CHAPTER 6

Summary, Conclusions, and Suggestions
# Summary, Conclusions, and Suggestions

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Summary</td>
<td>202</td>
</tr>
<tr>
<td>6.2</td>
<td>Conclusions</td>
<td>203</td>
</tr>
<tr>
<td>6.3</td>
<td>Suggestions</td>
<td>206</td>
</tr>
<tr>
<td>6.3.1</td>
<td>Main Suggestions</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>Criterion-Wise Maximum Scores</td>
<td>218</td>
</tr>
<tr>
<td>6.3.2</td>
<td>Other Suggestions</td>
<td>225</td>
</tr>
<tr>
<td>6.4</td>
<td>Concluding Remarks</td>
<td>231</td>
</tr>
</tbody>
</table>
CHAPTER 6

SUMMARY, CONCLUSIONS, AND SUGGESTIONS

Summary, conclusions, and suggestions of the research are presented below in this chapter.

6.1 Summary

Today, the HR Function is undergoing a sea change. A news item in Economic Times dated July 7, 2006, stated that the Unilever Company Limited has joined the Team of Fortune 100 multinational companies and has decided to focus on its core functions by outsourcing the rest. As a part of this effort, it has entered into a contract with Accenture for its global HR operations. The IT Solution of Accenture will provide a range of HR services that were traditionally undertaken by HR department. Recruitment, payroll, performance management, etc., are some of these functions. As a result, it will become necessary to re-deploy its present HR Staff and to make the remaining HR staff to undertake non-traditional activities. However, it does not mean that the
role of HR head is shrinking. As a matter of fact, it is widening. The HR heads are now more involved in business and are helping their organisations in strategic planning. Now the companies have easier access to funds and are realising that their success is dependent on their ability to attract right people. Companies are becoming aware of the fact that the biggest hurdle to growth is not finding right people. The second most important role in an organisation, after that of the CEO, is now that of the HR head, whose responsibility is to bring about this growth. Customers, board, and other stakeholders have much higher expectations from the HR heads. Globalisation and the resultant inflow of diverse workforce have necessitated the CEOs to transform organisations suitably. HR heads need to adapt to these new requirements and responsibilities.

6.2 Conclusions

HR department of any company has a critical role to play in accomplishing organisational goals and in helping it to achieve and maintain excellence. It has the role of getting the right kind of people, creating a culture that nurtures and retains talent, providing avenues for development of competence at all levels, and ensuring utilisation of
talent. Thus, HR Activity of any concern mainly deals with procuring, utilising, and enhancing the capabilities of employees. It can take a form of a system, a policy or a plan, a function, a practice of recruiting, remunerating, appraising the performance of employees, developing their potentials, and motivating them. A good HR Activity results in a highly motivated and committed workforce. It enhances the satisfaction of employees, helps in building critical organisational capabilities, and, ultimately, improves the financial performance.

As a service function, HR department must be aware that it has to deliver something that contributes to overall value of the company. HR Activity needs to be business driven and needs to focus on the entire business system. Therefore, there is a need to evaluate, and to align or realign HR Activity to organisational effectiveness on a continuous basis. Any attempt to judge the effectiveness of the HR Activity requires benchmarks or a set of standards that it has to accomplish. Thus, benchmarking becomes most effective approach for evaluating the HR Activity. This means the HR department needs to identify both what it is doing today and what it needs to take on for the future. It must also anticipate and manage change. Continuous improvement requires
monitoring. This can start only when benchmarks have been established. Monitoring also requires regular review and revision of benchmarks. Benchmarking of HR Activity enables the HR department to spot trends and variances; it then becomes possible to make informed judgments with a degree of confidence, as result of which it acquires credibility. In addition to this basic benefit, the following other benefits ensue:

- **Prioritisation of the functions**
  Benchmarking of HR Activity helps the HR department in balancing the potentially conflicting demands for its resources and in prioritising them effectively.

- **Clarity of purpose**
  Benchmarking helps the HR department in knowing what other HR departments are doing and in clarifying its own purpose. This enhances the reputation of the department by removing obstacles in its functioning.

- **Focused functioning**
  Benchmarking of HR Activity produces the scores as well as the benchmarks for the HR Activity in relation to different criteria. These specific targets of performance help the HR department in
focusing its efforts in a proper direction, resulting in higher credibility and improved morale of the staff.

