

# Innovative Human Resource Management Practices

Author Name

**Mr. MOHAMMED RAFAEQ**  
Associate Professor  
Dept. Of Management Studies  
Sambhram College Of Management  
Kolar Gold Fields – 563115  
Mob.No : 0091-8762223552  
E- Mail : rafeeqnasreen@gmail.com

Co - Author Name

**Mr. ZAMEER AHMED**  
TRAINER  
COM.TECH INNOVATIVE SOLUTIONS  
Kolar – 563101  
Mob.No : 0091-9886786506  
E- Mail : zameerahmed@ymail.com

## Abstract:

India is a very fast developing country .Because of globalization everyone wants to do business with us .This has given lot of opportunities for our country to grow further but it posed lot of Challenges to establish themselves more competitive than the foreign companies. Moreover competitive pressures are built on the organizations to be proactive in diagnosing HR problems and to adopt more innovative HR practices for survival. Hence the corporate have started formulating and adapting innovative strategies in the areas such as Policies, Motivation, Relations, Change agent and Quality Consciousness. Nowadays it is not possible to show a good financial or operating report unless your personnel relations ( HR ) are in order.

Human resource management is a process of bringing people and organizations together so that the goals of each other are met. The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent. Personnel directors are the new corporate heroes. The name of the game today in business is personnel( HR ).

Indian organizations are also witnessing a change in systems, management cultures and Philosophy due to the global alignment of Indian organizations. There is a need for multi skill development. Role of HRM is becoming all the more important. Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This calls for future skill mapping through proper HRM initiatives.

The recent quality management standards ISO 9001 and ISO 9004 of 2000 focus more on people centric organizations. Organizations now need to prepare themselves in order to address people centered issues with commitment from the top management, with renewed thrust on HR issues, more particularly on training.

Due to the new trends in HR, in a nutshell the HR manager should treat people as resources, reward them equitably, and integrate their aspirations with corporate goals through suitable HR policies. Indulge in continuous quality improvement through TQM and HR contributions like training, development, counseling, etc

In this paper an attempt has been made to discuss some of the key HR functions to ensure Organizational excellence.

**Keywords :** *Competitive pressures , Innovative HR policies , Organizational Excellence*

## INTRODUCTION

The role of Human Resources is changing as fast as technology and the global marketplace. Historically, the HR Department was viewed as administrative overhead. HR processed payroll, handled benefits administration, kept personnel files and other records, managed the hiring process, and provided other administrative support to the business. Those times have changed.

The positive result of these changes is that HR professionals have the opportunity to play a more strategic role in the business. The challenge for HR managers is to keep up to date with the latest HR Innovations - technological, legal, and otherwise.

This report will give you the information you need to know about these current HR challenges and how to most effectively manage them in your workplace.

Human capital is a key, and by all accounts increasingly important, part of the resource-base of firms. Human resources have been called the “key ingredient to organizational success and fail-

ure”

The organizational set-up of the firm, notably its human resource management practices, also

matter to the contribution of human capital to innovation performance, and it is this effect that we mainly address in this paper. Thus, management deploys training arrangements, makes decisions on reward structures, sets up teams, allocates decision-rights and so on, and these arrangements have implications for the contribution of human capital to innovation.

### HRM Practices

The notion of “modern HRM practices” has become an increasingly used way of referring to

high levels of delegation of decisions, extensive lateral and vertical communication channels, high reward systems, often linked to multiple performance indicators, and other practices that either individually or in various bundles are deployed to achieve high

**Innovative HRM Practices**

- ✓ 1.Globalization Competitive Pressures

**Technology, Security, and Legal Liability (3)**

- ✓ 2.Attract and Access the Talented
- ✓ 3.Develop and Grow the potential
- ✓ 4.Engage and Align the best
- ✓ 5.Involving knowledge incentives
- ✓ 6.Involving knowledge sharing
- ✓ 7.Involving employee training
- ✓ 8.Hiring and retention (4)
- ✓ 9. Wellness Programs . (1)
- ✓ 10. Non –discrimination ( 2)
- ✓ 11.Performance in terms of process and/or product innovation
- ✓ 12. Economic performance (productivity/profitability)
- ✓ 13.Diversity Programs (5)

