

A STUDY ON BEST HR PRACTICES IN THE IT AND ITS INDUSTRY"

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Abstract

Human Resource best practices have been around for decades. They have served as guidelines for many HR professionals. But what do they entail, and why are they so important? In this article, we'll go over the 7 best practices for HR.

Key words:

Introduction

Best practices are a set of Human Resources Management processes and actions that work universally. In this article, we'll focus on the best practices in Human Resource Management.

1. Employment Security

The first Human Resource best practice is employment security. There is a social contract between the organization and its employees. The organization asks employees to work, commit to the organization, and offer up their ideas.

Employees will only do this if they get something in return, like employment security. It enables employees to go home and provide for themselves and their families. This concept of security is essential and underpins almost everything HR does. Employment security also benefits organizations because it helps them retain their people.

2. Selective hiring

The second HR best practice is selective hiring. This enables an organization to bring in employees who add value. You can't just hire anyone; you want people who are fit for the job. Companies do their utmost best to hire exceptional people because they add the most value to the business.

Research shows that the difference in performance between an average performer and a high performer can be as high as 400%! This holds true for different industries and job types, including researchers, entertainers, and athletes. Bringing in the right people is, therefore, a key to building a competitive advantage.

3. Self-managed and effective teams

We all know that teamwork is crucial in achieving goals. High-performance teams are crucial for any company when it comes to achieving success. Teams provide value because they consist of people who are and think differently but are working towards a common goal. This means that different ideas are generated to help achieve the goal. These ideas are then processed and combined, resulting in the best ones being selected.

Understanding these processes is one of the main responsibilities of a manager. This is the reason why a lot of management courses focus on it.

There are different tools that facilitate teamwork. Examples include communication software, feedback tools, project management tools, and other task and goal setting software. These can facilitate communication and help teams be more efficient.

4. Contingent compensation

Contingent compensation is the fourth Human Resource best practice. It has everything to do with compensation and benefits.

First of all, if you hire the right people, you want to compensate them above average. These are the people that will add the most value to your company so you want to retain them and pay them fairly. This is an example that shows how different best practices work together to provide more value than they would alone, in this case, selective hiring, contingent compensation, and employment security.

Paying people above the norm also has a number of potential disadvantages. For instance, it discourages bad employees to leave. However, if you're consistently hiring world-class performers, an above average compensation is a must.

5. Extensive training

This HR best practice states that companies should invest heavily in training time and budget for its employees.

After recruiting the best people, you need to ensure that they remain the frontrunners in the field. This has become even more relevant today as the rate at which technology is developing is growing exponentially. This is where learning and development come in.

6. Reduction of status difference

This best practice in HR is rooted in the egalitarian practices of Japanese management. Although we just saw that some employees are more critical than others for the organization's success, this shouldn't be communicated in such a way. Every employee is a valuable member of the organization and should be treated as such.

In Japanese organizations, this is expressed with common canteens, company uniforms, and similar sickness and holiday entitlement. Such an egalitarian culture shows that everyone deserves equal respect and could help in promoting the sharing of ideas.

7. Sharing information

Information sharing is essential. This is an area where a lot of large companies struggle: How do you keep track of who knows what, so you know where to go to with your questions?

According to Pfeffer, there are two reasons why information sharing is so important.

Firstly, open communication about strategy, financials, and operations creates a culture in which people feel they are trusted. It truly involves employees in the business. As an additional effect, it discourages hear-say and negative informal chatter.

Secondly, if you want your people to share their ideas, they need to have an informed understanding of what's going on in the business.

Findings:

The best HR practices are:

1. Employment security
2. Selective hiring

3. Self-managed and effective teams
4. Contingent compensation
5. Extensive training
6. Reduction of status difference
7. Information sharing

When these best practices are combined we call them ‘bundles’. Bundles create synergies. This is how Human Resource Management can create a competitive advantage for the organization. By leveraging these bundles, HR is able to add tremendous value to the business and help the organization succeed in reaching its goals.

Conclusion

This article describes the 7 Human Resource best practices, from hiring and training to offering job security and the creation of an open culture in which people can share knowledge and ideas. When implemented, these best practices form the basis of good Human Resource Management. However, implementation alone isn’t enough. These best practices also need to align with what the rest of the business is doing. Only if the best practices that we have in HR are aligned with what the organization is striving for can we create an HR function that adds value and that truly supports the business.

References