

An Analytical study on the Human Resource Practices of selected NGOs in Nagpur District

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Abstract- The important elements in an organisation are men, money, material and machines. The success of an organisation depends upon the proper utilisation of the all elements especially human resource which has been termed as 'wealth'. NGOs in general lack the professional management outlook. The success of a NGO depends largely on the quality and quantity of human resource and also on the alignment of Vision/Mission/Objectives of an organisation with that of Human Resource. HRM practices involve many processes like job and work design, recruitment and selection, training and development, performance appraisal, etc. The recruitment and selection plays a vital role in order to choose right employees for right jobs which the organisation requires. NGOs normally do not afford the specialized HR personnel. The present study examines what are the parameters used in selecting a candidate in a Non-Governmental Organisations (NGOs), and to study the HRM process in these organisations. The present study used both primary and secondary sources of data. The primary data was collected about human resource management practices in non-government organisations through a structured questionnaire. The secondary data was collected from various sources such as books, magazines, journals, newspapers, annual reports/records published by the government of India, and related websites. The sample of the study included employees of selected NGOs in the Nagpur city. A well structured questionnaire was framed. The method of sampling was purposive (judgemental) Sampling. Only those NGOs where there are around 20 employees were covered under the study. The questionnaires were distributed to 22 NGOs of Nagpur District.

Key words: HR Practices, NGOs, employees

I. Introduction

Human resource practices play a vital role as humans are the main resource to use rest of resources. It is now being increasingly realized that the people working in organization are human beings. Investment for increasing the resource is important, and the more an organization invest in its human resources, the greater return from the investment is likely to be. Human resource practices focuses on the different aspect that can enhance the potential of an individual not in just in the reference of an organization but in his/her personal life. Training and developing, performance appraisal, potential appraisal, career counseling, employee welfare, health and safety are few of them.

The role of human resource as an integrating factor in any of the industry or sector and it matters most when it is related to the service sector like NGO's. Further, owing to the changes in the business environment and the advances in technology, communication and consumerism, planning of human resources has become an incessant activity on the part of HR functionaries working in service organization. Broadly, human resource practices are required not only to maintain the people as resources, but also to enhance the capability of the organization, through its competent people.

Human Resource Management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. As Ulrich and Lake (1990) remark "HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities."

Concept of Non Governmental Organization

A non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government. The term is usually used by governments to refer to entities that have no government status. A non-governmental organization (NGO) is a citizen-based association that operates independently of government, usually to deliver resources or serve some social or political purpose. The World Bank classifies NGOs as either operational NGOs, which are primarily concerned with development projects, or advocacy NGOs, which are primarily concerned with promoting a cause.

II. Review of Literature

- Tilly Chacko M (2010), in his article titled “Best Practices of HR in Service Sector: An SME Service Industry Perspective” concluded that Employment Empowerment is the key word in service industries and strategies like recruitment, induction, learning and development, performance management system, compensation management, motivational initiatives, communication channel and retention strategies play key role in an organization.
- Tripathi Laxman Kumar (2008), in his article “Human Resource Management Practices in IT Industry: A Complex Adaptive Systems Perspective”, stated about the significant difference between Resource Based View of HRP Practices and Complex Adaptive System. He highlighted that there is necessity of developing an alternative perspective of Human Resource Management and exactly this has been worked out in the present research work by following the frame work provided by the theories in natural science, which is widely known as Complex Adaptive System.
- Prasad SVVS Vara (2007), in his article titled “HR Practices and Business Performance” revealed that a strong association exists between employee attitudes and workplace performance. Establishing a climate of mutual trust stimulates employees to contribute their best and make them feel valued. Involving employees in designing work systems and their participation in decision-making generate commitment to find solutions for the problems encountered by them on their jobs.
- Prof. Philip J, (2006), in his case study titled “HR Practices for Building Performance Excellence”, revealed through the comparative study of 20 leading organizations that recruitment system, effective communication, motivation, career management system are the pillars of any business and focus on these enhance the performance of employees.
- Daud Normala Binti (2006) in his research paper titled “Human Resource Management Practices and firm performance: The Moderating Roles of Strategies and Environmental Uncertainties” explains the HRM Practices could positively influenced profitability and growth and negatively influenced employee turnover.
- Renuka, Swami D.; Venkateshwara, Balaji A (2008) in their research paper titled “A comparative Study of Human Resource Management Practices and Advance Technology adoption of SMEs (Small and Medium Enterprises) bring out certain significant differences in the adoption of HRM practices and advance technology in firm with and without ISO 9000 certification.
- Deshopande Satish P, Golhar Damodar Y (1994), in their article titled “HRM Practices in Large and Small Manufacturing Firms: A comparative Study” revealed that to develop a workforce a firm has to implement an appropriate human resource management practices but in practice, other functional areas such as finance, production and marketing usually get preference over personnel management.

Objectives

- To identify and examine the extent of HR Practices in NGOs.
- To find out the procedure of recruitment and Selection in NGOs.
- To recognize the mode of training to the existing employees in NGO.
- To find out the ways of appraising the performance of employees in NGOs.
- To identify the activities like welfare, health and safety in NGO culture.
- To find out the reward system and motivations in NGOs.

