the selection process.

4. Compensation – Fixing up compensation based on the skills of the candidates and providing employee protection programs as special financial compensation.

5. Financial Support – Nil

6. Alignment - Nil

**Significant practices in Performance Management System activity**

The pushing factors identified in the assessment areas of PMSA were

1. Performance Appraisal Needs - Conducting performance appraisal to convey the performance of employees on their jobs.

2. Job Evaluation - Communicating the job expectations to the employees.


4. Compensation, Rewards and Incentives - Setting criteria for rendering compensation, rewards and incentives for employees based on their performance.

5. Partnering - Monitoring the effectiveness of partnership entered for appraisal process, using partnership entered with consultants
to appraise employees in an unbiased manner and sharing the benefits of the cooperative effort of partnership.

6. Alignment - Organization being competent in appraising its employees.

The pulling factors identified in the assessment areas of PMSA were

1. Performance Appraisal Needs – Nil
4. Compensation, Rewards and Incentives – Nil
5. Partnering – Individual partners contributing to shared goals
6. Alignment - Nil

**Significant practices in Training and Development activity**

The pushing factors identified in the assessment areas of TDA were

1. Identification of Training Needs - Identifying the required training programs for employees based on reports from superiors and based on the skills required by the employees to keep up with competition.
2. Design and Implementation of Training Programs - Training employees through lecture courses and seminars.
3. Transfer of Training - Using result based indicators to assess the extent of application of learning from training programs.
4. Evaluation of Training Programs - Focusing the evaluation of training programs in identifying the extent of learning from training programs and achievement of the objectives of training programs.

5. Partnering - Monitoring the effectiveness of partnership entered for training employees, conducting need based training programs through the partnership entered with consultants, the organization and the consultant contributing to the goals of training programs and sharing the benefits of the training rendered through the cooperative effort of the partnership.

6. Financial Support - Nil

7. Alignment - Organizing and conducting training programs based on the requirements of the employees.

The pulling factors identified in the assessment areas of TDA were

1. Identification of Training Needs – Nil

2. Design and Implementation of Training Programs – Nil

3. Transfer of Training – Using teamwork to implement learning from training programs on the jobs.

4. Evaluation of Training Programs – Evaluating training program benefits through questionnaire.

5. Partnering – Gaining financial benefits through partnership.

6. Financial Support – Nil

7. Alignment – Nil
5.5 SIGNIFICANT PRACTICES IDENTIFIED THROUGH GENERALIZED ESTIMATION EQUATIONS

Binary Logistic Regression visualized the seven organizations as a single cluster. In contrast the regression analysis technique with GEE methodology utilized the clustering concept and thus portrayed the significant pushing items in each assessment area.

**Significant practices in Recruitment and Selection activity**

The significant pushing practices identified in the assessment areas of RSA were


2. Recruitment Procedure - Adopting transfers as internal recruitment source and advertisements and employment agencies as external recruitment sources.

3. Selection Process - Adopting a systematic selection process and selecting candidates through committees.

4. Compensation - Rendering compensation to candidates based on their competency and job profile and providing special financial compensation like employee protection programs and security and health benefits.

5. Financial Support - Allocating funds in budget for recruitment and selection programs expenses.

6. Alignment - Recruiting employees based on the organization’s requirements, gaining competency in recruiting and selecting candidates, adopting strategic planning exercise and modifying the objectives based on strategic planning exercise findings.
Significant Practices in Performance Management System activity

The significant pushing practices identified in the assessment areas of PMSA were

1. Performance Appraisal Needs – Nil

2. Job Evaluation - Communicating the job expectations to the employees, setting performance targets based on job evaluation information and carrying out job evaluation through supervisors.

3. Performance Appraisal Process - Focusing appraisal on group performance, measuring the extent of achievement of set targets by the employees and adopting multiple performance appraisal system.

4. Compensation, Rewards and Incentives - Setting criteria for rendering compensation, rewards and incentives for employees based on their performance and providing performance bonuses as financial rewards for the employees based on their performance.

5. Partnering - Monitoring the effectiveness of partnership entered for appraisal process, using partnership entered with consultants to design effective appraisal system and appraising employees in an unbiased manner, partners contributing to shared goals and sharing the benefits of the cooperative effort of partnership.

6. Alignment - Organizations gaining competency in designing effective appraisal system and in appraising their employees.
Significant Practices in Training and Development activity

The significant pushing practices identified in the assessment areas of TDA were

1. Identification of Training Needs - Identifying the required training programs for employees based on performance appraisal reports, reports from superiors and skills required by the employees to keep up with the competition.

2. Design and Implementation of Training Programs - Training employees through lecture courses and seminars and adopting innovative training practices.

3. Transfer of Training - Using result based indicators to assess the extent of application of learning from training programs and using teamwork to implement learning from training programs on the jobs.

4. Evaluation of Training Programs - Focusing the evaluation of training programs in identifying the usefulness of the program to the employees, the extent of learning from training programs and using questionnaires to evaluate the effectiveness of training programs.