To win the position of a strategic partner, HR department has to prove that it is providing effective quality services at the lowest costs. For doing this, it needs well-defined targets of performance and their effective monitoring. In this manner, the benchmarking of HR Activity helps the HR department in creating a success culture.

6.3 Suggestions

Based on the analysis of the findings of the survey and case studies undertaken, the following suggestions for making HR benchmarking an effective performance improvement tool for Human Resource Management have been suggested.

6.3.1 Main Suggestions Regarding:

- **HR Benchmarking Type**

  The application of benchmarking by a company involves a number of stages. The company first applies diagnostic benchmarking to explore the relative performance of different functions in the business. It then undertakes holistic benchmarking, which involves
the examination of the business in totality. This is used to identify key areas for improvement within the business. This diagnostic-holistic approach provides a relatively simple introduction to benchmarking. It offers structured, cost-effective feedback and requires only a minimum of resources to implement it. It enables companies to improve their performance by identifying critical capabilities, strengths, as well as weaknesses, and, then to use the lessons learnt from best practices of others in making the necessary improvements in its own performance. Having accomplished the first two stages, the company can graduate to process benchmarking, the third and mature stage. This benchmarking focuses on seeking to improve specific processes in order to achieve high-class performance.

Considering the heterogeneous nature of HR Activity and primitive nature of the benchmarking activity in Pune industrial sector, and the time as well as the costs involved in the benchmarking projects, it is concluded that the third-party benchmarking for best practices is the most suitable benchmarking type for the companies in Pune. This diagnostic benchmarking will help the HR departments not only in
proving the necessity of the HR benchmarking but also in gaining benefits of benchmarking as a performance improvement tool. Over a period, as the HR departments make progress in standardising their functions, practices, and procedures, they will be in a position to undertake process-benchmarking projects for one or more of their functions.

- **Benchmarking Agency**

Almost all the HR heads met during the survey and at the time of case studies opined that the HR benchmarking should be done by a third party, which could be some agency. Most of them, however, were of the opinion that this work should be entrusted to their own professional bodies relating to HR, such as, NIPM, National HRD Network, ISTD, etc. The main advantage in doing so is that they possess the initial database relating to the members. The HR heads also felt that their own sector should be represented in this third-party benchmarking agency. Their second preference was to entrusting this work to private professional consultancy firms. There were very few takers to the job’s being given to the chambers of commerce and other trade unions.
The benchmarking effort by an independent agency has the following advantages:

1. It assures maximum objectivity;

2. It facilitates the data collection and further comparisons with the other organisations;

3. It gains the benefits arising out of the professional authority of the agency; and

4. It requires shorter time span to complete the benchmarking project.

Considering the above facts, it can be suggested that HR-related professional institutions should undertake the benchmarking activity for their members.

- **HR Benchmarking Methodology**

Any benchmarking effort has to be comprehensive, that is, it should cover all the possible aspects and focus on the critical ones. In order to make it comprehensive, the benchmarking agency must carry out HR benchmarking by applying more than one method, namely, questionnaire, field visits, interviews, observation by peer team, and
analysis of records and reports. Each of these methods is suitable for studying certain aspects.

Administering a questionnaire is the primary method of collecting information from the companies and organisations in standardised and uniform manner.

However, field visits, observation, and interviews of the employees by the members of the peer team are necessary to support the documentary information reported by the companies and organisations. There are some aspects and data in the form of policy documents, manuals, plans, and reports that need to be observed and analysed. Observation is a way of looking at the things, as they exist. Physical facilities, training facilities, as well as manuals, reports and policies, etc., are the things that must be observed by the peer team. The peer team of experts needs to have three to four members; one benchmarking expert, one senior HR professional, and at least one senior expert from the industrial sector to which the company to be assessed belongs. For this purpose, the benchmarking agency should prepare a list of experts from different industrial sectors as well as a list of senior HR professional.
All the above methods have to be used simultaneously for gaining reliable and authentic results from the benchmarking effort.