Hypothesis

- H0 There is no formal HR policy in NGOs operating in Nagpur district.
- Ha There is a formal HR policy in NGOs operating in Nagpur district.
- H0 - There are no formal recruitment & selection practices in NGOs of Nagpur district
- Ha - There are formal recruitment & selection practices in NGOs of Nagpur district
- H0 - There is no formal performance management system in NGOs of Nagpur district
- Ha - There is a formal performance management system in NGOs of Nagpur district
- H0 - There are no effective training & development practices in NGOs of Nagpur district
- Ha - There are effective training & development practices in NGOs of Nagpur district
- H0- There are no effective reward practices in NGOs of Nagpur district
- Ha - There are effective reward practices in NGOs of Nagpur district
- H0- There are no effective career planning practices in NGOs of Nagpur district
- Ha - There are effective career planning practices in NGOs of Nagpur district

Sample Design

A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn, sampling design is determined before any data collected. This research plan the researcher is paying attention on the following:-

Type of Research- It is a Descriptive Research Study.

Universe- It consists of all the NGOs operating in Nagpur District.

Sampling Technique- The Sampling technique used for was Purposive (judgmental) Sampling. Only those NGOs where 20 or more than 20 employees are working were selected for the purpose of study.

Sampling unit – 22 NGOs in Nagpur District

Sample Size – The sample size would be 1 employee each from the 22 selected NGOs.

Collection of Data

The task of data collection begins after chalking out the research plan. Here the researcher uses both primary and secondary data.

Primary data – The primary data are those which are collected afresh and for the first time, and thus happen to be original in character.

Secondary data – The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process.

Here the research study was mainly supported by Primary Data which was collected through Structured Questionnaires administered to the people working in NGOs. The questions were designed to assess the existence of various aspects of HRM such as; recruitment & selection policy, performance management systems, training & development practices, rewards and incentives, and career planning.

Secondary data was collected from the annual reports of selected NGOs.

III. Data Analysis

For the first hypothesis the question was in a Yes / No form. For other hypotheses the questionnaire was drafted in form of a Likert scale. Respondents' level of agreement / disagreement to various statements was measured on a scale of 1-5 (1 being 'Strongly Disagree' and 5 being 'Strongly Agree'). Data was tabulated in MS Excel and each respondent's score for each parameter was calculated.

H0 There is no formal HR policy in NGOs operating in Nagpur district.

Ha There is a formal HR policy in NGOs operating in Nagpur district.

Human Resource Policy in NGOs		
	YES	NO
Formal Policy of HR exists in your NGO.	8	14

This question was asked to total 22 respondents. Out of 22, 8 respondents agreed that they have formal HR policy in their NGO whereas 14 disagreed to it. The hypothesis was tested by using **CHI-SQUARE** –

Goodness Of Fit Test. The results were as shown below:

	OBSERVED (O)	EXPECTED (E)	O-E	(O-E) ²	CHI SQUARE = (O-E) ² / E
YES	8	11	-3	9	0.818
NO	14	11	3	9	0.818
FINAL CHI SQUARED VALUE					1.636
LOS	0.05		Df	1	
CHI SQUARED CRITICAL VALUE					3.841

In the above table, the expected frequency is assumed to be 50% of the responses (50% of 22) and the observed frequencies are 8 and 14. The hypothesis was tested at 1 Degree of Freedom and 5% level of Significance. The table depicts the Critical value of Chi-Square as 3.841 whereas the calculated Chi-Square value was 1.636.

Since the table value of Chi-Square is more than the calculated value, we accept Ho and reject Ha. Therefore, we can conclude that there are no formal HR policies in NGOs under study.

For testing the remaining 5 hypotheses **ONE SAMPLE T-TEST** was used. The following table shows the result of One Sample T-test.

Hypothesis No.	Null Hypothesis	No. of questions	Max Score	Criterion for Ho	Ho	Ha	Calculated T-value	Critical t-value	Decision
2	There are no formal recruitment & selection practices in NGOs of Nagpur district	4	20	10	$\mu \leq 10$	$\mu > 10$	-1.034	1.72	ACCEPTED
3	There is no formal performance management system in NGOs of Nagpur district	6	30	15	$\mu \leq 15$	$\mu > 15$	-1.457	1.72	ACCEPTED
4	There are no effective training & development practices in NGOs of Nagpur district	5	25	12.5	$\mu \leq 12.5$	$\mu > 12.5$	-1.46	1.72	ACCEPTED
5	There are no effective reward practices in NGOs of Nagpur district	4	20	10	$\mu \leq 10$	$\mu > 10$	-1.10	1.72	ACCEPTED
6	There are no effective career planning practices in NGOs of Nagpur district	3	15	7.5	$\mu \leq 7.5$	$\mu > 7.5$	-0.985	1.72	ACCEPTED

The above table clearly shows that for the hypothesis number 2,3,4,5 and 6, we accept the null hypotheses and reject the alternate hypotheses.

IV. Conclusion

The present research aims to study the HR practices in NGOs of Nagpur District. It can be concluded that NGOs under study do not have a formal HR policy. They do not have proper Recruitment and Selection system, reward system, Performance Appraisal system and Training and Development activities. These organizations should pay more attention to have systematic and formal HR policies. These professional HR practices will lead higher organizational productivity and effectiveness.

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