

**BENCHMARKING PRACTICES IN INDIA: DEVELOPMENT OF A
HOLISTIC LEARNING BASED EMPIRICAL FRAMEWORK FOR
CONTINUOUS PROCESS IMPROVEMENT**

By

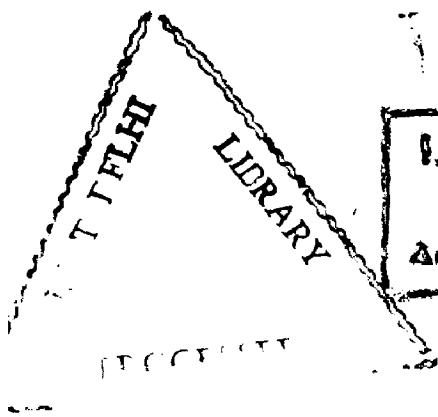
SATYANARAYAN NANDI
Department of Management Studies

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marking;
performance management;
total quality management

CERTIFICATE

The thesis titled “**Benchmarking Practices in India: Development of a Holistic Learning Based Empirical Framework for Continuous Process Improvement**”, being submitted by **Mr. Satyanarayan Nandi** to the Indian Institute of Technology, Delhi, for the award of degree of **Doctor of Philosophy**, is a record of bonafide research carried out by him. He has worked under my guidance and supervision and has fulfilled all the requirements for the submission of thesis, which has attained the standard required for a Ph.D. Degree of the Institute. The accompanying thesis is his genuine and original work and the results presented in the thesis have not been submitted elsewhere for the award of any degree or diploma.

Date:



Prof. D.K. Banwet
Professor & Group Chair Operations Management
Department of Management Studies
Indian Institute of Technology, Delhi
Hauz Khaz, New Delhi - 110016

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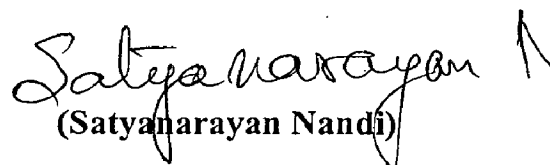
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ABSTRACT

With rising global competition, growing expectations of various stakeholders and accelerating developments in both core and information technology, an organization could sustain competitive advantages only by constant improvement and innovation of its critical organizational processes. Process management along with its enabling forces has, therefore been an important agenda item to both researchers and practitioners in recent times. Benchmarking, comparatively an older concept signifying comparison with a standard reference, drew considerable attention, since its newer meanings and methodologies, developed by some of the U.S.A. based companies, are now found to be of great significance in continuous review and upgradation or renewal of such processes. But such a concept is yet to spread in a big way to developing countries like India. Appropriate tactics and methodologies to apply such benchmarking are yet to be established formally and seriously in this country. The study is, therefore, an attempt to develop such application methodologies, mainly for two categories of benchmarking – Process and Diagnostic benchmarking. The study also aims at finding out current status of benchmarking in India in general in terms of various issues involved.

An extensive literature review has been carried out on a wide spectrum of subjects – Total Quality Management, business process re-engineering, organizational changes, performance measurement, organizational learning and knowledge management besides benchmarking. A tentative framework for process benchmarking methodology has been evolved. Since process benchmarking in an organization is now understood to be essentially a learning process at various levels, a knowledge-based view of the above methodology has also been tentatively formulated. Several critical issues have been identified regarding meaning, methodology and application of benchmarking. Based on the literature review, an alternative framework for application of diagnostic benchmarking that is simpler, more quantitative and that which does not require a rigorous self-assessment skill on the part of practitioners has also been proposed.

To examine the above mentioned tentative frameworks proposed and to find out current status on various issues in regard to Indian organizations, an integrated multiple mix of

exploratory, inductive, qualitative research methodologies have been essentially applied in the study. Research methods include an exploratory survey, case studies and action research projects. Studies related to process benchmarking methodology and its application involved action research in five Indian organizations of varying kinds where the researcher acted mainly as a 'process facilitator'. The proposed tentative framework for diagnostic benchmarking has been applied in an award context over two years to test its applicability. Besides the exploratory survey, an in-depth analysis of four case studies on benchmarking programme in Indian organizations has been made to find out current status.

The research study covering survey, case research and action research projects undertaken to work out issues, refine and test proposed application methodologies as expected under three items of research objectives, finally led to development and emergence of a holistic framework for benchmarking. The above framework describes various useful tools and techniques required at different steps of the proposed process benchmarking methodology along with enabling conditions in and around an organization to exist. It is these enabling conditions inside an organization that hold the key for successful benchmarking process. These conditions comprise of two components: Top-down and bottom-up forces. Top-down forces include management priorities, resources and infrastructure, and above all, behavioural re-inforcement mechanisms through measurement, reward and recognition that management are to institute. Bottom-up forces include conceptual capability or absorption capacity, IT-competence and continuous improvement skill on the part of employees. A multi-stakeholder based organizational excellence (MSOE) model developed for diagnostic benchmarking is also a part of the holistic framework developed.

A knowledge conversion process model for benchmarking has also been developed. Knowledge available with individual members are shared in the benchmarking team formed to improve a selected process. Inter-organizational knowledge transfer takes place between the benchmarking partner and the team. All the knowledge collected are integrated in a problem-solving environment to create a new knowledge. The above knowledge generated at group and individual levels is finally transferred to an organizational level to create an improved process. The above mentioned cycle of

knowledge processes is repeated. Such “creative routines” are going to play an important role in continuous up gradation or renewal of processes to ensure sustainable competitive advantages to an organization.

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