**Wellness Programs:**

There is little question that employers can have a positive impact on employee behavior. Done well, employer-sponsored wellness programs have been successful in helping employees make better choices. Some such activities are full blown programs. Others are small, finite activities that are part

of overall HR and safety. Wellness programs include:

- ◆Exercise and fitness
- ◆Smoking cessation
- ◆Blood pressure management
- ◆Weight management
- ◆Stress management
- ◆Cholesterol management
- ◆Nutrition

**Best Practice: Getting Well with Fitness Programs**

Fitness center makes employees “feel-good” type of service for employee morale, retention, and recruitment. Since that time, however, its wellness initiatives have had a significant impact on the company’s bottom line. That savings can be attributed to reduced time away from work and healthcare cost savings. variety of programs to help associates lose weight and/or maintain a healthy lifestyle, including massage therapy, personal training, yoga, kickboxing, health screenings, and monthly lunch-and learn

educational sessions.

**Non discrimination Rules:**

Rules that provide guidance in complying with the nondiscrimination provisions will be effective For all

**Health Factors**

Under non-discrimination rules, an individual cannot be denied eligibility for benefits or charged more for coverage because of any health factor. Health factors are:

- ◆Health status;
- ◆Medical condition, including both physical and mental illnesses;
- ◆Claims experience;
- ◆Receipt of health care;
- ◆Medical history;
- ◆Genetic information;
- ◆Evidence of insurability; and
- ◆Disability.

**Technology, Security, and Legal Liability:**

Internet use, cell phones, picture phones, blogging, and identity theft - just a few years ago, most employers did not consider these to be “workplace” issues to be addressed in company policies and practices. However, in 2007 employers would be well advised to consider how each of these “state-of-the-art” technologies affects their workplace and to create specific policies or adopt new practices when appropriate.

**Internet Use**

The Internet is an extremely valuable search-and-retrieval tool that offers information and research material to employees from their desktop computers. However, employers are justifiably concerned about potential legal exposure and losses in productivity among employees who spend too much time “surfing” non-business related areas on the Internet. In order to prevent use of e-mail records in legal proceedings and excessive non-business related Internet use, a clearly worded policy should be put in place.

**Best Practice: Internet Policy Planning**

Points to consider when formulating an Internet use policy generally include:

**Inappropriate use.**

Remind employees that when they browse the Internet, or send e-

mail containing the company's domain address, they are representing the company—not merely themselves—in a public medium. Employees who send out abrasive, harassing, or discriminatory e-mail messages or news group postings or who visit inappropriate websites are subject to discipline. Your Internet policy should be coordinated with other company policies establishing proper standards of employee conduct and prohibiting harassment or other forms of offensive and/or unethical behavior by employees. Under no circumstances should an employee's use of the Internet compromise the legitimate business interests of the company or result in illegal activity.

**Limiting access.** If necessary to prevent abuses, install monitoring and filtering software to block out or curtail access to specific websites or newsgroups.

**Copyright.** With the use of the Internet comes the proliferation of data. Some of this data may be copyrighted by others. You should establish a policy to periodically review your system to identify any illegal copyrighted items.

**System integrity.** Will you permit software and documents to be downloaded from the Internet, and if so, will there be a system in place to automatically scan downloads for viruses? Will you have a "firewall" in place to protect trade secrets and confidential information from data corruption or hacking? Will you require employees to encrypt documents they send via the Internet?

**Business use of Internet.** If you use the Internet to reach your clients or customers—such as maintaining your own website to promote your products—do you require employees to monitor activity on your site or to update the material according to a set schedule?

#### **Best Practice: How to Protect Your Employees And Your Company from ID Theft**

When choosing the best alternative for protecting your employees and your company from identity theft, consider the four types of protection available:

- ◆ **Computer protection.** Anti-virus, anti-spyware, wireless security, etc.

- ◆ **Guidance on protecting against a variety of exposures of personal data** from shredding documents, to opting out of marketing databases, to tracking data in Social Security, driving, medical, and financial databases

- ◆ **Credit monitoring** at varying levels of frequency, some-

times with alert services in the event of credit inquiries or changes.

