Organization Growth: HR System Standardization Vs. Differentiation

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Abstract

Growth is the ultimate goal for most organizations. Changing government norms, competition from mushrooming private players in higher education, pressures of globalisation have triggered the private universities to hasten their pace of expansion to garner higher market share. No organization can grow and flourish without happy and satisfied employees. This is where performance appraisal plays a key role and accountability of its design and implementation lies with the Human Resource department. Overwhelmed by these challenges the management of XYZ University tends to find reactive solutions than proactive ones and chooses to standardize human resource process and systems for the whole organization so that it could offer ease of implementation and close centralized control. The case study shows that though technology can offer standard solutions for functions as payroll, benefit administration, compliance and recruiting but without involvement of employees in identifying right tools and methods and sharing and communicating the purpose of transition the results are – dissatisfaction, feeling inequity and turnover. The case tries to highlight that in such a scenario the HR department has a vital role to play as spokesperson of employees as well as conscious keeper of the decision makers.

Keywords

Growth, Differentiation, Technology, Performance Appraisal

I. Introduction

XYZ University was established in 2006. Within a decade it has become one of the most popular private university in southern India. The university is a brain child of an entrepreneur and educationist Mr. Adya Sagar Sharma. In 1995 he had established an engineering college and an medical college in 1996. Encouraged with the success of these two institutions Mr. Adya sagar envisioned XYZ University with one of the best and flexible education system having best international standards of teaching. 10% of faculty in various departments were appointed from U.K and U.S to provide international exposure of teaching to students.

The university has since grown into a multidisciplinary campus. It offers 180 courses at undergraduate, postgraduate and doctoral level and enrols more than 20,000 students both national and international. Foreign students come from various African, Asian and south American countries. University offers courses in Engineering, management, Law, Languages, Architecture, education, social sciences, bio-sciences, and media studies. In addition to educational ventures, Mr. Adya sagar Sharma has diversified into tourism, aviation and is known to be becoming very interested in state Politics also.

Since the beginning employee management of all faculty and non faculty employees was carried out under one roof, HR Department, headed by a HR manager. Who in turn reported directly to the Chairman. The major role of the personnel department was to maintain efficient administrative functions: compliance of Government rules & regulations, leave and absenteeism records, transportation and preparing payroll, manpower acquisition and performance appraisal.

At departmental level faculty and non faculty members signed on a register to mark their daily attendance at work. The attendance registers were maintained in the Asst. Registrar's office. At the end of every month attendance records approved by the HOD and Dean were forwarded to HR office. Deans of various departments had the sanctioning authority for approving all types of entitled leaves as well as discretionary leaves like academic leave, on duty leave, research or Project visit leaves, attending conferences / paper presentation. Employees had to get sanction from the HoD and thereafter approval from the Dean. The sanctioned leave forms were sent to the HR department for record updating directly from the Dean's office. Also, HR department had no powers of reversal.

The performance appraisal system currently in use was based on a simple graphic rating scale. Every department used more or less similar job factors for faculty performance assessment. The common job factors were:

1. Attendance and regularity in lectures
2. Personality dimensions - Initiative, confidence, meeting deadlines, emotional stability.
3. Student Feedback percentage
4. Research / MDP Training output
5. Institution building activities

In the beginning of the new term faculties were supposed to discuss their KRA's with their HOD and choose one area within Research / MDP/ Institutional building along with Teaching. Thus every faculty member had two broad KRA'S, teaching being a common KRA for all. However, departments based on their unique performance outcomes incorporated few different job factors, like number of Patents (Engineering department).

After completing a term employees submitted a self appraisal of the targets achieved and missed and details of support they required to complete the same. It helped the employees to make mid –course corrections, remain focussed and motivated. Dean finalized post performance rating in consultation with HOD's to recommend the following:

1. Confirmation of Services/ Extension of Probation
2. Promotion
3. Performance Incentives as per University rules.
4. Increments

Soon after in 2007, University received approval from Bar Council of India to start Bachelor courses in Law and a new department of law was added. Gauging the growing market demand for media studies, B.Tech Bio – Technology courses, these departments were soon added to the bouquet.

