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HR Practices in a New Organisation- A Case Study

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*Prof. Leena Barshikar**Kohinoor Business School, Kohinoor Education Complex, Vidyavihar (West)***Email ID-editorcassstudies@gmail.com****ABSTRACT:**

Human Resource Management refers to the practice of Recruitment and Selection, Training and Development, Compensation and Performance Appraisal. All the organisations have Human Resource Management Practices. Though they may vary as per the requirement of the Organisations. It has always been to the interest of the Research Scholars to know the HR practices in different types of Organisations. One such area is the New Organisation. A New Organisation refers to the Organisation which is yet to reach maturity, focus is more on product creation and is looking forward to develop a stable market

Keywords: Food Industry, Human Resource Management, Human Resource Practices, New Organisation, Organisational Life Cycle.

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Introduction:

According to Organisational Life Cycle Theory, all the organisations undergo the process of Birth, Maturity, Aging and Death. During the Birth Stage, the focus is more on product creation and a market for it. In Maturity Stage, Company is more stable and profitable. In Aging Stage, Organisations have already attained stability and may face challenges like product substitute, increasing competition etc. Death of the organisation symbolises, the stage when Organisation cannot survive due to conditions like increasing competition etc. Organisation, which is in its creation stage, is known as a New Organisation.

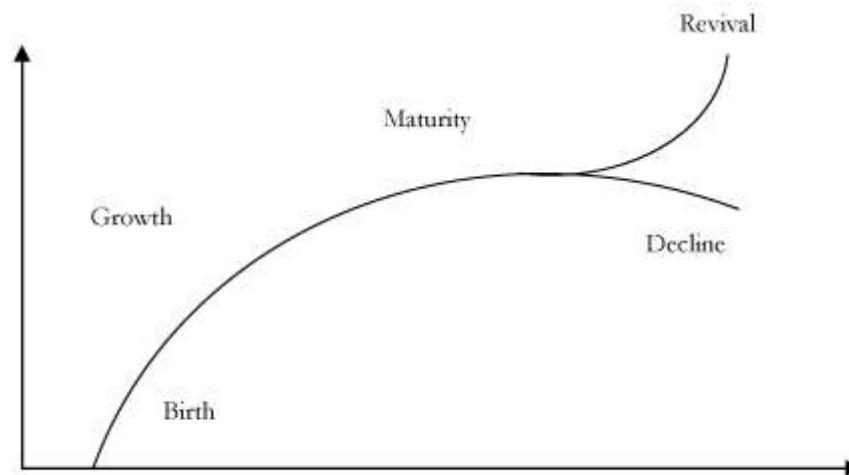


Figure 1: Generic Life Cycle Stages

All the organisations need HR practices, though it varies from Organisation to Organisation depending upon the age, stage and nature of the industry (Aldrich and Langton,1997; Michael Armstorng,2016). While the HR literature in the large and matured organisations is established by various scholars, HR in New Organisation has been recently gaining momentum. Hence, it would be interesting to know the HR practices in New Organisation

With an objective to understand the HR practices in New Organisation, a study was conducted on a Navi-Mumbai based New Organisation. This Organisation is functional since 2016.

Profile of the Startup:

This is a family-owned New Organisation, in food industry. They specialise in Italian food. It was started with the Owner and Three employees. Today the number of employees has increased to 5. It is now serving multi-cuisine to the taste of customers and has helped in increasing the revenue. There are various types of food joints that can be classified on the basis of cuisines offered, services provided for ex., take away, home delivery etc.

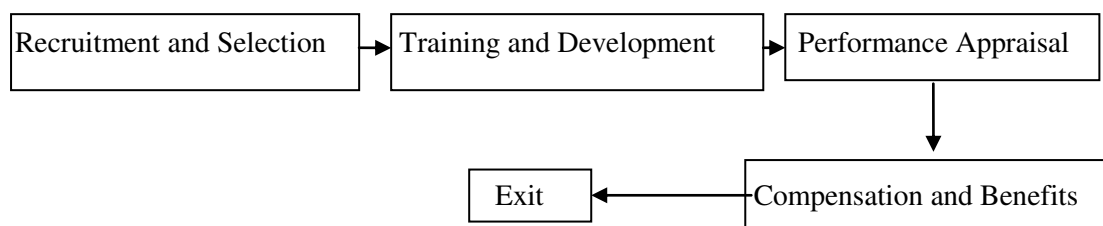
SWOC:

Strength	Weaknesses
1. Owner-driven; 2. Multi-cuisine; 3. Locational – advantage;	1. Small enterprise; 2. Low finances;
Opportunities	Challenges
1. High-growth; 2. Favourable Government policies.	1. Low profitability; 2. Competition.

Characteristics:

The general HR practices in the Organisations are as following:

1. Recruitment and Selection;
2. Training and Development;
3. Performance Appraisal;
4. Compensation and Benefits;
5. Exit Process;

Diagrammatic Representation of HR Practices

These practices may vary from organisation-to-organisation. There are many studies conducted on HR practices, however limited number of studies are conducted on HR practices in New Organisation. It is believed that New Organisations do not have HR practices. Hence this study aims to understand HR practices in New Organisations.

Objective:

Research on HR practices in New Organisations is gaining importance, as the Organisational success depends on the Human Resource within the Organisation. Hence, the study aims to understand the HR practices in a New Organisation.

Methodology:

There are various Qualitative and Quantitative Methods of conducting a Research. The methodology depends on the nature of research. Since the study aims to know the HR practices, it is qualitative in Nature. With an objective to get a glimpse in HR practices, a Case Study Method was selected.

Findings:

1. Recruitment and Selection: The Owner conducts the recruitment for the organisation, initially through his Personal Contacts.
2. Training and Development: There is a very limited Training provided to the Employees, due to cost and time constraint. That is why, experienced employees are preferred.
3. Performance Appraisal: Performance Appraisal refers to the assessment of Employee's contribution towards Organisational objectives. Performance Appraisal is not very structured and mostly very simple. It is generally done subjectively.
4. Compensation and Benefits: Compensation can be explained as payments toward salary and overtime , transport , medical expenses if paid additionally to the basic salary. The compensation and benefits are low as compared to the matured organisations.
5. Exit Process: There is no formal exit process for the employees leaving the organization. Even if the rate of attrition is high. There was no documented data available for the employees who left the Organisation. Many a times, they didn't even bothered to inform prior to leaving the Organisation.

These observations are different from those found in the established or matured organisation, wherein the HR practices are more structured, well-documented and methodically formulated.

Conclusion:

According to the Study conducted, there are HR practices in the New Organisations, which are similar to the established Organisations. It is the nature of the HR practices that varies from that of Matured Organisations.

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