Employees Perception about Organizational HR Practices and Culture in IT Companies in India

[1]Annem Saranya and [2]Dr. V. Suryanarayana,
[1]PG Scholar, [2]Associate Professor,
[1,2]Department of Management, Teegala Krishna Reddy Engineering College (UGC-Autonomous), Hyderabad, Telangana, India

Abstract: Employee organisational commitment is influenced by human resource management (HRM) practises and policies in Indian textile spinning mills. The current study used a descriptive and explanatory technique, and the data were gathered by distributing a closed-ended questionnaire to 100 employees of five well-known Indian IT organisations. Additionally, secondary sources including journals, newspapers, working papers, theses, etc. were used to gather the data.

To determine the relationship between HRM practises and organisational commitment, the data was analysed for frequency (descriptive analysis) and correlation. Out of the five HRM practises, training and development, welfare activities, and compensation & benefits have been found to have the greatest impact on organisational commitment. The study's findings suggest that in order to increase organisational commitment, pay should be increased, promotions should be implemented, and managers should promote staff training programme involvement.

Keywords: HRM Practices, Indian Textile Industry, Organizational Commitment

I. INTRODUCTION

A lot of research has been done on the relationship of HR Practices and employee job satisfaction but the main focus and theme behind those research studies has been the developed countries. The purpose of this study is to observe the relationship between HR Practices i.e. HR Philosophy and Self Management, Recruitment and Selection, Performance Appraisal and Compensation, Training and Management Development, Welfare practices and Flexible work arrangements and the HR outcomes of selected IT organizations. Data has been collected from the employees of various IT companies and then regression and correlation have been applied to check the relationship between the dependent and independent variables. Recognition and training and development are a key source of employee job satisfaction in It companies but rewards do not have any significant impact upon employee job satisfaction.

The main theme of this particular research is to observe the relationship between HR Practices HR Philosophy and Self-Management, Recruitment and Selection, Performance Appraisal and Compensation, Training and Management Development, Welfare practices and Flexible work arrangements and HR outcomes. These HR Practices are also known as key drivers of employee performance. Training and development is one of the key elements of employee job satisfaction because it reduces the discrepancies in job tasks and enhances the job skills which in result motivates the employees and lead towards job satisfaction. Employees get extremely motivated through rewards and recognition and these two factors lead towards employee motivation and research shows that highly motivated employees are the most satisfied employees and also the high performers.

Need for the Study:

This study is extremely significant as it is a big insight for the IT organizations normally managers don't focus upon the relationship of rewards and job satisfaction, recognition and job satisfaction or training and development and job satisfaction. So this study will enable them to make a better strategy in terms of employee job satisfaction and to focus upon those HR practices which actually are the source of job satisfaction for employees. Every individual employee wants satisfaction at job but organization is wasting its resources by focusing on wrong HR practices for employee job satisfaction. This study could be an eye opener for many organizations and may well prove to be a very productive one.

II. REVIEW OF LITERATURE

Human resource management (HRM) includes all management decisions and practices that affect the employee of an organization (Bhatt and Reddy, 2011). There have been many definitions of human resource management used by different scholars. Daud (2006) defined HRM as a system, policy, and practices that can affect folks that work in an organization. In addition, Shahnawaz and Juyal (2006) defined Human resources management (HRM) as all decisions and practice that influence worker within organizations. De Cieri, et al. (2008, p.5) explained HRM as "the policies, practices and systems that influence employees' behavior". While Hussain and Ahmad (2012) considered HRM to be a system that attempts to realize an active balance between the personal interests of people and their economic added value. Lastly, Burma (2014) viewed HRM is a strategic and clear approach for the organization's most valued assets behind on the employees.

Objectives Of Study

1. To study the HR Policies of the company.
2. To study the HR Policies and Job roles of IT companies
3. To incorporate the amendments in the base policy and prepare a final policy.
4. To design a HR Policy manual for the company with special emphasis on the"Managerial Service Conditions".

Hypothesis:

H0: There is no impact of HR policies on performance of IT companies

H0: There is a impact of HR policies on performance of IT companies

Research Methodology

A list of IT/ITES companies operating in Hyderabad was drawn out for research. For the purpose of the study, organizations employing more than 50 employees were selected as a responding unit. The sampling population for the study was chosen on the basis of convenient random sampling technique. Respondent were the senior HR executives. The data have been collected from the respondents based interaction with them which included in-depth discussions and self-completing questionnaire.

HR Policies cover the following:

1. Policy of hiring people with due respect to factors like reservations,sex, marital status, and the like.
2. Policy on terms and conditions of employment-compensation policy and methods, hours of work, overtime, promotion, transfer, lay-off and the like.
3. Policy with regard medical assistance-sickness benefits, ESI and company medical benefits.
4. Policy regarding housing, transport, uniform and allowances.
5. Policy regarding training and development-need for, methods of, and frequency of training and development.
6. Policy regarding industrial relations, trade-union recognition, collective bargaining, grievance procedure, participative management and communication with workers.

