

HUMAN RESOURCE PRACTICES IN INDIAN IT INDUSTRIES

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ABSTRACT

The IT industry in India has come of age and competition between various players has intensified. The main resource on the basis of which IT companies define their core competencies is always "Manpower". Therefore, attracting competent employees, developing them in the organization, retaining them and retaining the knowledge they create is a major strategic objective of all organizations in this sector. To do so the HR departments in these companies will have to evolve and take a more central role in the organization. With top management support, the HR function in IT organizations has faced new challenges posed by the business environment by innovating human resource practices. While trade papers occasionally report these efforts, research efforts have not been made to understand the scope and impact of HR practices in India specifically in the information technology context.

Keywords: Information technology (IT), Human Resource Management (HRM)

INTRODUCTION

It's no secret that success in business today largely revolves around people, not capital. Especially among 'people' it has a lot of importance. Businesses like software companies have relatively high people costs and low capital costs. Businesses are companies that have relatively high personnel costs, a high ratio of personnel costs to capital expenditures, and limited expenditures on activities such as R&D aimed at generating future revenues. In people-oriented businesses, looking at metrics of productivity of people rather than capital can identify questions of where and how value is created or dissipated. Employees are critical resources that a software company hires, motivates, and retains. Occasionally, in some software companies the value that employees create takes the form of intangible assets such as intellectual property, brands, and the like. Most employees in people businesses such as IT services and products are more focused on creating short-term value for direct customers, month-to-month and year-to-year, creating intangible assets. Without the intermediary step of The distinct but commonly maligned economics of people-intensive businesses like software call not only for different metrics, but also for different management practices. Even a slight change in employee productivity in software companies has a significant impact on shareholder returns. In such a situation "Human Resource Management" is no longer a support function but a core process for line managers. It goes without saying that managing people is a key function for any company. But in a people business, where this function is central to success because employees represent both a key cost and a key driver of value creation, people-

management measures that make even small changes in operational efficiency can have a big impact on returns.

INNOVATIVE HRM PRACTICES IN IT INDUSTRIES

The information technology industry has evolved gradually over a period of years. There has been rapid progress from IT to BPO (Business Process Outsourcing) and new terminology known as KPO or Knowledge Process Outsourcing. The information technology (IT) industry involves the use of computers and telecommunications equipment to store, retrieve, transmit, and manipulate data, often in a business or other context. The initiative ITES (Information Technology Enabled Enterprise) took shape due to the growing need for IT in every aspect of business. Small to large enterprises need IT in their business. Working in the ITES sector means working in a business setting using information technology.

A major part of ITES in India is through business process outsourcing (BPO) which is a subset of outsourcing that involves contracting the operations and responsibilities of specific business functions (or processes) to a third-party service provider. Often business processes are based on information technology and are referred to as ITES-BPO, where ITES stands for Information Technology Enabled Services. Knowledge process outsourcing (KPO) is a sub-segment of the business process outsourcing industry. Outsourcing of high-end knowledge intensive processes requires significant domain expertise that requires the transition from standardized processes to superior analytical and technical skills as well as processes that require decisive decision making. People or employees are the most important success factor contributing to the massive growth of the Indian IT and Business Outsourcing industry. Since IT and especially BPO and KPO are people-centric industries, it is more necessary to concentrate and concentrate on the human resource management area, to acquire talented knowledgeable workers, retain them and provide them with a comfortable and peaceful work environment. Selection and selection of right talent or manpower in BPO and IT is very important. Therefore, people management issues are the top priority of the industry as employment involves the utilization of the required job skills of knowledgeable workers.

Major IT companies are at the forefront of innovation in HRM. These include industry giants including Infosys and Wipro. Infosys. The name of the company reminds us of the excellent leadership skills of the founder Shri Narayan Murthy. Shri Narayan Murthy started Infosys with his determination and hard work. He considers and regards his employees as the most important asset of his organization. They believe in nurturing and providing them with the right skills to be able to face the harsh realities of the dynamic corporate world. He believes that a knowledgeable and talented workforce is the company's top priority and this creates a competitive factor for the company. Hence the demand for skilled and skilled workers is increasing rapidly. From just 42 employees in 1987 to 23,000 in 2003, the number of workers has grown tremendously. Mr. Narayana Murthy realized that the traditional ways of recruiting and selecting employees had

become redundant and the company needed to adopt innovative human resource practices to attract and retain the best possible talent in the market. The recruitment process at Infosys was interesting as well as tough to crack. It consisted of several puzzles, problem-solving equations, which tested the candidate's analytical, logical and problem-solving skills. The only criteria for selection in Infosys is to check the candidate's learning ability or ability. These tests help the company gauge the candidate's skills and abilities to survive in a dynamic corporate culture. Mr. Narayan Murthy believes that as long as the company continues to innovate, Infosys will continue to succeed, thrive and grow. Infosys built a training center in Mysore, specifically for its employees to build their skills and capabilities.

