Abstract

Benchmarking is the process through which a company measures its products, services, and practices against its toughest competitors, or those companies recognized as leaders in its industry. There are different methods through which benchmarking can be carried out. Best practices benchmarking attempts to benchmark not only work processes, but also the management practices behind them. This is because some business processes are same regardless of the type of industry.

The study was carried out with an extensive literature survey covering areas such as HR practices, Benchmarking, link between HR practices and Benchmarking and the link between TQM and HRM. The gaps were identified and addressed in the study.

This study elaborately discusses on Benchmarking HR Practices among three sectors, namely, IT, Manufacturing and Education. It deals with the IT companies, Manufacturing concerns and Educational institutions offering Masters Program in Business Administration in Bangalore, Karnataka, India only. The IT industry is growing geometrically; the number of people working in the sector is also on the rise. The IT organizations are predominantly responsible for bringing in many innovative HR practices. There is a requirement for the IT sector to study and benchmark their HR practices to implement the best and retain the best. Over a period of time, Manufacturing sector has grown predominantly, making it essential to benchmark their practices and find out whether they are moving in the right direction. Similarly there is a need to evolve the right HR practices in the education sector as it is growing in size. Thus this study entitled “Benchmarking HRM Practices among IT, Manufacturing and Education sectors (With special reference to Bangalore City)”, discussed the HR practices in all the three sectors.

The Independent variables considered for the study are Recruitment and Selection (RAS), Training and Development (TAD), Compensation and Fringe Benefits (CFB), Performance Appraisal (PA), Employee Wellness (EW), Career Progression and Retention (CPR), Employee Engagement (EE), Knowledge Management (KM) and Entertainment at Workplace (EAW). The dependent variables for the study were Job Satisfaction (JS) and Talent Management (TM).
The sample consists of 218 employees from the IT sector (N_{IT}=10), 115 employees from the Manufacturing sector (N_{Mfg}=10), and 195 employees from the Education sector (N_{Edu}=10) and twenty HR managers from each sector were considered for the study.

The HR practices in different sectors were studied using two-way ANOVA in Hypothesis I. It was found that there was a significant difference in the mean values of perceived opinion among employees of varied experience levels from IT, Manufacturing and Education sectors with respect to all the 9 independent variables (HR Practices) and two dependent variables. It was observed that the opinion of the employees in the IT sector was generally higher for all HR Practices except in the case of CFB and PA. The opinions of the employees in the manufacturing sector were more or less close to the IT sector, but for EAW. The mean values for the HR Practices were found to be least in the education sector. Hence it was concluded that there is a need to improve all the HR practices in the education sector.

Hypothesis II analysed the existence of statistically significant difference in the opinion about HR practices between Employees and HR managers in the IT, Manufacturing and Education sectors with the help of ‘t’ test. Based on the results, the opinion on HR practices elicited from both the categories was encouraging in the IT sector. In the Manufacturing sector the opinion of HR managers was better than the employees. EAW was found to have the least mean, thus signifying a development in this practice. Though the responses of both the employees and the HR Managers were similar in the education sector, the opinion was either neutral or less than neutral but for EE. The deviation in responses was less in the IT and the Manufacturing sector, but quite high in the education sector. This inferred that the practices were standardised across IT and Manufacturing concerns, it was not so in the Education sector.

Hypothesis III used the Regression analysis to study the impact of HR practices on Job Satisfaction in all the three sectors. The HR practices RAS, TAD, CFB, PA, EW, CPR, EE, KM and TM revealed the ability to predict their impact on JS in the IT sector. Similarly, RAS, TAD, CFB, PA, EW, CPR, EE, KM and TM could estimate the level of JS. Further in the education sector, the HR practices RAS, TAD, CFB, PA, EW, CPR, EE
and KM had the ability to predict JS. The value of $R^2$ was found to be maximum in the IT sector, followed by the Education sector and then by the Manufacturing sector.

The impact of HR Practices on Talent Management was studied through regression analysis in Hypothesis IV. The model revealed that there is a significant impact of CFB, PA, KM and EAW on TM in the IT sector. In the Manufacturing sector it was observed that there was an impact of CFB, PA, EW, KM EAW and TAD. Finally in the education sector, RAS, PA, CPR, EE, KM, TAD and EW had an impact on TM. The impact was found to be highest in the education sector, followed by the Manufacturing sector and lastly the IT sector.

Structural Equation Modeling (SEM) was developed in all the three sectors to validate the results obtained in Regression. The impact of CPR was found to be more on JS and the impact of KM was high on TM in the IT sector. In the Manufacturing sector the impact of CFB is high on JS and the impact of EW is more on TM. The impact of EE was found to have maximum impact on both JS and TM in the Education sector.

Based on the perceptions of the employees, the HR practices in all the three sectors were ranked. The ranking revealed that KM was the best practice in the IT and EE in both Manufacturing sector and Education sector.

Based on the findings an iterative Benchmarking Model was developed which can find its applicability across different sectors.

The suggestions are highlighted in general to all the sectors and in particular to each sector. Most of the companies and the institutions bother about Absenteeism. But it is essential to also look into the aspects of “Presenteeism”. Few employees are at workplace but are not productive citing reasons such as ill health or injury. Hence there is a need to address this issue. Career Management and Career Development must be distinguished in all the three sectors. It is essential to nurture talent and have flexible Talent Management strategies. Companies are increasingly using social networking sites to enhance connectivity. It should be used appropriately weighing its pros and cons.

The study concludes by giving directions for future research.