Formulating Policies

There are five principal sources for determining the content and meaning ofpolicies:

1. Past practice in the organization.
2. Prevailing practice in rival companies.
3. Attitudes and philosophy of founders of the company as also its directorsand the top management.
4. Attitudes and philosophy of middle and lower management.
5. The knowledge and experience gained from handling countless personnelproblems on day to day basis.

Benefits of HR Policies

Organizations should have personnel policies as they ensure the following benefits:

a. The work involved in formulating policies requires that the management give deep thought to the basic needs of both the organization and the employees. The management must examine its basic convictions as well as give full consideration to the prevailing practices in other organizations.
b. Established policies ensure consistent treatment of all personnel throughout the organization. Favoritism and discrimination are, thereby, minimized.
c. Continuity of action is assured even though top management personnel change. The CEO of a company may possess a very sound personnel management philosophy. He/she may carry the policies of the organization in his/her head, and he she may apply them in an entirely fair manner. But what happens when he/she retires? The tenure of office of nay manager is finite. But the organization continues. Policies promotestability.
d. Policies serve as a standard of performance. Actual results can be compared with the policy to determine how well the members of the organization are living upto the professional intentions.
e. Sound policies help build employee motivation and loyalty. This is especially true where the policies reflect established principles of fair play and justice and where they help people grow within the organization.
f. Sound policies help resolve intrapersonal, interpersonal and intergroup conflicts.

PRINCIPLES OF HR POLICY

1. Principle of individual development to offer full and equal opportunities to every employee to realize his/her full potential.
2. Principle of scientific selection to select the right person for the right job.
3. Principle of free flow of communication to keep all channels of communication open and encourage upward, downward, horizontal, formal and informal communication.
4. Principle of participation to associate employee representatives at everylevel of decision-making.
5. Principle of fair remuneration to pay fair and equitable wages and salaries commensuration with jobs.
6. Principle of incentive to recognize and reward good performance.
7. Principle of dignity of labour to treat every job and every job holder with dignity and respect.
8. Principle of labour management co-operation to promote cordial industrial relations.
9. Principle of team spirit to promote co-operation and team spirit among employees.
10. Principle of contribution to national prosperity to provide a higherpurpose of work to all employees and to contribute to national prosperity.

Data analysis and Interpretation:

Table:1 Mean and SD values of HRM Philosophy & Self-management teams

HRM Philosophy & Self-management teams	Mean	SD
HRM department has played an important role in the success of this organization	2.68	1.221
HRM personnel in our organization are helpful and respected	3.56	0.919
HRM is proactive in this organization and anticipates changes and corporate dissatisfaction	3.55	1.06
HR managers are coaches rather than regulators	3.82	1.127
HRM is not about programs, it is about building employee-employer relationship	3.85	0.86
HRM department benchmarks with global excellent practices	3.62	0.82
Overall, the HRM policies of the organization are fair	3.65	0.752
Employees are encouraged to work in self-managed teams	2.68	1.221
Jobs are designed in a manner that facilitates working in groups/teams	3.56	0.919
Team goals are formulated by teams itself	3.55	1.06
Team members share all the information about the work	3.82	1.127
Teams solve internal cooperation problems without management interference	3.85	0.86
Jobs here give employees the chance to use personal initiative in carrying out their work	3.62	0.82

Source: Data compiled from field survey

Table 1 presents the HR practices factors of HRM Philosophy & Self-management teams, HRM department has played an important role in the success of this organization(2.68),HRM personnel in our organization are helpful and respected(3.56), HRM is proactive in this organization and anticipates changes and corporate dissatisfaction(3.55), HR managers are coaches rather than regulators(3.82), HRM is not about programs, it is about building employee-employer relationship(3.85), HRM department benchmarks with global excellent practices(3.62).

Overall, the HRM policies of the organization are fair(3.65), Employees are encouraged to work in self-managed teams(2.68), Jobs are designed in a manner that facilitates working in groups/teams(3.56), Team goals are formulated by teams itself(3.55), Team members share all the information about the work(3.82), Teams solve internal cooperation problems without management interference(3.85). All the above factors have a positive impact on contribution to improve the HR Outcomes. Therefore HRM Philosophy & Self-management team's factors null hypothesis has rejected and alternative hypothesis accepted.