CONTEXT OF INDIAN HRM

India has absorbed ideas and practices from around the world for centuries. Her contributions to science, mathematics, astronomy and political administration are widely noted. Ancient Indian wisdom, enshrined in several sacred texts dating back to 2000 BC, provides a unified tradition that continues to influence the Indian psyche. This stream of "wisdom" literature can best be explained by a philosophical tradition of holistic logic called Vedantic philosophy that unifies a common set of ideas and values. Vedantic philosophy underpins the essential unifying forces of the many apparent differences that characterize India. This school of thought asserts that human nature has an immense capacity for self-transformation and has been incorporated into much religious literature. Many of these spiritual teachings are relevant to practical and modern contexts. For example, the narratives of the Panchatantra use animals and birds to create guidelines for noble and practical human behaviour.

HR PRACTICES IN INDIA

HR practices capture the potential for variation in employee perceptions and experiences of HR programs based on the quality of HR program implementation. HR programs are defined as the set of formal HR activities used in an organization. This recognition and some counterintuitive research findings in culturally diverse countries have led HR scholars to point out that simply reimplanting "best" HR practices around the world may be less than desirable from an organizational competitive advantage perspective. Although researchers have undertaken ambitious cross-country and cross-cultural international HR studies, these studies have not directly incorporated the Indian HR perspective and there remains a paucity of research in the Indian context. Although some studies have considered other Asian countries, India is culturally distinct from its geographical neighbours in terms of socio-cultural attributes, which are believed to influence organizational HR practices.

INNOVATIVE HR PRACTICES

- **Training:** Training is an organized process of increasing the knowledge and skills of people for a specific purpose. Trainees acquire new skills, technical knowledge, problem solving ability etc. This leads to a sense of rules and procedures to guide their behavior. Training

improves the performance of employees on their current jobs and prepares them to take on new assignments in the future. Designing a training program may have several objectives such as enabling new hires to reach the required standards of performance as quickly as possible; to minimize waste of time or expense; introducing good practices and innovations; To achieve, maintain or improve quality standards.

- **Learning:** As an organization struggles to survive and increase competition, it is essential to enhance human asset capacity to achieve sustainable competitive advantage and cope with change. One approach is to continuously identify learning opportunities for human resources. This requires a rethinking of structure, work methods, communication systems and management style. An educational institution is one that creates, acquires, interprets, transfers and retains knowledge. Today, in the electronic world, the World Wide Web is everywhere. The Internet and intranets are changing the face of training and education. Online learning is possible using a PC, modem and web browser. Web based courses are virtual learning through distance learning. The concept of learning organization has emerged from the need for knowledge development to gain or sustain a competitive advantage. A learning organization can be described as one, which facilitates learning for all its employees and continuously transforms itself as a whole. It is the skill to create, acquire and transfer knowledge and insights.
- **Potential Assessment:** Organizations have standard procedures for identifying high potential talent. The identification and development of high potential is always aimed at meeting future needs. Therefore, building capacity for an organization is a process of first defining what the capacity is for the organization and then classifying employees, based on their ability to succeed at high levels or important roles in the organization. There is a wide range of assessment methods that organizations use to identify high-potential talent.
- **Compensation and Rewards:** Organizations today are moving towards performance-related pay and compensation policies, with reward mechanisms directly linked to performance and work contribution. It acts as a motivation for enhanced organization performance.
- **Work Life Balance:** There has been a huge debate in HRM about work-family life balance for a long time. On the one hand the employees are keeping their finger on the toes of the employers to see if justice can be done and on the other hand the employers are keen to minimize the impact. The fact is that a happy family equals a happy workforce. As per the current trend HRM has to work to ensure that every employee family is happy to some extent. It is time to convince the management to organize a family day for the employees and their families, sometimes giving up for vacations so that the employees can attend to their family issues. Unlike before, employment laws now allow for family leave and most importantly you have parental leave ie paternity and maternity.
- **Performance Appraisal and Feedback:** All companies have some form of performance appraisal system to evaluate the performance of their employees. The focus of the performance appraisal system in the organization used to be on ratings to calculate annual

