A Demographic Study of HRD Climate in IT Companies

Dr. Harish Shukla

Professor, MBA,
Shri Vaishnav Instt. of Tech. & Sc.,
Gram Baroli, Indore-Sanwer Road,
Post Alwasa, Indore,
(M.P.)

Ravi Parmar

Quality Analyst,
Diaspark Infotech.Pvt. Ltd.,
Indore, (M.P.)

Abstract

Effective employee is a combination of personality, natural capabilities, developed skills, experience and learning. The process of enhancing an employee's present and future effectiveness is development. IT industry is one of the most challenging industries for employees to work and survive due to fast coming changes and challenges. Employees have danger of being obsolete. They have to continually involve in learning and developing their competencies, skills, knowledge, ability etc. This is equally challenging for the companies too as they face challenges of competition from abroad (from China, Philippines), high attrition rate, shortage of quality and employable talent, rising cost, management, customer service, security, inflation, introducing better software, services in the market. Here comes the role of an organisation to provide healthy HRD climate so that employees can produce the best output. The purpose of this research paper is to study the present HRD climate prevailing in IT companies. This study is done on the basis of certain demographic details of the employees. The demographic details used in the study are gender, education, designation, experience, age, income. The results indicate that the most of the employees perceive the HRD climate of their companies satisfactorily.

Keywords: HRD climate, Employee Perception, Employable Talent, Training, Development, Learning

Introduction

HRD is the process of helping people to acquire competencies. Climate, this is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organisation conduct themselves with outsiders.

Competent employees are the greatest assets of any organisation. The proficiency of employees plays a vital role in the context of the diverse challenges faced by the modern organisations. Talent management, employee engagement and employee retention have become the key concerns of HRD professionals. In order to maintain and develop their competencies, the employees should have an open mind for learning and change. This proactive approach can be generated by providing adequate opportunities as well as motivation for the employees by fostering a supportive and favourable climate in organisations. As the business environment becomes more turbulent, "it becomes more pertinent to deliberately, consistently, strategically and innovatively

develop, optimize and utilize their major value adding resource, i.e. human resource. (Akinyemi, 2011). The effective performance of an organisation depends not just on the available resources, but its quality and competence as required by the organisation from time to time. (P. Subbha Rao, 2008, p. 157). Organisational Climate in an organisation can be developed through top to bottom effort , motivator role of manager and supervisor, faith upon employees, free expression of feelings, feedback, helpful nature of employees, supportive personnel management, encouraging and risk taking experimentation, discouraging stereotypes and favouritism, team spirit. Information Technology (IT) industry in India is one of the fastest growing industries. Indian IT industry has built up valuable brand equity for itself in the global markets. IT industry in India comprises of software industry and information technology enabled services (ITES), which also includes business process outsourcing (BPO) industry. India is considered as a pioneer in software development and a favourite destination for IT-enabled services. Today, Indian IT companies such as Tata Consultancy Services (TCS), Wipro, Infosys, and HCL are renowned in the global market for their IT prowess. Contemporary organisations are in a flux. Changes are occurring in almost all the facets of organisational life. Organisations now are facing greater challenges to retain their talented and competent personnel with them. Thus, talent management has become the critical goal of HR professionals. Among many others, improving the quality of HRD is reported to be one effective alternative to face these challenges. The level of innovation existing in organisations and opportunities offered by them to apply creative ideas into practice seem to be factors leveraging the competitive edge. That is, the quality of learning and development climate has become more of a determining factor to the survival of contemporary organisations productive and supportive environment is essential for effective learning and development in organisations. This environment requires a culture of collaboration and team spirit, top management's commitment towards HRD initiatives and the effective implementation of various HRD subsystems.

Rationale

IT sector, like other services, has become one of the highly competitive sectors in India. The IT organisations, since the beginning of this decade, have been facing greater challenges in terms of technological revolution, service diversification and global enhancing. This has got many repercussions on the HRD practices in this sector. Competency of the employees has become one of the core concerns to the survival of the banks. It is important that a good HRD climate is provided to the employees in order to achieve organisational goals. It is in this backdrop that the study about the HRD climate existing in the IT organisation

is being conducted. Human resources are the most vital resources of the organisations and it is important to provide a congenial HRD climate for the well being of employees. This study is an attempt to analyse the perception of the employees about existing HRD climate of selected IT companies of Indore. Not much research work has been done on this topic. It is an area of growing importance and thus research work is preferred on this topic.