- **HR Benchmarking Instruments**

  1. **Questionnaire**

     A comprehensive questionnaire is prepared for benchmarking of the HR Activity (See Appendix 1.1.2). It should be administered every year to HR departments of member and non-member companies. This questionnaire measures various aspects of HR Activity and provides inputs for the benchmarking score-card. There are questions to measure functions, profile, policies and plans of the HR department, facilities used by the department, performance of various activities of the HR department, and the practices followed by it. The numbers of the items in the questionnaire relating to different criteria are given in the table on the next page.
<table>
<thead>
<tr>
<th>Criteria</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Number of HR Functions</td>
<td>01</td>
</tr>
<tr>
<td>(B) Profile of HR Department</td>
<td></td>
</tr>
<tr>
<td>B1 Information about Managerial Staff</td>
<td>03</td>
</tr>
<tr>
<td>B2 Information about Clerical Staff</td>
<td>03</td>
</tr>
<tr>
<td>B3 Professional Qualification(s) and Membership of HR Staff</td>
<td>02</td>
</tr>
<tr>
<td>B4 HR Advisory Committee</td>
<td>01</td>
</tr>
<tr>
<td>(C) Policies and Plans of HR Department</td>
<td></td>
</tr>
<tr>
<td>C1 Recruitment Policy and Plan</td>
<td>02</td>
</tr>
<tr>
<td>C2 Training Policy and Plan</td>
<td>03</td>
</tr>
<tr>
<td>(D) Facilities Used by HR Department</td>
<td></td>
</tr>
<tr>
<td>D1 Computer, Automation, Intranet and Internet</td>
<td>04</td>
</tr>
<tr>
<td>D2 Seminar Hall, Slide Projector, LCD</td>
<td>03</td>
</tr>
<tr>
<td>D3 Library, CDs, Cassettes, and Magazines</td>
<td>03</td>
</tr>
<tr>
<td>(E) Activities of HR Department</td>
<td></td>
</tr>
<tr>
<td>E1 Administration</td>
<td>03</td>
</tr>
<tr>
<td>E2 Recruitment and Retention Activity</td>
<td>06</td>
</tr>
<tr>
<td>E3 Development Activity</td>
<td>08</td>
</tr>
<tr>
<td>(F) Practices of HR Department</td>
<td></td>
</tr>
<tr>
<td>F1 Employee-Related Practices</td>
<td>20</td>
</tr>
<tr>
<td>F2 Job-Related Practices</td>
<td>05</td>
</tr>
<tr>
<td>F3 HR Department-Related Practices</td>
<td>15</td>
</tr>
<tr>
<td>F4 Organisation-Related Practices</td>
<td>05</td>
</tr>
</tbody>
</table>

The questionnaire should be administered to all member companies and it can also be used for non-member companies. Then, a
benchmarking score for each respondent company can be calculated. The primary score of any company may range from 0 to 105. Any score above 80 indicates good HR climate. Score closer to 100 indicates an excellent HR climate. Any score below 65 indicates that there is a considerable scope for improvement. The scores of the respondents can be analysed criterion-wise and the industry-wide overall benchmarks can be determined.

This survey should be conducted annually. The database so generated will indicate the trends as well as the shifts in the benchmarking scores.

2. Checklists

For any benchmarking project to be successful, it requires certain noteworthy success factors. The following are some of them:

- Commitment and leadership of the top management;

- Internal commitment of the employees and staff-members of the HR department;

- Willingness to do self-assessment vis-à-vis recognised framework;

- Focus on competence; and
- Effective implementers.

Before any HR benchmarking project is undertaken, it should be seen whether the organisation possesses the noteworthy success factors and whether benchmarking is the right tool to be used. Administration of the checklist is a very useful tool for collecting information to ascertain these.

A checklist is a standardised list that is used to take an account of items, functions, and activities. The respondents fill in the checklist either by ticking the items in the list or by writing, “Yes” or “No” against every item in the list. In this study, two checklists were prepared: one for testing the readiness of the companies for benchmarking, and, another, for deciding the type of benchmarking suitable to a particular HR department (See Appendices 1.2.1 and 1.2.2).

As a rule, if the majority of items are answered in “Yes” in the case of the first checklist testing readiness of the companies for benchmarking, then, it indicates that the company is prepared to undertake any benchmarking project. Also, as a rule, in the case of the second checklist for deciding the suitable benchmarking type,
any score below 40 % indicates that the HR department is not ready for external benchmarking; any score between 41% and 75% suggests that best practices benchmarking by any independent benchmarking agency is suitable for the HR Activity; and any score above 75% means the company is ready for HR process benchmarking.

- **HR Benchmarking Score-Card and Annual Report**

  1. **HR Benchmarking Score-Card**

  The most important benefit of a standardised questionnaire is that it facilitates criterion-wise analysis of the data. While calculating the score for each item relating to any criterion, the benchmarking system considers the performance of the respondent company for two consecutive years, namely, the previous year and the current one. The consistency in the performance adds to the score of that item, and, any addition in the facilities, activities, and practices doubles the score. However, any discontinuation shows lack of consistency, and it results in the negative score for that item.

