Good Human Resource Practices make Best places to work for

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Abstract

Human Resources are an integral part of any organization. And if managed successfully, they can become the greatest assets for the organization. Since time immemorial, the importance of Human Resources has been highlighted. Every successful organization is taking care of its Human Resources in the best possible manner.

This paper presents the growing and diverse fields of Human Resource Management. The study attempts to explain the association between the Human resource policies and organizational performance. As per the global rankings and study that is conducted regularly in analyzing the top companies in terms of Human satisfaction, the best places to work for, has been studied for its HR practices. Development and management of human capital is considered as a primary reason behind the significant gaps between these companies. Findings of the study are that the Google is the best place to work with due to its potential rewards and benefits offered to its employees. Other companies although offering good incentives and compensation but not as satisfactory as Google. This study reviews over the diverse domain of human resource management, implications of its policies and inter linkage between the productivity of employees and HR policies of a firm.

Keywords

Human Resource Management; Best places to work for; Google; Rewards & Benefits; HR Policy

Introduction

Human Resource (HR) Management is a comprehensive system which allures, develops, manages encourages and retains the employees who are essential for the better functioning of the organization. Well developed nations have revised their objective which aims towards the human capital domination. Fundamental change is required in the importance of employees to develop the quality human capital which will play a significant role in meeting the goals and targets of the company. Human resources development and management is an atemporal task which every organization is facing. Core issue of this study is the development of employees which are the basic resource of any organization and they are the driving force of success of organization if provided with potential rewards and benefits. Human resource management and organization development are interlinked. It is shown in the various sections of paper. For their own growth and survival, firms need to focus on employees’ development. Human resource managers plan their strategies according to employees’ perspective.

The paper talks about the best places in India and in world to work for. It also discusses the comparison between these companies, why the companies in India cannot withstand in the global scenario, and what accounts for these differences. It also explained the various human resource policies which lays the basis for the significant gaps that arise among different companies in the country as well as internationally. It demonstrates the link between the human resources followed by companies and their performance and productivity. It also discusses the various implications of these HR policies.

After the Objective and Methodology statement, the paper has been categorized into four sections. First section talks about various human resource policies, why these policies are important for organization and how the HR policies are related to company’s performance and output. The second section lists down the various top companies to work for, both in India and globally. Not only this, it
also points out the differences in these companies and what are the reasons behind these gaps. This section lays down the suggestions by which companies can improve their performance and what are the causes and rationale behind the success of the companies listed in the best places to work. The third section discusses the various implications of HR policies and how these strategies can be used by firm for managing both business and human resource issues. The fourth section is conclusion which concludes the report along with the applications of the study.

Research Objective and Methodology

The Objective of the research is to study a positive relation between the various HR practices of the companies and how they become the Best places to work for in various rankings. The study is exploratory in nature. The mode of data collection is secondary and the source of data has been various journal papers, research papers, news articles, blogs and company websites.

Human Resource Management

As per the study by Durkovic (2009), the most crucial factor in successful venture of a company lies in its capability and ability and the manner in which it manages its human resources. Management and development of human resources is a strategic factor in gaining competitive advantage by a company. Important objective of modern organization is management and development of humans who are the most fundamental and essential resource of company. Permanent and indefinite part of an organization is management of human resources.

Lengnick-Hall et.al. (2009) categorized Human resource management into three categories- Micro Human Resource Management (MHRM), Strategic Human Resource Management (SHRM) and International Human Resource Management (IHRM). There is a positive and crucial association between performance of an organization and SHRM. Effective and efficient SHRM is successful in lowering the turnover rate in a company. HR managers are key people in maintaining trust and good working atmosphere in an organization by treating all employees in a same manner without being biased and respectfully. This trust in turn is related to firm’s performance. In order to achieve its target and objectives, firm requires strategic framework of activities of human resources. HR management plays a key role in the performance of a firm from elementary level to its upright like selection of effective human capital, then providing them with proper trainings and learning programs, their development, creating job satisfaction among employees and increasing their productivity by providing rewards and benefits, offering incentives to work.

