

“An Analysis of Innovative Practices in Human Resource Management - A Viewpoint of Selected Hr Managers”

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Abstract

Innovation is the root to generate ideas which gives shape to the organization process. Several uncertainties and risk in terms of its outcomes and results can be accepted as “innovations in management and its related field”.

Failures and success are the two faces of the coin which comes on the way of innovation. Hence innovation and perception go hand in hand for the development of an organization. HR managers are those who play a major role in performing results of an entire organization.

An assumption lies that the proposed hypothesis in managerial innovations are often confronts with failures and uncertainties. Therefore, this paper is making an empirical attempt to justify the relevance and significance of innovations in the management practices and its philosophies in terms of HR perception.

A well structured questionnaire is circulated among the HR managers of selected organization in Mysore city. The results are analyzed and given the conclusions using Likert’s scale as means to verify the hypothesis.

KEYWORDS:-Innovative practices, human resource management, hr managers

1. INTRODUCTION AND STATEMENT OF THE PROBLEM

Individuals confronts with failures and uncertainties. Each and every managerial innovation of an HR manager changes according to the organization they are working in. hence, our paper is making an attempt to focus on the HR perception of the specific organization. HR theories are constant but the HR perception changes from organization to organization. Therefore, it may not be possible to develop the unique models of managerial innovations because of the volatility in the working environment of the organization. Our paper attempts to verify the empirical evidences to develop models related to the managerial innovations. To prove this we have circulated a list of questionnaire among 10 companies which is analyzed with five point Likert’s scale. Each manager has a different rating for their organization. Using this analysis of perception is quantified and represented in terms of percentage.

2. OBJECTIVES

1 To study the perception of HR managers towards managerial innovations.

2 To study the relevance of parameters set in measuring the managerial innovations.

To study the relationship between risk bearing capability and managerial innovations of HR managers.

The issues of change management with respect to the determinants of managerial innovations.

To verify the empirical evidences in terms of leadership theories and entrepreneurial spirit and skills.

To verify the practicality of HR management models in relation with the managerial innovations.

3. PROPOSED HYPOTHESIS

Is there any significant difference of opinions of parameters between the low and medium ratings ?

Null hypothesis: No significant difference between the low and medium ratings of the set parameters of managerial innovations.

Is there any significance difference of opinions of parameters with the medium and high ratings?

Null hypothesis: No significant difference between the medium and high ratings of the set parameters of managerial innovations

Is there any significance difference of opinions of parameters with low and high ratings?

Null hypothesis: No significant difference between the low and high ratings of the set parameters of managerial innovations

4. INNOVATION – A LITERATURE OVERVIEW

Innovation is an important factor in two key ways for organization: it plays a role both in radical developments and in smaller, continues changes. It has been revealed that a number of different techniques deployed by organizations to either select or promote innovation amongst their workforces. Based on recent evidences it is said that innovation activities are very important for organizations and that human resource policies must support innovation activities. Innovations and HRM seem to be closely connected with each other. In most of the literature on innovation and its management, there is considerable attention given to HRM issues. An investigation was done on the role of HRM in IT innovations in Turkey keeping 4 companies. The main purpose of this research is to analyze to what extent the relation between technological innovations in the field of IT and different dimensions of HRM is put into practice. With this aim, four companies, which are accepted as pioneers in their own sectors, are interrogated via the interviews done with human resources managers, authorities responsible for human

resources planning and performance evaluations. Interviews were made in semi-structured form. In the form prepared to use in the interview there were questions to identify manager and business, and also there were questions to examine the establishment and operation process of IT used in the business and also there were questions to interrogate the role of HR. An evaluation scale which is developed by using fivefold Likert Scale, is used to interrogate the relation between IT and HRM and the managers are asked to fill in the form. The factors related to innovations in IT and the factors related HRM are all examined one by one. As a result of the interviews done by the managers, generally, information is obtained about the new IT which has been newly used, the reasons for transferring into new IT system is examined, the process in which installation of the system and adaptation and the exploration are made to learn the kinds of studies made to adapt the system with the help of HRM. At the end, analysis and deductions were made accordingly.

[case study from Proceedings of European and Mediterranean Conference on Information Systems 2007 (EMCIS2007) June 24-26 2007. Polytechnic University of Valencia, Spain www.emcis.org]

Purpose – The purpose of this paper is to show how understanding of human resource (HR) management practices which have been adopted in the emerging markets such as that in China is particularly interesting to academia and management practitioners. The purpose of this study is to shed some light on the implementation of innovative HR practices among 74 Chinese small and medium-sized enterprises (SMEs) and to explain how the HR practices influence their firm performance.