  The following ratios and averages are used while calculating the item-wise scores:
- Ratio of HR staff to Total Employees
- Ratio of Employee Turnover
- Ratio of HR Staff Turnover
- Ratio of Recruitment Expenditure to Total Employees Recruited
- Average Time Required for Recruitment
- Ratio of HR staff Trained
- Ratio of Fixed Budgeted HR Expenditure to Total Budgeted HR Expenditure
- Training Expenditure per Employee
- Training Expenditure per Trainee
- Ratio of In-House Training Programmes to Total Training Programmes
- Ratio of Expenditure on External Training to Total Training

There are in all five criteria for HR benchmarking in this questionnaire. The criterion-wise scores are calculated by totaling the item-wise scores for that criterion. The maximum score for these five criteria are given in the table on the next page:
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Benchmarking Criteria</th>
<th>Maximum Primary Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HR Profile</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>HR Policies and Plans</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>HR Facilities</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>HR Activities</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>HR Practices</td>
<td>45</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>105</td>
</tr>
</tbody>
</table>

Pictorial representation of the criterion-wise maximum scores of HR benchmarking, with the help of a pie chart, is given on the next page.
The benchmarking score-card of any company gives the final scores relating to the five criteria as well as the benchmark score of every criterion. The final score of any criterion is calculated by multiplying the primary score of that criterion with the pre-defined weight assigned to it. The overall benchmarking score of the company can be obtained by adding up the criterion-wise scores. As the data of two consecutive years are considered while calculating this score, it...
automatically indicates the internal benchmarks of HR Activity of
the company.

This score-card gives the benchmark scores of the five HR
benchmarking criteria. The benchmark scores are the highest scores
that are registered by the company operating on the same scale of
operations and in the same industrial sector.

The score-card also produces a graphical presentation of the
benchmarking scores of the respondent company and the
benchmarks in its regard.

2. Annual Benchmarking Report

The HR benchmarking model also generates the annual
benchmarking report, giving detailed information about the
respondent participants as well as sector-wise and scale-wise
distribution of the respondents. This report gives the industry-wide
benchmarking results. This annual report is helpful in determining
the benchmarking trends over a period of time.

- Weights to be Assigned

At the beginning of this research, it was felt that there was a need to
develop separate benchmarking models for the organisations
operating in different industrial sectors. As the study progressed, it became clear that the core elements of HR Activity remain the same irrespective of the industrial sector and the scale of operations. However, their priorities and their importance change as per the specific requirements of the sector and the scale of operation. Hence, it was possible to develop only one benchmarking model to be applied to the HR Activity of different organisations.

It is suggested that the weights assigned to different criteria as per the industry and the scale of operation should be reviewed and revised after a gap of three years. This time span of three years will assure the consistency of the benchmarks arrived at and of the timely revision of weights as per the changing circumstances. While revising the weights, first, the suggestions from the member companies and the experts in the field should be invited. Second, the proposed draft of revisions should be discussed in the forum of the member companies. The final revision of weights should get an overall acceptance of the member companies and it should be communicated to them well in advance, before the annual reports are collected from them.
• **HR Benchmarking Process**

The HR Benchmarking process should be undertaken in the following stages:

- Collection of benchmarking data;
- Site visit of the expert team to respondent companies;
- Data entry, analysis, presentation of the benchmarking score-cards and the annual report; and
- Monitoring performance in order to attain the benchmarks.

The benchmarking exercise should be undertaken annually, preferably at the end of the financial year. The benchmarking questionnaire should be revised after seeking the suggestions and recommendations of the member companies well in advance before the end of the financial year. In the month of March, the benchmarking questionnaire should be sent to the members and the members should fill it in and send it back within a fortnight. Then the data entry of the responses collected will be done; and, the annual report as well as the benchmarking score-cards will get generated automatically. A one-day visit of the peer benchmarking team should be arranged to the respondent companies for vouching documentary
evidences that are submitted along with the annual HR Activity report. The benchmarking result of a particular company is based on the report of the peer team and on the scores generated by the HR benchmarking model.
- **HR Benchmarking Plan:**