Conceptual Framework

Just as it is possible to determine the climate of a place through parameters developed by modern sciences, it is possible to determine the climate of an organisation through parameters developed by behavioural scientists. All organisational theoreticians and the researchers unanimously agree that a congenial HRD climate is extremely important for the ultimate achievement of the business goals. Climate is a commonly experienced phenomenon and often referred to by many expressions as "atmosphere", "environment", etc. each has its own traditions, methods of action and culture, which in their totality comprise the climate for the people. HRD climate is an integral part of organisational climate.

Review of Literature

Santosh K. Mohanty & K. M. Sahoo(2012) found that moderate HRD climate was prevailing in the IT the organisations. In comparison it is found that OCTAPAC Culture is more prevalent than the HRD mechanism and general HRD climate in the IT industry. Vaneet Kashyap, Prince Vohra, Tejbir Kaur(2012) found that human resource manager can consider employees as important stakeholder as far as organisation culture is concerned. They also found that openness; authenticity, proactivity, confrontation, collaboration, trust, experimentation and autonomy don't differ significantly in the four IT organisations. Dr. S. Saraswathi (2010) in her study concluded that there is a significant difference between the extent of HRD climate prevailing in software and manufacturing organisations. The above results show that the HRD climate for Software is better than Manufacturing organisations. Patil Sunil Subhash, (2010) found that HRD dimensions are agreed by all the employees within the factory. It is obvious that different HRD sub climates prevail at different levels that predominantly occupy the minds of top level employees for being maintained at perfect/excellent level. Least bothers the lower level employees; this of course is the result of the huge difference in their respective work environment. On the whole these employee expectations from the factory are in no way outlandish or farfetched but merely reflect mundane aspirations that can be reasonably fulfilled in a work setting. The study conducted by Pillai (2008) on HRD climate in banks, identified that the HRD climate existing in banks as moderate. This study further found that a

supportive HRD climate in banks stimulated the learning orientation of the employees working therein. Based on the information collected from 42 organisations in India, Srimannarayana (2008) has found that moderate HRD climate was prevailing in the organisations in India. Mufeed (2006) conducted a study in major hospitals of the Jammu and Kashmir namely Shri-Kashmir Institute of Medical Sciences (SKIMS) about perception of medical staff towards HRD climate in the said hospital. The result of the study shows the existing HRD climate in the hospitals to a large extent is significantly poor. The study also shows that HRD in organisation uses various instruments like performance appraisal system, training, promotion, rewards, organisational development and counselling etc., to create a climate conducive to achieve organisational goals. Rodrigues (2004) conducted a study in the engineering institutes in India and found the HRD climate a highly satisfactory one. Mishra and Bhardwaj (2002) carried out a HRD climate survey in a private sector undertaking in India and concluded that the HRD climate in that organisation was good. Alphonsa, (2000) conducted a survey to examine the HRD climate of private hospital. The responses were collected from different departments in the hospital. The researcher found that the perception of the supervisors about the HRD climate is satisfactory and reasonably good climate was prevailing in the hospital. Sharma and Purang (2000) conducted a study to find out the relationship between value institutionalization and HRD climate in engineering and manufacturing sector and found the positive relationship between the two variables. Venkateswaran (1997) made a study in a public sector undertaking in India and found that, to a large extent, a favourable HRD climate was prevalent in the organisation under study. In the study by Martin, Angela Jayne, the first aim of the thesis was to study the role of organisational climate factors in facilitating employee adjustment during change. The second aim was to study the extent to which organisational sub-groups differ in their perceptions of climate and investigate the levels of adjustment indicators during change. In the first study 67 employees of hospital were interviewed and structured questionnaire was administered on 779 employees. The results highlighted the importance of examining employee perceptions, employee adjustment to change. Climate and change appraisal factors were linked with a range of important individual/ organisational outcomes as employee well-being, job satisfaction, organisational commitment, turnover intentions and absenteeism. M. Patterson, P. Warr and M. West in their article, "Organisational climate and Company Productivity: the Role of Employee Affect and Employee Level" (2004) studied associations between company climate and productivity. Anukool Hyde (2003) concluded that general climate, OCTAPACE culture and HRD mechanisms are almost same in nationalised and

cooperative banks of Indore Division. He also concluded that there is no significant difference between HRD climate of nationalised banks and insurance companies.