5. Partnership - Establishing partnership with consultants for conducting training programs, monitoring the effectiveness of partnership entered with consultants, gaining financial benefits through partnership, conducting need based training programs through the partnership entered with consultants, the organization and the consultant contributing to the goals of training programs and sharing the benefits of the training rendered through the cooperative effort.
6. Financial Support – Adopting established procedures to maintain balance in budgeted and actual expenses incurred for conducting training programs.

7. Alignment - Organizing and conducting training programs based on the requirements of their employees.

**5.6 COMMON PRACTICES IDENTIFIED FROM BINARY LOGISTIC REGRESSION AND GENERALIZED ESTIMATION EQUATIONS**

This research identified the significant pushing practices in the assessment areas of the activities of HRM function through Binary Logistic Regression and GEE techniques. In the course of review of the significant pushing practices identified through these two techniques few practices emerged as common practices in each of the assessment areas of HRM function.

**Common significant practices in Recruitment and Selection activity**

The common significant pushing practices identified in the assessment areas of RSA were


2. Recruitment Procedure - Adopting transfers as internal recruitment source.

3. Selection Process - Selecting candidates through committees.

4. Compensation - Rendering compensation to candidates based on their competency and job profile and providing special financial compensation like security and health benefits.
5. Financial Support - Allocating funds in budget for recruitment and selection programs expenses.

6. Alignment - Recruiting employees based on the organization’s work force requirements.

Common significant practices in Performance Management System activity

The common significant pushing practices identified in the assessment areas of PMSA were

1. Performance Appraisal Needs – Nil

2. Job Evaluation - Communicating the job expectations to the employees.

3. Performance Appraisal Process - Focusing appraisal on group performance and measuring the extent of achievement of set targets by the employees.

4. Compensation, Rewards and Incentives - Setting criteria for rendering compensation, rewards and incentives for employees based on their performance.

5. Partnering - Monitoring the effectiveness of partnership entered for appraisal process, using partnership entered with consultants to appraise employees in an unbiased manner and sharing the benefits of the cooperative effort of partnership.

6. Alignment - Organizations gaining competency in appraising their employees.

Common significant practices in Training and Development activity

The common significant pushing practices identified in the assessment areas of TDA were
1. Identification of Training Needs - Identifying the required training programs for employees based on the reports from superiors and the skills required by the employees to keep up with the competition.

2. Design and Implementation of Training Programs - Training employees through lecture courses and seminars.

3. Transfer of Training - Using result based indicators to assess the extent of application of learning from training programs.

4. Evaluation of Training Programs - Focusing the evaluation of training programs in identifying the extent of learning from training programs.

5. Partnership - Monitoring the effectiveness of partnership entered with consultants, conducting need based training programs through the partnership entered with consultants, the organization and the consultant contributing to the goals of training programs and sharing the benefits of the training rendered through the cooperative effort of partnership.


7. Alignment - Organizing and conducting training programs based on the requirements of the employees.

This research identified the common significant pushing practices in each of the assessment areas of HRM function. Adoption of these practices would enable organizations achieve HC-HC in each of the assessment areas of their HRM function.
5.7 SIGNIFICANT PATHS IDENTIFIED THROUGH PARTIAL LEAST SQUARES

The conceptual model estimation carried out with the responses of all the employees (165 respondents) revealed the significant paths.

1. Financial support had a positive significant positive on the respective HRM activities. This indicated that when organizations extended incessant financial support to the HRM activities it enhanced the effectiveness of the respective HRM activities.

2. Partnering had a significant positive effect on RSA and TDA but not on PMSA. This implied that employees did not prefer being appraised by consultants/external member. Engaging in partnership with consultants/academic institutions for RSA and TDA enhanced the effectiveness of the activities.

3. The objectives of RSA, PMSA and TDA were strategically oriented towards achievement of the strategic goals of the organization. Organizations when they performed their HRM activities in an effective way it augmented achievement of their strategic goals.

4. Partnering of RSA and PMSA were not aligned with the strategic goals whereas that of TDA was aligned. This was due to the fact that organizations hired consultants for providing need-based training to the employees to imbibe the required skills among them to keep up with competition for which organizations considered partnership as a valuable avenue. On the other hand, these organizations have not yet realized the benefits of partnership for their RSA and PMSA.
5. Financial Support of PMSA and TDA were not aligned with the strategic goals but that of RSA was aligned.

5.8 CONCLUDING REMARKS

HRCAP Score GRID comprised of a comprehensive set of HRM practices practiced by organizations deduced from review studies. This research through HRCAP Score GRID identified the capacity lag areas in the activities of HRM function among the organizations included in the study. The statistically significant pushing practices in each assessment area were identified through Binary Logistic Regression and GEE. Similarly a set of pulling practices were identified. In addition, this research identified few HRM practices in each of the assessment areas as common practices from among the significant pushing practices identified through Binary Logistic Regression and GEE techniques. Finally, the model validation revealed that organizations extended incessant financial support for the activities of HRM and ensured alignment of the tasks of the HRM activities with the strategic goals of the organization. Organizations found partnering to be effective for TDA but not for RSA and PMSA.