<table>
<thead>
<tr>
<th>Task</th>
<th>Performed by</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Questionnaire</td>
<td>Benchmarking Agency</td>
<td>March *</td>
</tr>
<tr>
<td>Dispatch of Questionnaire</td>
<td>Benchmarking Agency</td>
<td>April *</td>
</tr>
<tr>
<td>Submission of Annual Report</td>
<td>Member-Companies</td>
<td>June *</td>
</tr>
<tr>
<td>Formation of Peer Team</td>
<td>Benchmarking Agency</td>
<td>July *</td>
</tr>
<tr>
<td>Data Entry of Annual Reports</td>
<td>Benchmarking Agency</td>
<td>August to February</td>
</tr>
<tr>
<td>Site Visits</td>
<td>Peer Team</td>
<td></td>
</tr>
<tr>
<td>Compilation of Site-Visit Reports</td>
<td>Benchmarking Agency</td>
<td></td>
</tr>
<tr>
<td>Preparation and Presentation of Benchmarking Score-Cards and Annual Report</td>
<td>Benchmarking Agency</td>
<td></td>
</tr>
<tr>
<td>Monitoring of Performance for Attaining Benchmarks</td>
<td>Member Companies</td>
<td></td>
</tr>
</tbody>
</table>


• **Implementation of Benchmarking Report**

The benchmarks decided upon by the HR benchmarking system serve as the starting point for measuring improvements and trends in HR Activity. There has to be a time frame for the attainment of benchmarks. If analysis is undertaken once a year, it is likely to produce marginal results. Ideally, the performance ratios should be monitored and compared with the benchmarks on a monthly basis, at least, on a quarterly basis.

Participating in HR benchmarking project and getting the benchmarks defined for one’s own HR Activity is the first crucial step in improving the performance. It helps in collecting facts and evidences of one’s actual performance; without these facts, there cannot be any defined standards of performance. It also helps in identifying areas for improvement. With the help of the benchmarks, the HR department is in a position to clarify its role and can stipulate the priorities of actions to be taken. By analysing the present position and by defining the future needs, it can identify practices and functions that will lead to improvement in performance.
However, benchmarking cannot be viewed as a one-time exercise. As per the changing circumstances and needs, one has to redefine the benchmarks periodically. To achieve continuous improvement in performance, it is not enough to attain benchmarks but it is also essential to review and revise them.

6.3.2 Other Suggestions

- **Benchmarking Manual**
  There is a need to develop a standard benchmarking manual, which will enable the employees of the member companies to compare cost and performance matrices and will help in bringing the discipline of benchmarking to the measurement of performance. This manual should include training materials as well as a system of standards to ensure that the employees gather only worthwhile and directly comparable data.

- **Benchmarking Clearing House**
  The data generated from the application of the third-party benchmarking model over a period of time are of great importance, as they will avoid duplication of benchmarking efforts, and the knowledge base so created could be utilised by the benchmarking
agency. The benchmarking agency could then work as a benchmarking clearinghouse.

The clearinghouse is different from "marketplace analysis", and from the other methods of less formal, less structured information gathering. The clearinghouse will contain information gathered from both formal benchmarking and from other methods of information gathering. It will have a summary of data and points of contact of the member organisations, which have not completed benchmarking projects, which are in the process of completing them, and which have planned the projects. In addition, the clearinghouse will have:

- Detailed abstracts of the completed benchmarking projects;
- The Benchmarking Code of Ethics;
- A detailed information of data gathering efforts that do not constitute formal benchmarking projects, but contain important information on practices and approaches of successful organisations; and
- A Benchmarking "Yellow Pages", containing points of contact and addresses of the benchmarking agencies and professionals.
The goals of the clearinghouse should be:

- To provide a centralised repository of timely and complete information about all the completed, on-going, and planned benchmarking projects;
- To minimise unrestrained and unco-ordinated benchmarking and data gathering efforts;
- To eliminate potential duplication of effort by providing a readily accessible resource for benchmarking project activities and results;
- To share results and maximise available resources through leveraging of knowledge gained; and
- To minimise the time required to contact and benchmark the best-in-class organisation.