Research Methodology

The study is exploratory in nature. Questionnaires filled up in all respect were collected from 96 respondents of selected IT companies of Indore. The simple random sampling method is used to collect primary data. A structured questionnaire developed by T. V. Rao and E. Abhram was used for data collection. Books, internet web sites, journals etc. is used to collect secondary data. t test is used to test hypothesis at 5 % level of significance. SPSS version 10.0 is used for analysis and interpretation of data.

Objectives

1. To study the variation in the HRD climate as perceived by male and female employees.

2. To study the variation in the HRD climate as perceived by the employees in lower level and the employees in middle level management.

3. To study the variation in the HRD climate as perceived by post graduate and under graduate employees.

4. To study the variation in the HRD climate as perceived by more experienced and less experienced employees.

5. To study the variation in the HRD climate as perceived by aged and young employees.

6. To study the variation in the HRD climate as perceived by employees of higher and lower income groups.

Hypothesis

1. There is no significant difference in the HRD climate as perceived by male and female employees.

2. There is no significant difference in the HRD climate as perceived by the employees in lower level and the employees in middle level management.

3. There is no significant difference in the HRD climate as perceived by post graduate and under graduate employees.

4. There is no significant difference in the HRD climate as perceived by more experienced and less experienced employees.

5. There is no significant difference in the HRD climate as perceived by aged and young employees.

6. There is no significant difference in the HRD climate as perceived by employees of higher and lower income groups.

Limitations & Scope of the Study

The time period for carrying out the research was short as a result of which many facts have been left unexplored. Due to lack of time and other resources it was not possible to conduct survey at large level. 96 employees responded positively. Had there been larger sample size, greater accuracy could have been added to the results of the study. Some respondents were reluctant to fill the questionnaire due to varied reasons. The area for study was limited to a number of organisations.

Analysis

Table 1.0 exhibits that as the p value (at 5% level of significance) came out to be 0.509 and this value is greater than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in the perception of HRD climate by male employees and female employees can be accepted. The comparison of mean values of male employees and female employees indicates that male employees perceive HRD climate of their organisation slightly in a better way than that of their counterparts. Table 2.0 exhibits that as the p value (at 5% level of significance) came out to be 0.039 and this value is less than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in the perception of HRD climate by lower level employees and higher level employees cannot be accepted. The comparison of mean values of lower level employees and higher level employees indicates that lower level employees perceive HRD climate of their organisation in a better way than that of their counterparts. Table 3.0 exhibits that as the p value (at 5% level of significance) came out to be 0.669 and this value is greater than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in the perception of HD climate by graduate and post-graduate employees can be accepted. The comparison of mean values of graduate employees and post-graduate employees indicates that the post graduate employees perceive climate of their colleges in a far better way than that of their counterparts. Table 4.0 exhibits that as the p value (at 5% level of significance) came out to be 0.206 and this value is greater than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in perception of HRD climate by employees with more experience with the organisation and those with less experience with the organisation can be accepted. The comparison of mean values of employees with more experience and employees with less experience indicates that the less experienced employees perceive HRD climate of their organisation in a better way than that of their counterparts. Table 5.0 exhibits that as the p value (at 5% level of significance) came out to be 0.680 and this value is greater than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in the perception of HRD climate by the young employees and aged employees can be accepted. Table 6.0 exhibits that as the p value (at 5% level

of significance) came out to be 0.043 and this value is less than 'α' level of 0.05. Hence the null hypothesis that there is no significant difference in perception of HRD climate by employees with low income and the employees with high income can not be accepted. The comparison of mean value of both the types of employees indicates that lower income employees perceive HRD climate slightly in a better way than that of their counterparts.

Conclusion

The comparison of mean values of male employees and female employees indicates that male employees perceive HRD climate of their organisation in a better way than that of their counterparts. This finding is in contradiction to the general notion that female employees are more satisfied than that of male employees. This finding can be understood with the concept of high expectation psychology. Middle level employees perceive HRD climate in a more positive way than that of lower level employees. It can be concluded that middle level employees are satisfied with their present salary, incentives, benefits, working conditions, environment etc. There is no significant difference in the perception of HRD climate by graduate employees and post graduate employees of IT companies. Less experienced employees perceive HRD climate in a better way than that of their counterparts. This is an interesting finding. It is in contradiction to the general belief that more experienced employees have better perception of climate. Less experienced employees are psychologically satisfied with the HRD climate. Young employees and aged employees perceive HRD climate in almost similar ways. There is significant difference in perception of organisational climate by employees with low income and the employees with high income. It is an interesting finding that the perception of the HRD climate of the employees with low income is more positive than that of the employees with high income. It can be concluded that the low income employees of IT companies are psychologically more satisfied than that of their counter parts. Employees are not so much frank with each other to show their feelings.

