

QUALITY MANAGEMENT AND COMPETITIVE BENCHMARKING IN HR

Francis Jose

A look into the future of Benchmarking in Human Resource Departments

The hope is that organizations can use human resources optimally like any other resource in business to help emancipate the suffering and the needy consumers out of their social belittlement. Benchmarking in futuristic HR departments would include many more endearing outcomes of business performances other than mere profit making. The benchmark performances of HR would be to reach out for more challenging models of running a business, where awards are not given just for personal wealth creation alone, but also for expressing a commitment to societal and community developments too.

After much browsing on the Internet and rummaging through my collective experiences on working and moving with people at professional, personal and casual levels, I finally came across a book titled 'Transform your workplace' by Lynda Ford published by the famed McGraw-Hill publishers. The book essentially lists and explains 52 proven strategies to motivate, energize and kick-start productivity in an organization. Ideally this book would have provided sufficient meat and muscle to handle a conference sub-theme connecting the HR discipline and the vital concepts of quality management and competitive benchmarking. However, I decided against using any of the ideas suggested in the book. You might wonder why, because the book represented 52 of the best known strategies representing thought leaders and benchmarks to transform the workplace to the next level of performance.

My reason to be circumspect about the intentions of the book and the business model or philosophy which backs it is because I question the fundamental purpose of the book itself. Why do we need to energize the workplace at all? Is it to save the world or to save ourselves? I guess it is more to do with the latter—to make more profits, to achieve 'corporate missions' (which anyway means more shareholder profit). I will, however, present the HR mantras that could get us a great workplace by common standards. I am doing so with the hope that, as we look through them, we will realize that they have only a collective purpose of helping the organization or institution to enhance its profits. If any 'other centeredness' can be detected in them, it is again as a mere strategy or an eyewash to gain more or make

more profits.

There are of course, organizations that take exception to this narrow view of organizational outcomes. These institutions are truly non-profit and are a boon to the respective societies they serve. Later, I may need to comment on the concepts, 'Quality', and 'Competitive benchmarking', before explaining my topic a little more. Towards the end of this paper, I will leave certain propositions to help research further on the subject.

Table 1: Selected mantras to transform your workplace—Lynda Ford

Ask your employees for recommendations	Assess workplace environment on an ongoing basis
be available	introduce passion and let it show
be positively unpredictable when it counts	built positive alliances, even with the not so positive
celebrate the small stuff	delegate, enrich and empower
encourage community involvement, tap into the energy	find opportunities to collaborate with other departments
find out what motivates employees and then use it	give credit

Dr Francis Jose is a Lecturer in the Dept. of Commerce, Loyola College, Chennai

use simple feedback	Communicate what I like about you
involve employees in decision-making if possible	involve employees in the hiring process
hold yourself to the highest standards	communicate for understanding
have a vision when you take action	
eliminate all types of harassment	help raise your employees E. Q., and yours too
grin, win and have some fun	develop leaders not followers
use recognition that works	Mentor
understanding coaching responsibilities	understanding how to coach for change
establish goals and have frequent goal meetings	knowing what your competition is doing
conduct effective department and team meetings	understand different strategies for dealing with conflict
help employees develop a big picture focus	get rid of the fickle finger of blame
lead the change in thinking	help your people adapt to change
look for opportunities to develop employees skills	find the jewel when the clouds are dark
know when to raise the standard bar	use failure as a vehicle for success
understand the dynamics in the organization	give employees authority to solve problems
heat up the iron, and then strike when it's hot	know your employees other sides
be creative to bring in the best and brightest	understand your own weaknesses
treat your employees like customers	know how to sustain improvements

(Ford, 2005)

Most of these HR mantras stand for perfecting HR outcomes or performances. The modern HR mantras psyche employees into a behavioral pattern or develop a mind set and behavior which are desirable for the organization. It is also a question of survival for these firms. Do these or perish.

Let me first define the terms 'benchmarking' and 'quality' before presenting my arguments on how to use them more proactively through HR for the benefit of the world and the community

around the organization.

Benchmarking essentially involves learning, sharing information and adopting best practices to bring about changes in performance. To simplify this, it can be stated as:

Improving ourselves by learning from others

In practice, benchmarking usually encompasses:

- regularly comparing aspects of performance (functions or processes) with best practices
- identifying gaps in performance;
- seeking fresh approaches to bring about improvements in performance;
- following through with implementing improvements; and
- Following up by monitoring progress and reviewing the benefits.

For human resources, three types of benchmarks are particularly appropriate (Matters, 1993).

- Broad measures of performance which take an organization-level view of HR management, using broad productivity measures like sales per employee, profit per employee, volume per employee, number of employees per HR specialists, and other relevant "output-over-input" ratios;
- HR practices focusing on how effectively HR programs and practices are implemented, and making comparisons with other organizations; and
- HR competencies tracking the knowledge, skills and abilities of HR specialists over time.