Baum(2006, Page 290) studied and presented six categories of human resource management which are shown in Figure 1.
Discussing about these categories, the first one is the recruitment and staff turnover, where Human Capital is considered as the basic and fundamental resource of an organization. So the main issue is the selection of effective and operative workers producing the desired result. Not only this, the retention of employees is also a significant issue in front of the HR managers. Recruitment policy and strategy should be associated to HR policies of a firm. Policies and financial conditions of a firm are the factors affecting the recruitment process. Hiring of employees can be from both external and internal sources. Many companies prefer promoting their employees to upward verticals rather than taking the risk of hiring new employees. Therefore they hire majorly for basic grades rather than at managerial levels. To reduce the risk, selection procedure should be stricter and comprising of various levels testing the candidates effectively and hiring the skilled ones. Regular analysis and evaluation of turnover rate of staff from all departments and the reason behind leaving on the basis of previous data is necessary.

The role played by HR managers in career planning and development is equally important. Organization should plan definite career path for employees and pay them according to their performance, skill level, experience. There should be effective participation of employees in learning new activities. It is the duty of HR department to fuel this will and participation.

Next category is the rewards and benefits system. This is an integral part of the HRM. Providing rewards and benefits is linked to the individual performance of employees which will play a key role in the growth of a company and increasing its performance. Annual strategic bonus should be planned to increase the productivity of employees by creating a feeling of job satisfaction among them. Employees should be offered with incentives whether on the individual performance or the group performance on the completion of targets. All these measures will help them to work harder.

It is the important role of HR department to provide the new employees with effective learning and training development programs. This well helps them to understand the work and organizational structure. These trainings are significant in developing the skills of employees and increasing their productivity. Existing employees also require training to keep them updated with new technology. Effective participation of employees is essential for the fruitful outcome.

Additional benefits can be the facilitation of life insurance, health insurance, travelling allowances, paid leaves, retirement benefits, child care, parent care etc. organization should keep this in mind that rewards and benefits scheme should be according to its workforce need and requirements.
In order to follow the rules and regulations in an organization, management culture and labor planning are major factor. HR department is responsible for creating good environment in the organization by marinating a trust level and harmony. It is possible by treating employees fairly and in equal manner.

Best Companies to work for

According to (CNN Money, 2013) best five companies to work for in the global scenario are Google followed by SAS then CHG Healthcare Services. On the fourth rank is Boston Consulting Group followed by Wegmans Food Markets. According to The Economic times (2013) best places to work for in India are Google, then Intel Technology, followed by American Express. After this, at fourth rank comes NIIT followed by Forbes Marshall. The list is shown in Figure 2.

![Figure 2 Best places to work for in Global and Indian Market respectively](image)

As we see, Google tops the list both in India and at International level, so it becomes necessary to study the reason for this phenomenon which can be proved beneficial for others too. Why it is regarded as the best place to work for? Why people from different verticals, fields prefer to work with Google and are satisfied with the policies of the company? It’s their Human Resource policy which plays a key role in the selection and retention of best people. As we saw in above section that human resource management is positively linked to the performance of employees and firm’s growth. Let us look at the various HR policies of Google and some rewards and benefits provided by it.

As per Nightingale & Girija (2008) Google, an online internet service company is very innovation in creating and practicing its HR policies. In order to improve the productivity and enhancing the creativity of employees, it treats each of them as a significant contributor in innovative activities and gives them credibility for the company’s success. It has non-biased recruitment policy and prefers ability more than experience. In order to retain the best employees it follows the disruptive approach. It has fun workplace. It provides variety of additional benefits like choice of medical programs, paternity leave, maternity leave, stock options, free food etc. it has flexible working hours, onsite gym, swimming pool, onsite doctors, dentist, free recreation, casual dress code, health benefits, free yoga, near child care centre. There is a policy of not tracking sick days. Google creates an effective learning and innovative environment thus by encouraging its employees to work more and present their creative ideas. Rewards and benefits provided by Google apart from high and lucrative salaries are extremely pleasant and favorable. There are amazing career and growth opportunities for
the employees in the firm. They are satisfied with workplace environment, perks, salaries, additional rewards etc.

Intel technology also offers various benefits like it provides health benefits to its employees and their family (Intel Employee Portal, Retrieved on December 15th, 2013 from http://www.intel.com/content/www/us/en/employee/intel-employee-portal.html ). It also gives opportunity to its employees for managing their stock accounts; it provides online tutoring lessons for employees, their spouse, children and grand children. It also gives scholarship for the employees children.