Design/methodology/approach – Cluster analysis is used to group Chinese SMEs according to their adoption of innovative human resource (HR) practices and examine how the practices are associated with HR outcomes and firm performance.

Findings – It is found that the membership of clusters is influenced by several factors, including ownership, age and size of firms. These characteristics have influenced the motivation, capacity and ability of firms in the sample to adopt high performance human resource practices. The extent to which firms have adopted innovative human resource practices is shown to be closely associated with human resource outcomes and firm performance.

Originality/value – The key implication is that SMEs, especially those rapidly developing domestic and collectively owned small firms, as well as those state-owned enterprises in China, may see clearly the benefits of devoting greater attention to HR practices to achieve their future growth potential.

[Connie Zheng, Grant O'Neill, Mark Morrison, (2009) "Enhancing Chinese SME performance through innovative HR practices", Personnel Review, Vol. 38 Iss: 2, pp.175 – 194]

Although developing the innovative behaviour of employees is considered to contribute to improving organisational efficiency and effectiveness, very little is known about

innovative behaviour within the context of small to medium enterprises (SMEs). Human resource managers who are able to develop the innovative behaviour of employees create an opportunity in which an employee's behaviour can be aligned with organisational goals. This study explores several antecedents contributing to the innovative behaviour of employees. The findings confirm that the organisational factors tested affect both the innovative behaviour of employees and the innovative culture that supports innovative behaviour in the workplace. These findings outline implications for management that require the development of employee innovative capability if they are to gain a competitive advantage in the contemporary business arena.

[Xerri, M. & Brunetto, Y. (2011). Fostering the Innovative Behaviour of SME Employees: A Social Capital Perspective, *Research and Practice in Human Resource Management*, 19(2), 43-59.005D]

This study examines the role of knowledge management capacity in the relationship between strategic human resource practices and innovation performance from the knowledge-based view. This study uses regression analysis to test the hypotheses in a sample of 146 firms. The results indicate that strategic human resource practices are positively related to knowledge management capacity which, in turn, has a positive effect on innovation performance. The findings provide evidence that knowledge management capacity plays a mediating role between strategic human resource practices and innovation performance. Finally, this study discusses managerial implications and highlights future research directions. [Journal of Business Research 62 (2009) 104–114]

5. PARAMETERS CONSIDERED FOR INNOVATIONS ARE:

- Size : Ten companies were taken for the questionnaire survey in and around Mysore city.
- HR budget : Annual budget required for the training and development programmes for the employees
- HR management & cultural organization : Vision, mission, overall organizational structure.(OS)
- Organizational change: The issues related to management of organizational change, and the related OD interventions and the diagnostic techniques.
- Top management involvement: The fundamental requirement for any organizational success is the top management support and the cooperation. Even the managerial innovations and their implementations demand a very strong support from the top management.
- HR auditing : The maturity levels of Human Resource functions will have an impact on the decision making activities of the HR managers. The parameters of HR innovations and the HR audit results will have a correlation in judging the risk bearing capacity of the HR manager. The likert's scale applied will focus on the issues related to HR auditing and the risk bearing capacity of HR manager.

- HR program disaster : Failures occurring as a result of new policies and programmes initiated while imparting training and development activities and HR innovations. While thinking regarding any developmental activities as a means of building organizations through an attitude of beyond the box failures and disasters seems to be most common, therefore the likert's scale will focus on the perception of HR managers in relation with the HR program failures and disasters in relation to managerial innovations.
- HR leadership : leadership required in managing innovations in the organization
- Team management : innovations are the result of collective efforts and team participation
- Image of HR : the reputation and brand equity of any organization depends on the intangible assets of HR which in turn creates the brand image
- Bottom line result as an impact of HR process : any program designed through HR participation should give the bottomline results in terms of increased revenues, market expansions, improved man hour productivity. These results should be in a format of measurable reports
- Competition for resources : Department of HR requires the allocation of resources and the co-operation from the other departments while allocating the resources interms of money, people and technology the HR dept seems to be the priority sector so that the managerial innovations may be strengthened
- Strategic HRM : the longterm involvement of HR results in the strategic goals of an organization. The strategic goals are directly related to managerial innovations
- Change management : It is said that the mis management of change management leads to organizational disasters and conflicts. This might be minimized by proper management of innovations.
- Rate of change in Human capital management. The ROI of HRM is related to the proper management of innovations
- Reporting authority of HR: The organizational structure should be designed in such a way that the HR should be placed as the strategic partner of any organization. This might help in deducing the long term benefits to an organization.
- Organizational success as a function of HR strategies: The success of an organization is a function of HR strategies.
- HR as a function of TQM: The TQM and its prerequisites are the fundamental principles of HRM.
- Transparency in HR policies. The corporate governance and the ethical issues are the facts and issues with respect to any HR policy.