Suggestions

Female employees of IT companies should be provided fair and equal treatment in the organisation so that they have positive perception to the HRD climate of their organisation. Lower level employees should be provided proper salary, incentives, facilities, training, developmental opportunities, competency building plans, motivation, working environment etc. so that they have more positive perception to their organisation. They can have better commitment to their work and organisation. More experienced employees should be properly recognized and rewarded by the IT companies. They should use reward system in the company to create a healthy environment of better performance from

the employees. It will help in the high retention rate in the companies. Also the experience and expertise of experienced employees should be utilized for the less experienced employees for their knowledge and skill up gradation. Perception of the employees of higher income group can be improved by identifying their higher order needs such as social needs, self esteem, recognition, self actualization. Overall work environment should be made conducive. There should be attention of the company above the employees' coordination and above their team work and also on the relation of the employees with each other.

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APPENDIX

Table 1.0 (Gender)

Group Statistics

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
Observation	Male	67	3.205401	.1068687	.0130561
	Female	29	3.188834	.1243594	.0230930

Independent Samples Test

	Levene's Test for quality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observatio Equal variance assumed	2.057	.155	.663	94	.509	.016567	0249762	330233	661582
Equal variance not assumed			.625	46.735	.535	.016567	0265282	368085	699433

Table 2.0(Designation)

Group Statistics

	DESIGNATION	N	Mean	Std. Deviation	Std. Error Mean
Observation	Low Level Management	17	3.151260	.0970588	.0235402
	Middle Level Management	76	3.213032	.1122769	.0128790

Independent Samples Test

	Levene's Test for quality of Variance		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observatio Equal variance assumed	.027	.871	-2.098	91	.039	-.061772	0294463	202636	032805
Equal variance not assumed			-2.302	26.505	.029	-.061772	0268330	168770	066671

Table 3.0(Education)

Group Statistics

	EDUCATION	N	Mean	Std. Deviation	Std. Error Mean
Observation	Graduate	57	3.196324	.1152700	.0152679
	Post Graduate	39	3.206349	.1083313	.0173469

Independent Samples Test

	Levene's Test for quality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observatio Equal variance assumed	.121	.728	-.429	94	.669	-.010025	0233820	564506	364005
Equal variance not assumed			-.434	85.046	.666	-.010025	0231089	559714	359214

Table 4.0 (Experience)

Group Statistics

	EXPERIENCE	N	Mean	Std. Deviation	Std. Error Mean
Observation	Less Experienced	41	3.217189	.1209602	.0188908
	More Experienced	55	3.187879	.1042548	.0140577

Independent Samples Test

		Levene's Test for quality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observatio	Equal variance assumed	.235	.629	1.272	94	.206	.029311	0230407	164374	750584
	Equal variance not assumed			1.245	78.692	.217	.029311	0235474	175623	761834

Table 5.0(Age)

Group Statistics

	AGE	N	Mean	Std. Deviation	Std. Error Mean
Observation	Young Employees	54	3.204585	.1168730	.0159044
	Aged Employees	42	3.195011	.1066400	.0164549

Independent Samples Test

		Levene's Test for quality of Variance		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observati	Equal variance assumed	.087	.769	.414	94	.680	.009574	0231505	363916	555400
	Equal variance not assumed			.418	91.567	.677	.009574	0228848	358798	550283

Table 6.0(Income)

Group Statistics

	INCOME	N	Mean	Std. Deviation	Std. Error Mean
Observation	Low Income Group	52	3.221612	.1115309	.0154666
	Higher Income Group	44	3.175325	.1085748	.0163683

Independent Samples Test

		Levene's Test for quality of Variance		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Observati	Equal variance assumed	.364	.548	2.051	94	.043	.046287	0225706	014725	911016
	Equal variance not assumed			2.055	92.136	.043	.046287	0225196	015619	910121