According to Economic Times (2012), American Express which is the third best places in India to work with offers its employees with flexible work-life programs. It has started a parental care program for giving benefit coverage to employees. To remove dissatisfaction among employees there is also ombudsman to contact. To avoid and lessen the office monotony there is also a Family Day for employees to let their kids visit the office.

Although these companies offer good rewards but compared to Google, the benefits are quite less and not up to the mark. It is surprising that companies in top five best places to work in India are not able to secure their position on international level. For these companies to attain global recognition and significance and to make it to the top, they need to reconstruct their HR policies and give lucrative benefits to employees, giving incentives, providing trainings, effective and fun working environment. These measures will make the employees satisfied with their jobs in every aspect and induce them to work hard and results in a positive outcome for the firm.

Discussion

Firms tend to develop such a working environment where there is encouragement and propulsion of good organizational citizenship. This in turn results in execution of good customer service. Providing rewards and benefits to employees creates job satisfaction among them and more satisfied the workforce more productive it will be.

In earlier times, human resource policies were being made according to the needs of employers but now situation is different, rewards, benefits and employment conditions are designed by keeping the needs and desires of employees on priority list. Now days, primary focus of HR department is to make sustainable Human resource policies suiting both employer and employees needs. Rewards and benefits are instrumental and effective in increasing performance, loyalty, service period of employees. Sustainable HR policies are significant tool to meet the expectations and wants of employees. Effective training, global vocational mobility, cooperation and team work are some of the benefits which can be offer to employees (Mathis & Jackson, 2011).

According to Armstrong (2003), following are the implications of rewards and benefits:-

- These are significant in improving and enhancing the performance of both individuals and group in relation to efficiency, productivity, speed, excellence.
- These profitable benefits are effective and operative in enticing and attracting the quality and skilled employees by facilitating them with creative learning and development programs which are designed to improve their talent, skills and giving them job satisfaction. They tend to allow the employees gaining lucrative rewards and progress within the firm.
- By increasing the scale of employee’s skills, it improves the operational flexibility.
- By helping and motivating the employees in associating with mission, vision and objectives of the organization, it increases their level of commitment.
- They are crucial factors in creating a positive culture and environment within the firm which is directly linked to the growth and performance of the firm.
- These are potential tools in reducing the learning costs and providing the improved and providing the higher and improved level of services to customers.
- In order to adjust to the new situations and working conditions, HR policies give the staff with the required and appropriate knowledge and skills.
Following these HR practices will help the companies in India to match up to the global standard levels and creating a productive and loyal workforce. Now human resource policies have moved from the domain of cost reduction to the source of value creation which was true in early stages as well (Becker & Gerhart, 1996). It is very important for firms to understand the association between business and people management issues. Policies and strategies designed for human capital management greatly influences the performance of firms (Delaney & Huselid, 1996).

Conclusion

This study discussed the various human resource policies, why these are important and how they are helpful for an organization to have improved productivity and performance. It also explained what strategic human resource management is all about. It demonstrates the different categories of human resource management.

The result compared the top five companies in India and internationally, what are the reasons for them, why Indian companies are not able to make their positions in world level. According to the report, human resource development and management is an important factor. It laid down the importance of sustainable human resource policies and their effectiveness. It also discussed the various implications of Human Resource Policies. It has been noted that sustainable HR strategies and rewards and benefits are positively linked to growth and performance of the firm. They are aimed and designed to increase the productivity of employees and making them satisfied with their jobs by facilitating them with potential benefits over financial rewards like good working environment, job stability, health care benefit, learning programs, paid holidays, incentives for good work and innovative ideas. HR department role is not limited to this; it also needs to filter the best talent at the time of selection and recruitment.

It has been found that Google facilitates its employees with the amazing compensation and benefits. Although other companies are also providing many potential rewards but not as great as Google. There are no standard human resource policies. It is important for the firm to understand the needs and wants of their employees. They should plan their strategies which meet expectations of their staff to obtain the desired result i.e. to have improved growth and production, cost reduction and improvement in quality which are crucial factors to survive in this competitive world.

References


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