- Preferences to HR over other function. In order to have well managed innovations in any organization ,the HR should be given the top most priority.
- Organizational output as a function of HRM.The organizational output in terms of bottom line results are the derivatives of HR efforts.
- Effectiveness of organization and its correlation with HR practices.
- Performance management related to financial ratios in HR:The accountability in HR should be properly aligned with quantitative measures. The concept of financial ratios has to be extended to the performance mgmt of HR and the accountability of HRM inrelation to managerial innovation can be reported in measurable terms
- Profit centre concept : now adays HR has shifted its role from its clerical orientation to the strategic decision making partner of an organization. The profit loss statement of any organization in the long term is the reflection of its management of its innovations.
- Rewards and recognition in HR practices : the tangible results are directly in proportion with the reward and recognition given to the HR staff in turn it flows from HR dept to the other consecutive depts..
- HR contribution on the structural changes in an organization : the organizational structure of any org. plays an important role managing and implementing the innovative practices.
- Accountability in HRM :
- Change management as a tool for innovation : management of change is an important aspect of managing innovations.
- Leadership : its an important variable in terms for HR manager when it involves itself in innovation. Leadership is a tool which takes a step ahead to make the innovative a successful one
- HR evaluation : performance mgmt and evaluation of HR policies and procedures will give the quantitative scope to the innovations
- Workforce management solutions: the diversity of workforce mgmt is always a challenge in order to implement managerial innovations. Therefore the work force mgmt systems will play a major role in mgmt of innovations.
- HRM as a component for inclusive growth : HRM is a major sub-system of any org and it draws attention from its several counter parts for overall success of an org and it will lead to an inclusive growth

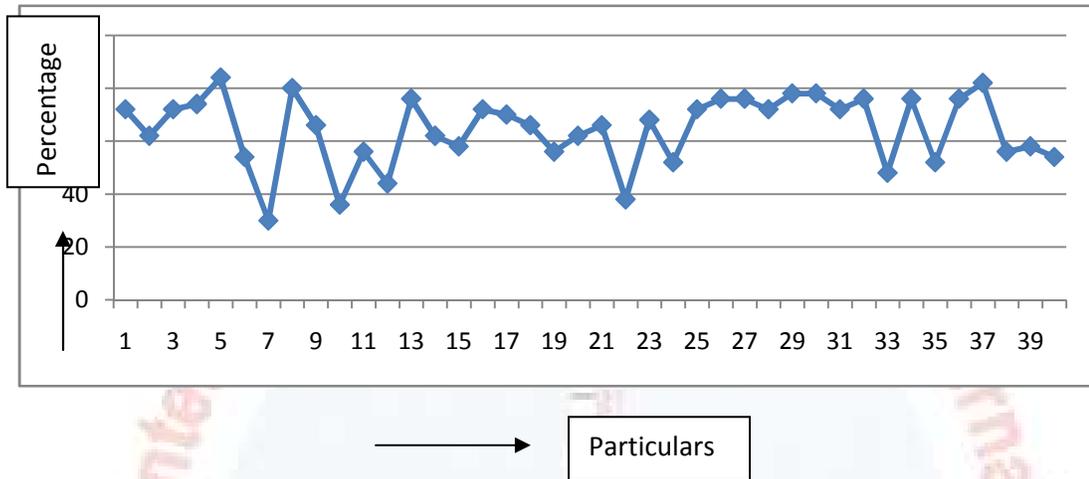
- HR as a cost centre : investment in HR sometimes seems to be cost and liabilities if not managed properly. The component of HR is a cost center should be minimized as far as possible so that innovations leads to strategic milestones
- HR as an investment : if the investment in HR are managed properly they create a longterm asset value for the whole org and gives a competitive advantage to the whole organization
- HR as a result based philosophy : eventhough HR models are based on certain theories and principles if they are managed and implemented properly the longterm results will be intone with the organizational benefits and requirement
- Organizational decisions : HR decisions are the reflections of organizational decisions. They are depending on the results of managerial innovations and their effectiveness.
- HRA as a tool for ROI : HRA is a recently developed and still evolving technique of reporting Return on investment in HR
- Cost on employee turnover : the investments made on employee in the form of training and development expenses, salaries, incentives may lead to liabilities if the employees are not managed and retained. Managerial innovation in this regard may show light on issues related to employee retention and minimizing the cost of having an employee
- HRM as management control system : the organizational control system is a a major component of ensuring long term results. Therefore HRM is one of the priority sector to be recognized as a tool of management control system
- Cost benefit comparison : the social cost benefit analysis is the major issue to be recognized while developing the feasibility report of any decision. The strategic HR decision on innovation forms the core components of cost benefit comparisons