Benchmarking therefore implicates a comparison of an organization's outcomes or performances with the best (presumably) in the industry. If comparisons are not there, it is likely that you are a market leader or you will soon be out of the market. Benchmarking occurs with the use of performance measures. Performance measurement refers to the regular collection, reporting, discussion and analysis of data that is tied to some measure of process improvement (Stephen, 2006).

Some examples of a conventional, benchmarking program related to the higher education sector would involve the following measures:

1. Recruitment Efficiency
2. Recruitment Sources
3. Staff Turnover Rates
4. Sick Leave Days

-
5. OH&S Performance
 6. Staffing Ratios
 7. HR Staffing Indicators
 8. Academic Doctoral Qualifications
 9. Academic Promotions
 10. Honorary/Visiting Academics
 11. Central Administration Ratios
 12. Age Profile
 13. Employment Costs as a percentage of Revenue

The term quality from an organizational viewpoint often means 'excellence'. The Oxford dictionaries have 213 references to the word 'quality'. They are perfected responses by organizations to consumer expectations. These perfected replications of organizational responses take the form of products and services which are meant to provide satisfaction to consumers through greater value and need satisfaction. TQM (total quality management) is a related coinage by modern businesses to represent a collection of techniques that are designed to improve the responsiveness of the organization to the demands of customers (Edmund Heery and Mike Noon, 2001). Related concepts are SPC, TQC, JIT, Quality circles, Kaizen etc. The success of the modern organization will lie in their ability to make need satisfactions a scientific process, when there is the ability for factories to churn out similar products/ services based on market and or societal needs.

Any scientific process to establish quality would require a system of routines and operations which are perfected over time. These routines and sub-routines are evolved by organizations in the manner of optimally and efficiently using resources like money, men, machines, knowledge, and time, among others. Each of these resources need to be strategically used by organizations, as often, they are much in demand and hence in short supply. Sometimes mere possession of an essential resource (as often with HR) would be of strategic advantage for certain organizations.

Availability of a resource like manpower itself can be both a stressor due to its non-availability, abundant availability, under-utilization, or worse still, through its misuse. Each of these scenarios, provide liberal scope for the HR professional, to adopt benchmarking strategies, or set quality standards for optimizing HR performances.

The HR function is probably the most creatively applied resource available to an organization. It takes many avatars and is so malleable and pliable that it attaches itself to a range of jobs,

conditions, times spaces, relationships etc. Maintaining quality levels in using HR at an organizational level provides endless opportunities for the resource heads or people manager. Like any resource, HR can also be used, or misused. Any mal-optimized usage of the resource, HR included, is an expression of its misuse. In contrast, as quality oriented usage or benchmarking processes of a resource is often its optimized usage, it will rarely result in misuse of the human resource.

Quality management is therefore all about setting benchmarked levels of operations and routines to enable guideline or copybook performances. It is in fact a kind of mechanization of human performances at physical, emotional, and cognitive levels. The industrial revolution initiated in the western world provoked scientific studies about 'human performances' and enabled organizations to 'use' human resources in the mechanization processes and developments. By the mid-20th-century the post world war times threw up enough evidences of misuse of human resource. Milton Friedman (Nobel laureate in Economics in 1976) mentioned that businesses should be allowed to produce goods and services efficiently and governments should be left to find solutions to social problems (Kodwani, 2006). True to his word modern businesses has not yet outgrown the early developmental model of 'using' human resource. Use of any resource generates returns and the more the returns received by the scientific businessmen, the more attractive it is for them to reap further benefits from such a vital resource. This can be explained as either survivalist or as acts of plain exploitation of a resource. There has therefore been much 'use' of human resource in the past. Modern business still await the day when the human resource they use will truly experience the fruits of using all other resources optimally, while achieving their respective company missions.

In fact this is what modern organizations do, i.e. making use of all resources, including human resource just to make money. Is this what human resource is meant for, or does it have some other enlightened purpose? Future organizations which understand the true purpose of human resources could work for using this resource optimally for the benefit of societal advancements. Benchmark performances in this context would need to go beyond the profit oriented philosophy of the business world. This is so because 'profit' is always a self limiting criterion for business. There is always something exploitative in its reasoning. It cannot therefore have an 'other centered' vision in its agenda. As it promotes self-centeredness' it would naturally promote the evil design of 'overpowering' the weak or the downtrodden in all its endeavors. Since the essence of modern business and management rests on this platform of glorifying the processes

and end effects of promoting profits, there is obviously nothing sanctimonious or esoteric about it. It is in fact an expression of how businesses and organizations go through a lot of trouble to just simply 'aggrandize'. So what's wrong with aggrandizement? Why not people continue to make money forever and ever? The fact is that people will continue to make money but they (and many others) may not be merry at the end of the day. Of course, man could eat well, drink well, have a lovely home, drive his own car, have the perfect gizmos to run his life, but it is all for self-aggrandizement, rarely standing up for the emancipation of a weakling or the disadvantaged—the one trait which makes all of us humans. Emancipating the many disadvantaged community members will never be the priority of the business person given the present focus or orientation of management education and lifestyle in our world.