- ◆ **Insurance coverage**, sometimes including assistance with identity recovery Activities

#### **Hiring and Retention:**

Hiring and keeping good employees is not only important to business - it's essential. Population statistics tell us that the workforce is aging and that there are fewer men and women in the younger generation to take the place of experienced, retiring Baby Boomers. For HR professionals, this means the race to locate, hire, and retain qualified employees is on.

As your organization prepares to address staffing needs in the coming year, consider the following steps to effective and efficient hiring and retention.

**Developing a Hiring Strategy:** Hiring should not be an issue that you think about only on the day that an employee gives notice and you are faced with the immediate need to fill his or her position. Particularly in a tight labor market, attracting and retaining top talent requires a thoroughly thought out hiring strategy that is tailored to the individual characteristics and needs of your company.

**Recruiting Strategy:** After extensive research and planning, the staffing organization identified five major processes for its recruiting strategy:

**People planning.** HR partners with Finance at a business-group level to evaluate how many and what type of positions will need to be filled in a given time frame (typically four quarters out) and to ensure that the business group's financial plan will support its hiring plan.

**Developing performance profiles.** These extensive versions of job descriptions focus not just on what the job entails, but also on what needs to be accomplished by a person in that position, and what the job expectations are.

**Business-specific recruiting:** Organizations have recruiters dedicated to each of its major businesses in the United States. These recruiters work directly with hiring managers to land the candidates.

**Assessment and selection.** The company uses team-based interviews to select the best job candidates. Interviewers ask both behavioral questions (e.g., how the candidate would approach something from an interpersonal communications perspective) and

technical questions (e.g., how he or she would solve a technology or process issue).

### **Retention: Top Concern of HR Professionals**

Once an employer has hired a quality employee -how do they keep him or her on board? Nearly half of 1,000 HR professionals report that retaining workers is their biggest concern regarding “the bottom-line profitability” of their company, according to a survey by Express Personnel Services.

**Why are the great employees leaving?** Seventy-one percent of top-performing employees say pay is one of the top three reasons they would leave an organization, but only 45 percent of employers cite pay as a top retention issue.

### **According to a survey by Watson Wyatt Worldwide and World at Work. What do employers believe?**

Employers were more likely to cite promotion opportunities (68 percent) and career development (66 percent) as one of the top three reasons top-performing employees leave.

- ✓ **1.Bonuses Gaining Popularity for Retention**
- ✓ **2.Competitive Benefits Crucial for Retention**
- ✓ **3.Train Bad Managers to Boost Retention**

It is often said that “people quit managers, not companies.” In order to combat the loss of employees caused by bad managers, employers must enact long-term, sustainable,behavioral change in those managers.

An employee’s relationship with his or her immediate supervisor is the #1 determining factor of whether the employee will stay and how productive he or she will be. When a company learns that employee morale is low, the first reaction is often to conduct leadership training among managers. While this is a good first step,often the training simply isn’t adequate. There is usually not enough opportunity for managers to practice the skills they’ve learned, and once they are thrown back into the “real world” of their jobs, they will instinctively react the way they always have rather than implement newly learned leadership skills.

Another component to successful behavioral change is to hold the manager accountable for the success of the training. If participants know that they are going to be held accountable, they don’t treat training as “a day off” from work, but are instead highly motivated to acquire and use the skills taught.

**Establish a Code of Ethics :**For senior management and HR executives of many small companies, it may seem a formidable

task to undertake the development of a code of ethics. However, constructing one may have long lasting, positive effects on the business culture in your organization. It may also enhance your employees’ dedication and commitment to their work and positively influence their behavior in the workplace.

A code of ethics illustrates for customers, employees, and the community your organization’s expectations for corporate conduct. The code of ethics becomes the game plan from which employees can develop appropriate business strategies,and managers can implement work policies and procedures.

**Getting Started:**The basis for the code of ethics should be the standard to which the organization aspires to reach and wishes to be measured against.

For example: *“Our organization will put its customers first in respect to both service and the quality of the products that we sell.”*

A code of ethics can be specific - denoting purposeful, detailed statements requiring adherence on the part of management and employees. Or, it can be more general.