6. METHODOLOGY:

It is a primary survey taken from 10 companies available in Mysore city. The well structured questionnaire is circulated among the HR managers and analysis is done using 40 parameters as explained above. For these parameter hypothesis is tested using non parametric test ie t-test.

7. ANALYSIS

OVERALL ANALYSIS

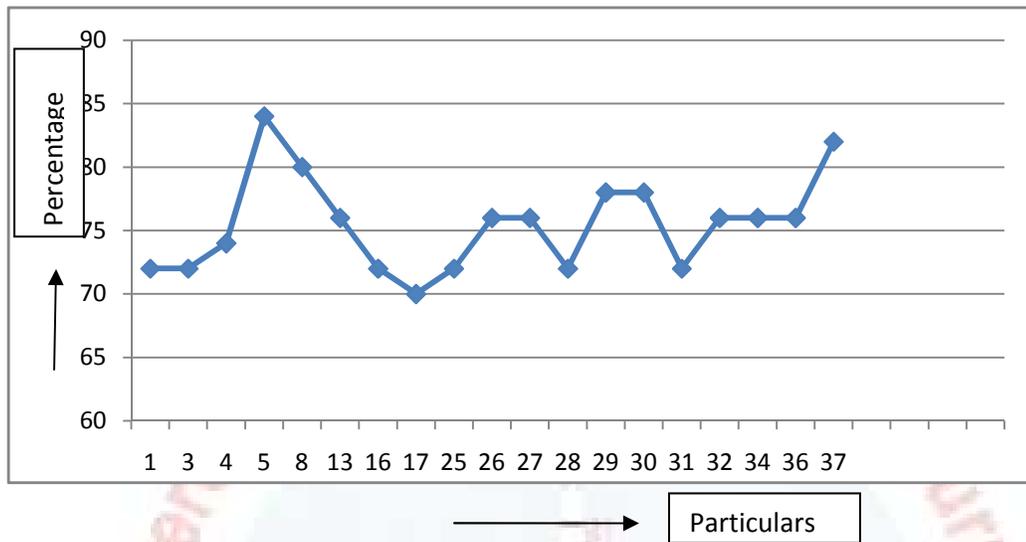


The overall analysis graph shows the variation in the HR manager perception in different organization. The graph consists of the total rating given to the each question by 10 companies. The highest percentage is shown to the 5th parameter of about 84% ie, that there is a pressure from top management to result in HR initiatives. This rating clearly speaks abs about the importance of HR support to the organization. The next rating is given to 37th parameter which is about 82% initiates about HRA as a tool for ROI. The least rating is for 7th parameter which is about 30%, it speaks that HR program disaster is less. It means the organizations have insisted upon them to improve the HR practices and disasters are very least.