The clearinghouse will serve as the first source of information for member organisations and their staff, interested in initiating benchmarking activities. Prior to initiating a benchmarking project, organisations will enquire with the clearinghouse to ascertain if the information on the subject matter or organisations or on both being sought through benchmarking already exists as a result of another
study having been completed, or the one that is currently in process. If the answer is "yes", the clearinghouse is bound to contain more detailed abstracts of the completed project(s), as well as information of the person and of the organisation required to be contacted for further information. However, if the answer is "no", it means that there are no such comparable benchmarking projects currently contained in the database of the clearinghouse. Then the organisation will check its database of planned projects to determine if a comparable benchmarking project is being planned or not by some other organisation. If such a project is planned, the organisation will contact the originator identified in the clearinghouse and will coordinate a joint effort, and, if comparable benchmarking project results are not contained in the database of the clearinghouse nor are identified as currently planned, then the organisation will place an announcement of intended benchmarking project. Through co-operative benchmarking projects, the cost of benchmarking activities will be minimised, and there will be a timely, open, and complete sharing of results.
• **Benchmarking-Skills' Development Programmes for Employees of Member Companies**

The benchmarking agency should also organise the benchmarking-skills' development programme for the employees of its member companies. This training should be conducted with a view to imparting basic skills required for the implementation of benchmarking project. This training should help them in:

• Understanding benchmarking technique that they may be able to implement effective benchmarking initiatives;

• Acquiring the skills to initiate and to implement benchmarking activities;

• Identifying their own benchmarking needs;

• Determining the benchmarks to be measured;

• Collecting the data;

• Analysing the data matrices;

• Identifying areas for intervention; and

• Understanding the implications of the benchmarking on organisational performance.
• **To Publish Benchmarking-Study Reports and Case Studies**

The benchmarking agency should also periodically publish benchmarking-study reports, case studies, and such other initiatives. Such a publication will definitely help in increasing the awareness about the benefits of benchmarking technique, which, in turn, will popularise the concept of benchmarking. This will avoid unnecessary duplication of benchmarking projects, and will also provide a platform to the member companies for sharing their experiences.

• **To Provide Data Mining Services**

The benchmarking agency could be the best agency to provide data mining services to its member companies. Today, the HR departments have a limited ability to provide meaningful data support for taking operational and strategic decisions. The benchmarking agency could provide a comprehensive data warehouse by defining a basic set of matrices to represent the HR Activity of member companies. It could also provide the HR departments the necessary reporting tools.
6.4 Concluding Remarks

To sum up, the present research was undertaken with a basic objective of developing a simple and user-friendly benchmarking model for HR Activity, after studying and understanding the nature of HR Activity of companies in Pune.

This study revealed that the HR departments in Pune are facing manifold challenges on account of turmoil in business environment, and are finding it difficult to get the expected strategic role in the organisation. Hence, there is a need to develop a benchmarking model that will popularise the technique of benchmarking as a performance improvement tool, amongst the HR community in Pune.

The software solution, named, HR Benchpro, developed and presented in the present study will definitely help the HR departments of companies and other organisations to chalk out their future course of action, and it will serve as a tool for measuring and for improving the performance. As stated earlier, this model generates both the benchmarking scores and the benchmarks for the HR Activity of any organisation. It creates a fully secured database of many years relating to
the HR Activity of the member companies. It applies today’s most popular and reliable database system and the programming language. With a very few modifications, this software solution is capable of:

- Changing the weights assigned to different industrial sectors and for different scales of operations;
- Adding some more industrial sectors;
- Accommodating and reproducing the benchmarking data of more than one year.

However, the user will not be able to effect easily the changes in the ratios and the parameters used in this benchmarking system. The benchmarking report generated by it is primarily quantitative in nature and, therefore, it requires a support of sound judgment by the expert benchmarking team. Like any other technological application, this model is an aid to the judgment of the expert benchmarking team. Hence, if used without a report of the expert team, it will not be of much help as a tool for performance improvement.

As this is the very first effort of developing a model for HR benchmarking, it might have some lacunae, and, therefore, it may require modification and up-gradation after a fully-fledged use.
The findings of this research definitely suggest that, in the near future, the benchmarking is going to be an inevitable part of the functioning of HR departments. Initially, it will be used as tool for measurement and comparison of performance, and, then, as a tool for performance improvement.

Benchmarking being a comparatively new concept, there is a wide scope for further study in this area. In the present study, third-party benchmarking of best practices is covered. The further researchers could develop models of other types of benchmarking, especially, of process benchmarking. It is also possible to develop the models for the services of data mining and benchmarking clearinghouse. Further research could be undertaken with a view to studying the need for industry-level standardisation of HR Activity. Exploratory research to establish the need of HR benchmarking clearinghouse and to find an agency best suited to act as benchmarking clearinghouse could also be undertaken. HR Activity in IT sector is another topic for further research.