By 2015, the total faculty count rose to more than 1800. Alongside HR department was getting inundated with calls, e-mails and

visitors to department complaining about wrong calculations of working days, late updating of leaves in personal records, often causing salary deductions. The common answer given to aggrieved employees was "check with your department, we work on data, we receive. More often than not HR Department employees made mistakes of omission / commission. Front line executives were fresh graduates, severely lacking in interpersonal skills. They too had begun to crib about their monotonous jobs.

In one of the monitoring meetings with Chairman, Mr. Zaveri, Dean of Engineering department blurted "There has been a steady rise in incidence of miscalculations of employee leaves and attendance records and most importantly coordination problems with departmental heads and finance department leading to delays in issuance of confirmation, promotion letters to employees and salary changes, incentives reaching the employees. This has led to lot of dissatisfaction among faculty in my school.

Chairman gave a glance across the room and spoke to the senior most professor from Management Department "so professor what do you have to say?

Dr. Wali: Sir, with due respect, employees of our department are also facing similar problems. I have been following up with the HR department for some time, as even my salary has not been revised although the promotion letter was issued two months back.
An urgent meeting with HR Officer was called the next morning.
Chairman: "I understand your department is facing lots of problems"!
Geetika: Sorry Sir!
Chairman: "I don't want to listen to any explanations. By tomorrow I need an action plan presentation. We will meet in board room at 3.0 p .m sharp".
Geetika Kapoor was an M.B.A with 10 years of Administrative experience in an IT services company. Since joining university four years back, she had been trying to suggest new IT HR systems, but they were turned down by the management saying, academic institutions should have a flexible ,interactive (one to one) working style and software and automation could not replace that.

Clock was ticking for the presentation deadline, she was confused whether she should be honest or pass the buck. She had been topper of her MBA class and an excellent team player. She was inside the board room ten minutes early to set up her laptop and was aghast to see the gathering. All Deans of schools, senior Professors, Registrar, Vice Chancellor, Finance department Head were already seated. Soon Chairman entered along with a guest whom she did not recognize.

Chairman: " Please Begin"
Ms. Geetika Kapoor began her presentation with highlighting the following points:
1. Increase in number of employees by two fold in last five years.
2. Student enrolment increased by three fold in the same period.
3. HR department is understaffed and most of the employees are freshers and inexperienced.
4. Updating employee data has become tedious and time taking.
5. Increased Process time due to delays in coordinating with

various departments.

II. Suggested Solutions:
1. Introducing HRIS: It would help faster, timely access and data updating.
2. Web based HR software to help employees to apply for leaves and access salary related information online. This would reduce monotonous and repetitive workload of personnel staff and enable concentrate on core HR functions.
3. Standardization of HR systems and Processes: like performance appraisal, promotion criteria, incentive system for faculty.
4. Restructuring the HR Department: adding more functional areas like welfare- Creche service / day care centre, Training b) strengthening skill base of the department by hiring officers having functional expertise c) Providing dedicated HR services to every department.

As she clicked the Thank You slide, her heart was pounding with fear and felt as if she was about to faint.
Chairman: "Suggestions seem to be alright, but what about the cost of HRIS / software and training the staff?
Guest: I don't think it is fair to use same format and process of Performance Appraisal for all departments of University. Teaching roles in some departments may not have exactly same KRA's.
After a brief discussion, various committees were formed to work into following work areas:

1. Need Assessment
2. Vendor identification and development
3. Price negotiation and project finalization
4. Development of Standard performance tool and process development.

Following this, series of changes began to take place in otherwise calm university. First step was to implement the restructure plan. HR Department was renamed as HR department, new experienced people were hired to take up functional responsibilities. Welfare and training areas were also added and team building training programs were started for faculty level across departments. Executives were allotted three departments each to handle all HR related queries raised by employees from these departments. All employees of HR department underwent fifteen day mandatory training in Human Resource Information System (HRIS). The attendance system too was automated. A uniform biometric system was introduced to log in the entry and exit timings of the employees. Tech-Soft was contracted to install and maintain the employee- management software. One could access one's leave records (balance, type) and apply for fresh leaves online. Employees were offered training by the vendor, but employees were facing difficult time in coping with too many drastic changes. After a month or so Geetika felt very relieved as fewer number of complaints were reaching HR Department and her efforts were acknowledged. She was promoted to the position of HR Director.

