

Best HR Practices to Build a Great Place to Work: A Comparison of Companies from India and Abroad

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Abstract

This study compares HR practices of best companies to work for in India and abroad. A list of HR practices was prepared after extensive research. The results revealed that companies with age less than 30 years are more likely to involve employees in the decision-making process. Mandate leaves/ vacations are afforded by companies who have an establishment of more than 30 years. It was also found that companies based in abroad are more likely to provide healthcare facilities to its employees. Companies originally from abroad have well established policies for inclusion of LGBT community. Based on the results, HR executives can make policies on areas that are yet to be covered in their respective organizations. This will help them to make their organization a great place to work.

Key words: best workplace, decision making. Mandate leave/ vacation, health benefits, LGBT

INTRODUCTION:

Building a great organization has a lot to do with how employees in the company are treated. Good HR practices make sure that the best talent is recruited, trained and

retained in the organization. Human resource practices play an important role in how the organisation will meet its set goals and objectives and achieve its mission. Employees play a critical role in accomplishing all of these objectives. Evolving role of HR in any organization is trying to set the goals of the employees in alignment with that of the organization and making sure that both of them are on the same page. Consequently, an environment should be created that would make the workplace the best office to work in, in the industry.

India is changing and so is the business environment in the country. The new look towards employees is as an investment that will grow and produce a greater Return on Investment for the company over time. Companies strongly believe that employees must be given the necessary resources, environment, support whereby they will give the maximum amount of their capabilities towards output. With the influx of MNCs organizational culture is setting the tone of being more flexible with their employees. From accommodating employees who are working from home to celebrating success with team lunches or allowing Friday informal wear to office are some instances where changes are happening in the Indian workplace. There is no dearth of what all can be done to become the best place to work for. Companies are putting their best efforts in keeping up the challenge and are constantly innovating. Convergence of HR practices of different companies will benefit any firm who wants to become more competitive in the global market. This paper is an endeavour to understand the HR practices of best places to work for in India and abroad. This understanding may help HR executives to make policies on those aspects that are yet to be put in place; in their respective organizations.

REVIEW OF LITERATURE

HR practices are communications mechanisms from employer to employee (Bowen & Ostroff, 2004), The interpretation and response to the communication mechanism by employees in complex ways can make or break an organization. Various recruitment and selection practices, incentive practices, designing job etc. that focus on developing employees' long-term investment in a company are known as HR practices (Collins & Smith, 2006). HR practices are assumed to positively influence employee motivation, attitudes, and behaviours (Combs et al., 2006). The selection of a HR system is very important as it can either motivate or demotivate the workforce. HR department 's goal is to make the company successful through the accomplishments of its employees. To reach this goal it should embrace five basic objectives which are efficiency, competitive advantage, legal compliance, work life quality, and workforce compliance (Çetin & Özcan, 2014).

HR managers should build an organization culture which should form an integral part of the strategic process to gain competitive advantage (Jaarsveld, 2005). Organizational culture influences organizational effectiveness, employee attitudes and performance (Kreitner & Kinicki, 2004). Managers should strive for a participative work environment to better manage their employees through the way they share information or involve employees in decision-making (Li et al., 2014; Wanous, Reichers, & Austin, 2000). According to Rafiei and Pourreza (2013) the level of a perceived power distance culture has a significant impact on the relationship between employees' participation and outcome variables.

One of the HR 's responsibility with changing times is to create a more inclusive workplace. An inclusive workplace appreciates the differences within its employees and uses their potential to the best (Roberson, 2006). Pelled et al, (1999) describes an inclusive workplace as the one where employees feel valued irrespective of their background. A more inclusive workplace is attractive employer in terms of employment (Avery & McKay, 2006). Diversity practices of firm support for employees from all backgrounds and work towards developing positive working relationships. Research suggests that diversity management increases organizational effectiveness (Ehimare & Ogaga-Oghene, 2011) and performance (Ogbo & Ukpere, 2014). LGBT inclusion practices are adopted by firms with the intention of promoting a more supportive working environment for sexual minorities, and to comply with anti-discrimination legislation (Day & Greene, 2008). LGBT (Lesbian, Gay, Bisexual and Transgender) rights have received social recognition in many developed nations. Companies that implement LGBT friendly policies benefit from greater job commitment, better job satisfaction and enhanced employee productivity (Badgett et al., 2013; Day and Greene, 2008). LGBT-friendly HR policies also has a positive effect on firm stock performance (Wang & Schwarz, 2010).

RESEARCH METHODOLOGY

A list of best places to work for was picked up for both India and Abroad. Following companies were listed as the India's best companies to work for by Great Place to work: RMSI Pvt Ltd., Google India, Marriot Hotels India, American Express India, Sap labs India, Godrej consumer products, Intuit Technology Services, Accor Hotels India, Forbes Marshall and Lifestyle International. Following companies were awarded as the best companies to work for by Glassdoor and they were selected in the study: Bain & Company, Zoom Video Communications, In-n-out burger, Procore Technologies, Boston Consultancy group, LinkedIn, Facebook, Google, Lululemon, Southwest Airlines and Adobe Inc. The names of the above companies are not in any order also

they were selected after discussions with five HR experts working in Delhi region. Author conducted extensive search on the internet to include as many companies for the purpose of getting better insights on the HR practices followed by these companies.