It's time we change to a more challenging, future-oriented, happiness-providing set of corporate HR benchmarks which will make a difference for a lot of people. However, it is heartening to note that the profit maximizing management advocated by Adam Smith had, later on, evolved to trusteeship management (stakeholder orientation), which has of late (since the 1960's) progressed to Quality of Life Management, where the corporate involvement in social progress is expected to be high (Kodwani, 2006, p. 42). The 'Do no harm' principle of Drucker for products and services was seen in operation in this latter stage of the management evolution. This paper focuses on the fourth level of evolution from the profit-trusteeship-quality of life model to dedicated approaches to run business on a non-profit pattern. Interest and motivation levels of the employees working for such institutions could be channeled better, by the existence of enlightened leadership, providing better recognition, enabling self actualization experiences etc.

The future beckons us to think hard about creating meaningful alternatives to the present day popular model of 'profit making' for most businesses. Profit making is 'a-social', and an abomination to any developmental model which believes in promoting equity, harmony and well being for all of mankind. My idea of Benchmarking Performances and QM for HR processes at organizational levels would be to make efforts at promoting a non-profit making model in running a business. The alternative model would enable organizations and its respective missions to feel convinced about its immediate and long term commitment to go beyond organization based profit making alone, to frame a community oriented and a social based developmental model. There are some instances of organizations of repute involved in such social responsibility initiatives as with the case of CEMEX, the world's 3rd largest cement

manufacturer. CEMEX has taken several steps to improve the quality of life of the people residing in the local communities in over 30 countries and fulfilling the housing needs of the low-income-groups (Sangtan & Gupta, 2005). A CEMEX official says that "Our commitment to social responsibility guides our strategy for sustainable development, which is to run an efficient and profitable business while caring for the needs of our environment and our communities".

The Indian business group, Tata has also shown how business excellence can be creatively tied with integrating corporate social responsibility initiatives (The ICFAI Center for Management Research, 2006).

In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence. Jamsetji N Tata, Founder, Tata Group

The business organization has the heightened facility of using resources much akin to the power of a government. It has therefore the responsibility to use its power (managerial and otherwise) to convert the lifestyles of people from 'festivities' to using money and resources more responsibly (like building a house). The momentum towards building a more caring attitude of the corporate house to societal needs is clearly there. A look at the best practices of India's famed IT organization, Infosys Technologies itself is a case in point (The ICFAI Center for Management Research, 2007).

"We believe that people are our core assets and their empowerment is the key to scalability and longevity. Respect, dignity, fairness and inclusiveness are essential to get the best out of employees". Nandan Nilekani, Pat CEO, President and Managing Director, Infosys in 2006

Organizations may have to really stick their necks out for the sake of emancipating the weaker and the disadvantaged in our societies. Other ways to play a proactive role in improving the well being of communities would be through developing and sponsoring (if necessary) educational, cultural, infrastructural and community development programs (Sangtan & Gupta, 2005, p. 29).

Based on the above discussions, I would present the following propositions for further study and research on the study theme:

- The more the profit sharing of a corporate house with stakeholders, the more is their brand value enhancement
- Increasing profits as a business performance outcome lasts only in the short run
- Ideal 'best practice' for an organization's HR department is to enable non-profit modeling

-
- Non-profit modeling by businesses will promote societal and community development

Bibliography

Edmund Heery and Mike Noon. (2001). *"Total Quality Management" A Dictionary of Human Resource Management*. Retrieved January 3, 2008, from Oxford Reference Online. Oxford University Press. British Council, Delhi: <<http://www.oxfordreference.com> views ENTRY.html?subview=Main&entry=t162.e1301>

Ford, L. (2005). *Transform Your Workplace-52 Proven strategies to motivate, energize, and kick productivity upto the next level*. New York: McGraw Hill.

Kodwani, S. B. (2006). Value Based Management- An Indian Perspective. *HRM Review, The ICFAI University Press*, 41-46.

Matters, M. (1993). *Benchmarking HR: The nuts and bolts of benchmarking*. Retrieved January 2, 2008, from <http://www.hrd.qut.edu.au/planning/externalrelations/product/hrbenchmarking/whatis.jsp>

Sangtan, J., & Gupta, V. (2005). Cemex's Social responsibility Initiatives. *Case Folio- A monthly journal of Management Case Studies*, 22-35.

Stephen, B. (2006, May 1). *Benchmarking and Performance Measurement*. Retrieved December 2007, from Wipfli.com.

The ICFAI Center for Management Research. (2007). Human Resource Management: Best Practices at Infosys Technologies. *Case Folio-The ICFAI University Press*, 14-37.

The ICFAI Center for Management Research. (2006). The Tata Group: Integrating Social Responsibility with Corporate Strategy. *Case folio- The ICFAI Center for Management Research*, 30-44.