salary increments, promotions etc. Now the focus of PAS has shifted to managing performance and improving performance. PAS can be monthly, quarterly as per the requirement of the company. Recently many companies have an individual-based performance appraisal system; Some even have a group-based system. For managerial-level employees, most companies use 360-degree appraisals. A 360-degree evaluation system refers to 360 degrees in a circle, figuratively with a person in the centre of the circle. The 360-degree feedback process was developed in the United States in the 1980s as a leadership development tool. A 360-degree assessment seeks to provide more comprehensive data by soliciting feedback from coworkers, supervisors, subordinates, and sometimes customers. Recently this system is used by TCS, Infosys, Wipro and HCL Technologies etc. is used by Royal Bank of Scotland, India has introduced an executive performance appraisal system that includes both monetary and non-monetary rewards, a 360-degree feedback that seeks to check behaviour. Requirements from professionals to meet business objectives. It also aims to focus on internet coaching and mentoring. FAIR (Framework for Linking Evaluation with Incentives and Rewards) process for their performance evaluation. State Bank of India, Mahindra & Mahindra, ICICI Bank, Wipro, Tata and Aditya Group implemented 360-degree feedback systems. Merit-based reward and promotion system, incentive-based pay, team building, retraining was conducted in companies.

- ***Career Planning and Development:*** The career opportunity landscape in corporate India has changed over the years. Earlier organizations used to shape a person's career according to the needs of the organization. But now the responsibility of career planning is mainly carried out by the employees and the organization acts as a facilitating agent. Tata Teleservices Ltd uses a Vikas Kendra (Assessment Center) approach related to career growth, quality and competence keeping in mind the needs of the organization. It also includes career progression policy which ensures career progression of all employees based on performance rating, tenure in role and career progression scheme, job rotation policy is also used by Tata. Bharat Heavy Electrical Limited (BHEL) has introduced an ERP (Employee Rating Performance) system that helps in career and succession planning for BHEL employees. They have around 100 project sites across India and when there is a demand for internal advertising.

STRATEGIC ORIENTED PRACTICES

To achieve the organizational objective at a particular time, HR should follow certain strategic practices. This makes the employee feel that he is not overburdened and with full satisfaction he will work towards achieving the goals for the organization.

- ***Safe, Healthy and Happy:*** Workplace Creating a safe, healthy and happy workplace will ensure that employees feel at home and stay with the organization for a long time. This will help the organization to get the expected results at the earliest.

- **Open Book Management Style:** Sharing information with employees about contracts, sales, new clients, management goals, company policies, employee personal data, etc. ensures that employees are equally enthusiastic about management. Through this open book process, a culture of participative management gradually builds and ignites creative endeavors in the workforce. This involves making people an interested party in your strategic decisions and thus helps build trust and motivate employees.
- **Incentives:** Incentives are additional rewards that are given to attract employees to do more work for the organization. These incentives may be in cash or in kind. Some of them are: -
 - **Cash Bonus:** It is purely performance based and is always a favorite among employees and it is recognized as a very powerful motivator for employees as an important and valuable ally.
 - **Corporate Discounts:** Company products and services are offered at discounts to employees or negotiated corporate discounts with certain retailers, entertainment facilities or hotels/airlines. Today, employees around the world can take advantage of substantial discounts from almost all top retailers, be it online, over the phone, or in- store, whether it's online, over the phone, or in-store, whether it's on holidays, home appliances, or everyday items like CDs or magazines.

Human resource practices are most effective when coordinated Strategic objectives of organizations. In the current era of globalization, the role of HR practice in the success of the company is increasing rapidly with the growth of many sectors. With the growth of Indian industries in knowledge verticals, human knowledge is undoubtedly the most important strength these days. To ensure that a company selects the right person for the right job and manages human resources carefully, processes like competency mapping are gaining importance. Competency planning is the process of identifying key competencies for a specific position in an organization and then using them for job-evaluation, recruitment, training and development, performance management and succession planning. In conjunction with the Balanced Scorecard, it can be a very healthy tool for managing an organization's performance. As far as the HR function is concerned, perhaps the time has come that instead of treating HR as a separate, support-providing activity, every manager needs to treat it as a line function with HR activities as part of his line responsibilities. . A shift in focus from traditional HR practices to strategic HR practices was inevitable. Competitive advantage for an organization lies not only in product or service differentiation or becoming a low-cost leader, but also in utilizing a company's special skills or core competencies and responding rapidly to customer needs and competitor movements. HR practices can play an important role in identifying and analysing external opportunities and threats that are critical to a company's success. It is uniquely positioned to provide competitive intelligence that can be useful in the strategic planning process. Therefore, HR practices to attract the best talent, provide a pleasant environment to work with, which enables the company to retain the talent, the above practices have been conceived and implemented by leading companies in India and have been successful.

CONCLUSION

Successfully improved HR practices are key drivers for employee commitment and engagement. The globalization of companies presents unique dynamics for cultures around the world, so focusing human resources on valuing diversity is critical to employee engagement and satisfaction, and ultimately retention and development through training programs. The results of the study emphasize that innovative HR practices are now very important, especially in the process of attracting and rewarding employees. The IT sector can use various innovative HR and leadership strategies to increase the level of commitment of their employees.

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