The Performance appraisal committee was constituted of HR Director, Vice Chancellor, Advisor to Chairman and Registrar.
Mr. Ravi Kumar(Advisor) : Mr. Ravi Kumar opened the meeting "I completely agree to the standardization of HR systems and every department of university should be run under similar policies. Also, I feel the present appraisal system is prone to biasness as every Dean has immense discretion to appraise employees in

their own way. There must be checks and balances in place, so that Deans do not become very powerful".

Rahul Dev (Vice Chancellor): " Yes , I completely agree with you .Keeping in mind the way competition is growing we have to increase faculty productivity and set higher benchmarks for teaching load, research, administrative and other activities across university.

Geetika: "Sorry for interruption! But won't this impact teaching quality, as all of us know that teacher-student ratio is already very high and it would only add stress to overburdened teachers.

Ravi Kumar: HA! HA! I hope you know, stress leads to increase in Performance and if we want to be among the top private universities, we will have to take drastic steps NOW.

Mr Nazim (Registrar) who had been intently listening, broke his silence "we also have to follow UGC norms laid for student-teacher ratio, work load etc. To become market leaders we need to get national and international accreditations.

Mr. Ravi Kumar: Geetika Ji, please revamp the existing appraisal tools and prepare a standard Appraisal format for faculty at all three levels – Assistant Professor, Associate Professor and Professor. The tool must have the following essential components:

1. Teaching Load(number of courses taught, new courses offered, hours of teaching)
2. Research Activities(number of papers published in refereed journals, Ph.D students under guidance, number of books published)
3. Student Activities organised (number of cultural activities/ sports/tours)
4. Academic Activities organised (workshop/seminar/ conference/project/FDP/courses attended)
5. Institutional-administrative role-committee member, coordinator, convenor

Each component should have relative points assigned to it along with defined standards of outcome..For example: Teaching Load standards should be- Assistant Professor- 20 hrs., Associate Professor - 16 hrs. and Professor – 12 hrs. Organising Activities should get the maximum points.

Concluding the meeting Mr. Ravi Kumar directed Geetiika "please finalize the format at the earliest and mail it to all Deans. Once the faculty completes the forms the deans must write their comments and forward them back to HR department. You must depute some executives to validate the entries and allocate points. Finally, divide employees in three categories-Unsatisfactory, Satisfactory and Meritorious. The appraisal committee would then decide the financial incentive to be paid to meritorious performers. I am sure you will do a good job!

On her way back to her office Geetika kept feeling guilty about having suggested the idea of standardisation in the first place. Men and women in decision making positions want to replicate systems based on their own experiences and prejudices. She could see the suggested appraisal design was not fair. It was predisposed to favour some and not all. She got drawn into thinking of its consequences:

1. Stigma - Categorising faculty into performers and non performers would be demoralising for faculty who may be excellent in their skill domains as teachers, trainers or researchers.

2. Breed unhealthy Competition and negative political work environment:
3. Students would be involved in activities that are not aligned to core learning area and create no value.
4. Nepotism and a culture of yes man ship- Behaviours of Dissent and difference of opinion would get discouraged.

As she reached her office, quietly sank in her chair thinking, was the new appraisal system intended to 1. Plan for layoffs 2. Motivate only the performers and where was the essential role of performance feedback , employee development ?..................

III. Questions:

[1] Do you agree with Advisor to standardize the Performance appraisal tool for teaching staff of all departments? Give reasons.
[2] Is the new performance appraisal process an improvement over the existing one? what steps of process are missing?
[3] Suggest Geetiika a suitable performance appraisal method that can answer her dilemmas mentioned in the last paragraph of the case.
[4] Do you think Human Resource department is performing its comprehensive role in the organization? Give reasons

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