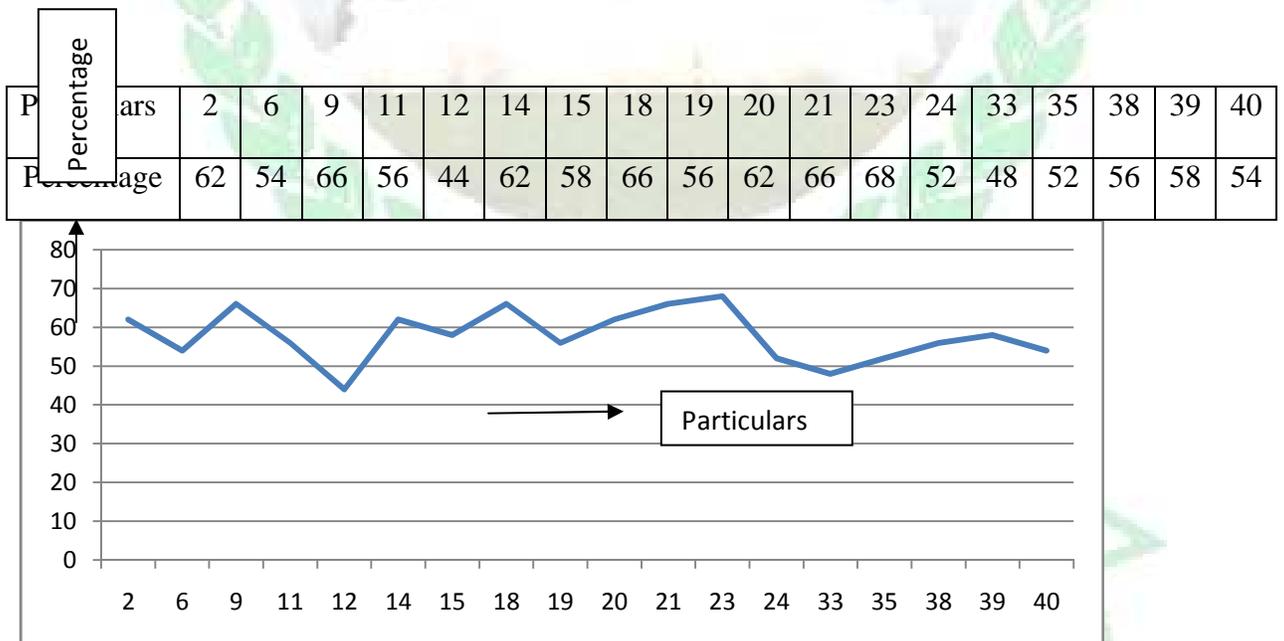
8. STATISTICAL ANALYSIS

HIGH PERCENTAGE (rating above 70%)

Particulars	1	3	4	5	8	13	16	17	22	26	27	28	29	30	33	34	36	37
Percentage	72	72	74	84	80	76	77	77	77	77	77	78	78	77	72	76	76	82

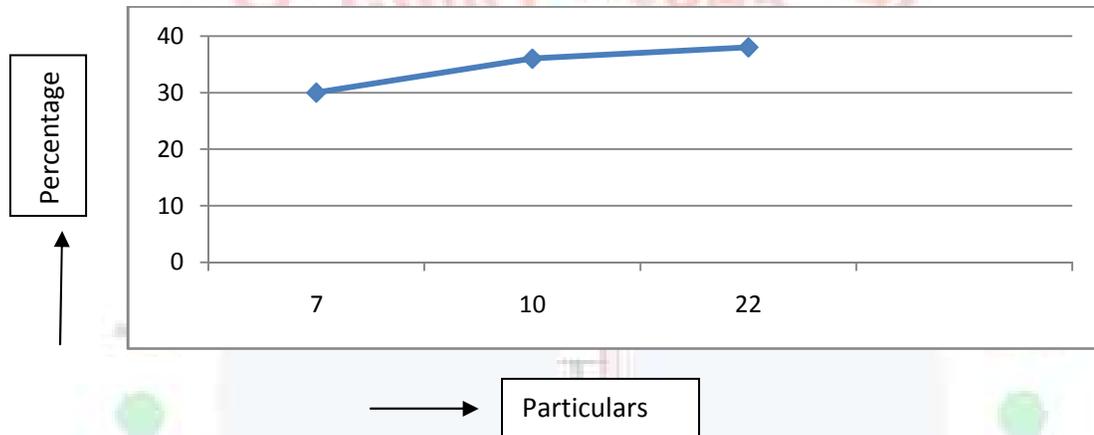


MEDIUM PERCENTAGE (ratings ranging between 40%-70%)



LOW PERCENTAGE (rating below 40%)

Particulars	7	10	22
Percentage	30	36	38



9. ANALYSIS AND INTERPRETATION.

An unpaired t test is applied to test the proposed hypothesis to check if there is any significant difference between the opinions of parameters at low, medium, and high ratings. The detailed findings of the t test are reported as below.

• T TEST BETWEEN LOW AND MEDIUM RATINGS

P value and statistical significance:

The two-tailed P value is less than 0.0001

By conventional criteria, this difference is considered to be extremely statistically significant.