A list of demographic factors to categorise the companies was prepared with discussions with five HR experts: 1. Origin of the company- Indian origin, abroad; 2. Age of the company- Age <30 years, Age $\geq$ 30 years; 3. Number of employees >10,000 employees, number $\leq$ 10,000 employees; 4. Number of cities the company is working in <50 cities, $\geq$ 50 cities. A list of best HR practices was prepared. The details are as follows: 1. Flexible work environment; 2. Employee involvement in decision making; 3. Health care benefits; 4. Child care centres; 5. Self-defence training; 6. Use of gamification; 7. Mandate leaves/vacations; 8. Hobby centres; 9. Workplace diversity; 10. Female CEO; 11. LGBT rights; 12. Sensitivity training; 13. Continuous feedback. Extensive research (company website, internet, news, articles, discussions with HR experts) was conducted to gather the information regarding whether these practices are followed at the company or not. The data was coded as 1 (if the company follows the HR practice) and 2 (if it doesn't). Chi-square test was used to analyse the categorical data obtained.

RESULTS AND DISCUSSION

Companies with age less than 30 years are more likely to involve employees in the decision-making process. This result is statistically significant as the value of $\alpha=0.05$. (Crosstab 1). In comparison to companies whose age is more than 30 years, less than 30 years of establishment firms are less rigid and make an effort to include people at all levels to give their valuable insights. It is a well-known fact that morale is higher amongst employees who are involved in decision-making. Such employees feel a personal stake in the organisation and in its success. Sun and He's (2006) research suggest a positive relationship between employee participation in decision making and a good work environment. A company of age more than 30 years is more likely to provide mandate leaves/vacations to its employees as the company with more resources is more likely to provide such benefits to its employees, this result is statistically significant as the value of $\alpha=0.05$. (Crosstab 2). Companies based in abroad are more likely to provide healthcare facilities to its employees. This result is statistically significant because the value of $\alpha=0.05$. (Crosstab 3). The two most important categories of employee benefits, rated by older workers are health care benefit and retirement benefit (Wang et al., 2013). Companies in abroad are well established in comparison to Indian firms and are probably taking care of their older employees. A company with employees more than ten thousand is more likely to adopt an LGBT

inclusive environment, this result is statistically significant as the value of $\alpha=0.05$. (Crosstab 4). A company with is working in more than 50 countries is more likely to have a more inclusive and diverse environment with respect to LGBT community, this result is one of the most statistically significant result as the value of $\alpha=0.01(<0.05)$. (Crosstab 5). Companies who are present across the globe are aware and value much differences available in their employees. To be able to compete on global standards, Indian firms need to work on policies to accommodate LGBT Rights. Companies who are originally from abroad take continuous feedback. This is statistically significant as the value of $\alpha=0.049$. (Crosstab 6).

CONCLUSION AND IMPLEMENTATIONS

The results revealed that companies with age less than 30 years are more likely to involve employees in the decision-making process. HR managers need to prioritise to strengthen existing voice mechanisms and to explore different types of other opportunities for employees to have a say in decision making at workplace. Mandate leaves/ vacations are afforded by companies who have an establishment of more than 30 years. They have enough resources as well experience in understanding the need of employees. Kohli, 2014 describes innovative HR practices and discusses leaves like extended maternity benefits, adoption leave etc. that reflect the caring nature of the employer. Indian organizations can adopt the same through customizing policies while understanding which employees at what juncture might need a break. Indian companies should adopt more innovative and inclusive human resource policies to compete in the global market. Indian companies should provide more health-related benefits in the future as India stands very low on the healthcare index in the world. Indian companies need to adopt continuous feedback in the performance management system to achieve the maximum performance level of employees. Indian companies need to adopt LGBT inclusive policies in the workplace. Training programs can influence employee values and attitudes (Scott and Meyer, 1991), and can lead to more positive attitudes about LGBT community (Madera et al., 2013). These insights can be helpful in making any organization a great place to work.

LIMITATIONS

Data is constrained to few organisations in India and abroad; thus, number of companies considered for the study is the major limitation. Authenticity and reliability of the data collected from secondary sources cannot be accurately measured.

Tables:

Crosstab 1: Employee involvement x age of the company					
			Age		Total
			30less	morethan30	
Employee involvement	yes	Count	11	3	14
	no	Count	2	4	6
Total		Count	13	7	20

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.778 ^a	1	.052

Crosstab 2: Mandate Vacations x age of the company					
			age		Total
			30less	morethan30	
vacation	yes	Count	6	7	13
	no	Count	7	1	8
Total		Count	13	8	21

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.590 ^a	1	0.058

Crosstab 3: Health care benefits x origin of the company					
			origin		Total
			India	abroad	
health	yes	Count	7	10	17
	no	Count	3	0	3
Total		Count	10	10	20

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.529 ^a	1	0.05

Crosstab 4: LGBT Rights x Number of employees					
			employees		Total
			morethan10k	lesstha10k	
LGBT Rights	Yes	Count	9	3	12
	No	Count	3	6	9
Total		Count	12	9	21

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.646 ^a	1	0.056

Crosstab 5: LGBT Rights x Number of cities					
			cities		Total
			lessthan50cities	more	
LGBT Rights	Yes	Count	4	8	12
	No	Count	8	1	9
Total		Count	12	9	21

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.481 ^a	1	0.011

Crosstab 6: Continuous feedback x origin of the company					
			origin		Total
			India	abroad	
Continuous feedback	yes	Count	4	9	13
	No	Count	6	2	8
Total		Count	10	11	21

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.884 ^a	1	0.049

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