**Promoting the Code :**The CEO may introduce the new company code of ethics with great fanfare to all staff at an employee meeting, and HR may post it in prominent areas throughout the firm’s location(s). After the initial introduction of the code, it should be presented to all new employees during employee orientation, or even to employment candidates during the recruitment and interviewing process. Senior management should require that each employee review the code of ethics and sign a statement that requires him to agree to follow the code.

**Reviewing the Code:** Once a code of ethics has been put into place, HR executives and senior leadership should review the code on an annual basis and solicit employee feedback with a mechanism such as an anonymous employee survey or discussion facilitated by an outside objective resource. Such practices allow employees to share their experiences with adhering to the code of ethics and their observation of other employees and managers regarding their ethical behavior.

### **Diversity Programs :**

Employers that embrace diversity are likely to build morale, retain employees, and increase productivity. Through training, employers can encourage workers to appreciate the differences between themselves and their co-workers and create a work envi-

environment that not only recognizes those differences, but leverages them as well.

Before launching any diversity initiative, it's important to define diversity. First, make it clear that diversity is not about affirmative action. Rather, it integrates awareness of, and respect for, differences in the way people communicate and interact. It also makes the organization more responsive to the continually changing demands of the marketplace by drawing on the cultures, talents, and ideas of a broader group of people.

A successful diversity training program encourages participants to:

**Manage their minds.** Employers and employees need to look at the bigger picture and embrace differences in the workforce. They should adopt a broad definition of diversity to include not only race and culture, but also gender, religion, age, nationality, and lifestyle, for example.

**Manage their words:** Employees should be taught to be respectful of their Coworkers' beliefs and practices during conversation and when telling jokes.

**Manage the unspoken :** Employees need to remember that gestures or nonverbal cues that are acceptable in one culture might be offensive in another. In general, diversity training should be conducted for all employees at least once per year, but training for most employees doesn't necessarily have to be intensive. Diversity training can be a small, 5-minute update in a staff meeting.

#### **In-depth Training for Managers**

Managers, however, need more in-depth training so that they can foster team-building and encourage all workers to recognize the value of diversity. In addition, training can address any misconceptions that managers might have about diversity .

**Top 10 Best Practices in HR Management for 2014 :** The company's legal obligations to comply with federal Equal Employment Opportunity requirements.

#### **Training Tips**

Consider the following tips to help make diversity training for managers successful:

- ◆ Stay up to date on current events related to diversity and regularly update managers on what you find.
- ◆ Study diversity initiatives implemented in other companies and explore which techniques would be most effective in your workplace.

◆ Provide managers with tips for promoting diversity. For example, when creating teams to work on particular projects, managers should group employees across cultural, racial, and gender lines, giving them a reason to interact.

◆ Encourage managers to model the behavior they want employees to exhibit, challenge stereotypical assumptions, and increase understanding about cultural differences.

#### **HR for the Future :**

HR professionals will continue to be challenged by the driving need to develop professionally, to stay up to date with legal and other HR-related information, and to continue to increase their credibility in the workforce.

**Education and the Human Resources Profession :** Unlike many professions, there are no specific academic requirements for the human resources manager. However, most employers prefer that candidates have at least a bachelor's degree. Once an HR professional begins his or her career, continuing professional education is critical, particularly because standards for employment are in a constant state of

change. There are a multitude of degrees and courses that could be taken to prepare for and enrich a profession in human resources. Consider the following suggestions for courses of study in HR :

**1. Core programs.** Many colleges and universities have programs leading to a degree in personnel, human resources, or labor relations. Some offer degree programs in human resources administration or human resources management, training and development, or compensation and benefits. Depending on the school, courses leading to a career in human resources management may be found in departments of business administration, education, instructional technology, organizational development, human services, communication, or public administration, or within a separate human resources institution or department.

**2. Additional courses.** Because an interdisciplinary background is appropriate in this field, a combination of courses in the social sciences, business, and behavioral sciences is useful. Some jobs may require a more technical or specialized background in engineering, science, finance, or law, for example. Most prospective human resources specialists should take courses in compensation, recruitment, training and development, and performance ap-

praisal, as well as courses in principles of management, organizational structure, and industrial

psychology. Other relevant courses include business administration, public administration, psychology, sociology, political science, economics, and statistics.