Confidence interval:

The mean of Low ratings minus Medium rating equals -23.11

95% confidence interval of this difference: From -31.50 to -14.72

Intermediate values used in calculations:

t = 5.7628

df = 19

standard error of difference = 4.010

GROUP	LOW RATINGS	MEDIUM RATINGS
Mean	34.67	57.78
SD	4.16	6.65
SEM	2.40	1.57
N	3	18

Null Hypothesis : There is no significance difference between the low and medium ratings of HR managers perceptions

Alternative Hypothesis such that there is significance difference between the low and medium rating of HR managers perceptions

Conclusion: NULL HYPOTHESIS NOT ACCEPTED ,ALTERNATIVE HYPOTHESIS ACCEPTED.

Inference: As the p value is very small there is a significant difference between the low and medium ratings.

• **T TEST BETWEEN MEDIUM AND HIGH RATINGS**

P value and statistical significance:

The two-tailed P value is less than 0.0001

By conventional criteria, this difference is considered to be extremely statistically significant.

Confidence interval:

The mean of high rating minus Medium rating equals 17.70

95% confidence interval of this difference: From 14.12 to 21.28

Intermediate values used in calculations:

t = 10.0358

df = 35

standard error of difference = 1.763

GROUP	HIGH RATINGS	MEDIUM RATINGS
Mean	75.47	57.78
SD	3.76	6.65
SEM	0.86	1.57
N	19	18

Null Hypothesis: There is no significance difference between the low and medium ratings of HR managers perceptions

Alternative Hypothesis such that there is significance difference between the low and medium rating of HR managers perceptions

Conclusion: NULL HYPOTHESIS NOT ACCEPTED, ALTERNATIVE HYPOTHESIS ACCEPTED.

Inference: As the p value is very small there is a significant difference between the low and medium ratings

• **T TEST BETWEEN LOW AND HIGH RATINGS**

P value and statistical significance:

The two-tailed P value is less than 0.0001

By conventional criteria, this difference is considered to be extremely statistically significant.

Confidence interval:

The mean of high rating minus low rating equals 40.81

95% confidence interval of this difference: From 35.88 to 45.74

Intermediate values used in calculations:

t = 17.2673

df = 20

standard error of difference = 2.363

GROUP	HIGH RATINGS	LOW RATINGS
Mean	75.47	34.67
SD	3.76	4.16
SEM	0.86	2.40
N	19	3

Null Hypothesis : There is no significance difference between the low and medium ratings of HR managers perceptions

Alternative Hypothesis such that there is significance difference between the low and medium rating of HR managers perceptions

Conclusion: NULL HYPOTHESIS NOT ACCEPTED, ALTERNATIVE HYPOTHESIS ACCEPTED.

Inference: As the p value is very small there is a significant difference between the low and medium ratings.

10. FINDING AND CONCLUSION

- The highest percentage is shown to the 5th parameter of about 84% ie, that there is a pressure from top management to result in HR initiatives. This rating clearly speaks abs about the importance of HR support to the organization.
- The next rating is given to 37th parameter which is about 82% initiates about HRA as a tool for ROI.
- The least rating is for 7th parameter which is about 30%, it speaks that HR program disaster is less. It means the organizations have insisted upon them to improve the HR practices and disasters are very least.

Conclusion: As per the situation arising day by day the work pressure is too high beyond limitation but monetary benefits are attracting people to work in this regard. Companies are ready to invest on their employees to train them to an extent but they take out work from them to the fullest. Investment becomes a important factor in companies that is a reason why companies tend to take working bond so that they would take advantage from

the employees for which they have invested on them for training and development purpose. To prove this we have a supporting parameter which says the HR program disaster is less.

11. THANKS GIVING

We have prepared this paper with a minimum of references from the past research literature. Following companies have participated with full cooperation in the process of questionnaire survey to help us in finalizing the paper. We respect their response and acknowledge them. List of the companies are

1. American Power Conversion Company Limited, Bangalore
2. South India Paper Mills, Mysore
3. Global Infotech, Mysore
4. Hindustan Unilever Limited, Mysore
5. Software Paradigm India Software Limited, Mysore
6. Apollo Group of Hospitals, Bangalore-Mysore
7. Hinduja Global Solutions, Mysore
8. J k Tyres Private Limited, Mysore
9. Theorems Software Company Limited, Mysore
10. Excel Soft Technologies Private Limited, Mysore

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