**3. Specialists.** Courses in labor law, collective bargaining, labor economics, labor history, and industrial psychology provide a valuable background for the prospective labor relations specialist. A background in law is also desirable for employee benefits managers and others who must interpret the growing number of laws and regulations. As in many other fields, knowledge of computers and information systems is also useful. An advanced degree is increasingly important for some jobs.

**4. Labor relations.** Many labor relations jobs require graduate study in industrial or labor relations. A strong background in industrial relations and law is highly desirable for contract negotiators, mediators, and arbitrators; in fact, many people in these specialties are lawyers.

**5. Management positions.** A master's degree in human resources, labor relations, or in business administration with a concentration in human resources management is highly recommended for those seeking general and top management positions. For many specialized jobs in the human resources field, previous experience is an asset; for more advanced positions, including as managers as well as arbitrators and mediators, it is essential.

#### **Professional Certificate Programs:**

Many colleges and universities offer continuing education programs leading to a certificate

instead of a degree. A certificate of competency might make good sense for an HR professional who is already holding a master's degree but who wants to learn more or increase his or her level of expertise in a specific area of study.

Most organizations specializing in human resources offer classes intended to enhance the marketable skills of their members. Some organizations offer certification programs, which are signs of competence and can enhance one's advancement opportunities. For example, the following certifications are offered:

- ◆ Human Resources Certification Institute Professional in Human Resources (PHR)
- ◆ Human Resources Certification Institute Senior Professional in HR (SPHR)

◆ Human Resources Certification Institute Certified Compensation Professional (CCP)

◆ World at Work Certified Benefits Professional (CBP)

◆ World at Work Certified Employee Benefits Specialist (CEBS)

◆ American Society of Training and Development Certified Training Professional (CTP).

#### **Professional Development: The Future of HR :**

According to job growth projections made by the U.S. Department of Labor, legislation and court rulings setting standards in various areas—occupational safety and health, equal employment opportunity, wages, health care, pensions, and family leave, among others—will increase demand for human resources, training, and labor relations experts.

Rising healthcare costs should continue to spur demand for specialists to develop creative compensation and benefits packages that firms can offer prospective employees. Employment of labor relations staff, including arbitrators and mediators, should grow as firms become more involved in labor relations and attempt to resolve potentially costly labor-management disputes out of court.

**Need for Specialists Will Grow :** Additional job growth may stem from increasing demand for specialists in international human resources management and human resources information systems.

Demand may be particularly strong for certain specialists. For example, employers are expected to devote greater resources to job-specific training programs in response to the increasing complexity of many jobs, the aging of the workforce, and technological advances that can leave employees with obsolete skills. This should result in strong demand for training and development specialists. In addition, increasing efforts throughout industry to recruit and retain quality employees should create many jobs for employment, recruitment, and placement specialists.

#### **Look to Management, Consulting, and Employment Services :**

Firms involved in management, consulting, and employment services should offer many job opportunities as businesses increasingly contract out human resources functions or hire human resources specialists on a temporary basis in order to deal with the increasing cost and complexity of training and development programs.

Demand also should increase in firms that develop and administer



complex employee benefits and compensation packages for other organizations.

**Beware of HR Tasking and Outsourcing :**As human resources management becomes increasingly important to the success of an organization, some small- and medium-sized businesses that do not have a human resources department may assign employees various human resources duties together with other unrelated responsibilities.

In any particular firm, the size and the job duties of the human resources staff are determined

by the firm's organizational philosophy and goals, skills of its workforce, pace of technological change, government regulations, collective bargaining agreements, standards of professional practice, and labor market conditions.

#### **Conclusion :**

There is now an increasing body of evidence based on research using data from within firms ,that Innovation in HRM practices raise workers performance levels .These HRM practices Practices .Thus placing greater value on highly skilled knowledge workers, and the government support for higher education- particularly loans for lower – income families - will continue to earn a high return.

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