Table 2 Mean and SD values of Organizational Citizenship Behavior

Organizational Citizenship Behavior	Mean	SD
I am willing to take time out of my busy schedule to help with recruiting or training new employees.	3.42	1.456
I consider the impact of my actions on others.	3.85	1.346
I "keep up" with developments in the company.	3.45	1.287
I attend events that are not required, but that help the company image.	3.61	1.156
I voluntarily help my team mates who have heavy workloads.	3.76	1.456
I try to avoid un necessary escalations which creating problems for co-workers	3.48	1.489
I do not abuse the rights of others.	3.82	1.385
I read and keep up with organization announcements, memos, and so on.	2.46	1.282
I willingly help others who have work related problems.	3.56	1.454
I always focus on what's wrong, rather than the positive side.	3.77	1.526

Source: Data compiled from field survey

Table2 Mean and SD values of Organizational Citizenship Behavior I am willing to take time out of my busy schedule to help with recruiting or training new employees(3.42), I consider the impact of my actions on others(3.85), I "keep up" with developments in the company(3.45), I voluntarily help my team mates who have heavy workloads(3.76), I try to avoid un necessary escalations which creating problems for co-workers(3.48), I do not abuse the rights of others(3.82), I read and keep up with organization announcements, memos, and so on(2.46), I willingly help others who have work related problems(3.56), I always focus on what's wrong, rather than the positive side(3.77). All the above factors have a positive impact on contribution to improve the HR Outcomes. Therefore, Organizational Citizenship Behavior factors null hypothesis has rejected and alternative hypothesis accepted.

III. DATA ANALYSIS & INTERPRETATION

1. Respondent Profiling

The profiling has been done based on Age, Gender, Qualification

Age
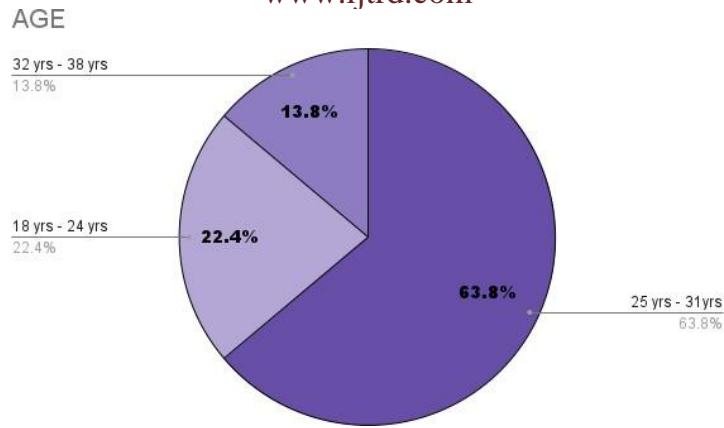
Analysis: From the above graph we can see that

- 11 responded in the age group 32 yrs – 38 yrs which constitutes 17.7%
- 14 responded in the age group 18 yrs – 24 yrs which constitutes 22.6%
- 37 responded in the age group 25 yrs – 31 yrs which constitutes 59.7%

Interpretation: Age group of 25 yrs – 31 yrs preferred to give online feedback more than other age groups.
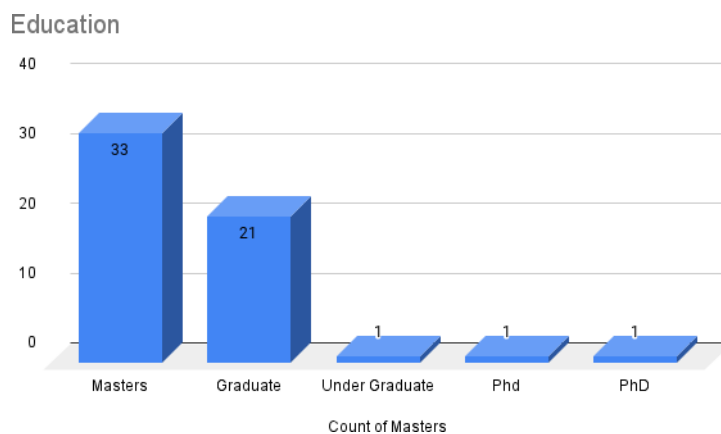
Gender
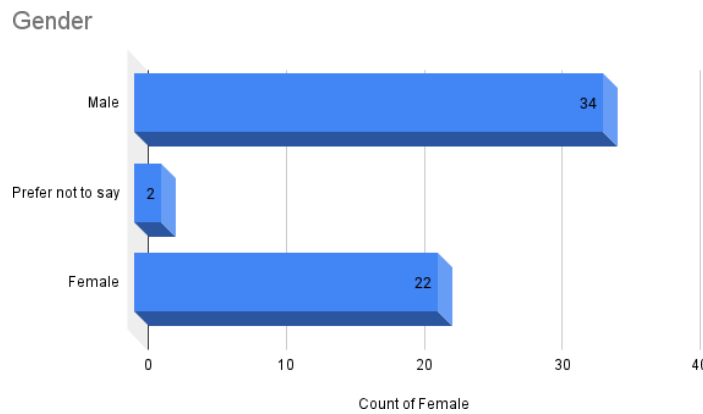
Analysis: From the above graph we can see that

- 2 responded as Prefer not to say which constitutes 3.2%
- 26 responded as Female which constitutes 41.9%
- 34 responded as Male which constitutes 54.8%

Interpretation: Male employees preferred to give online feedback more than Female employees.

Highest Qualification

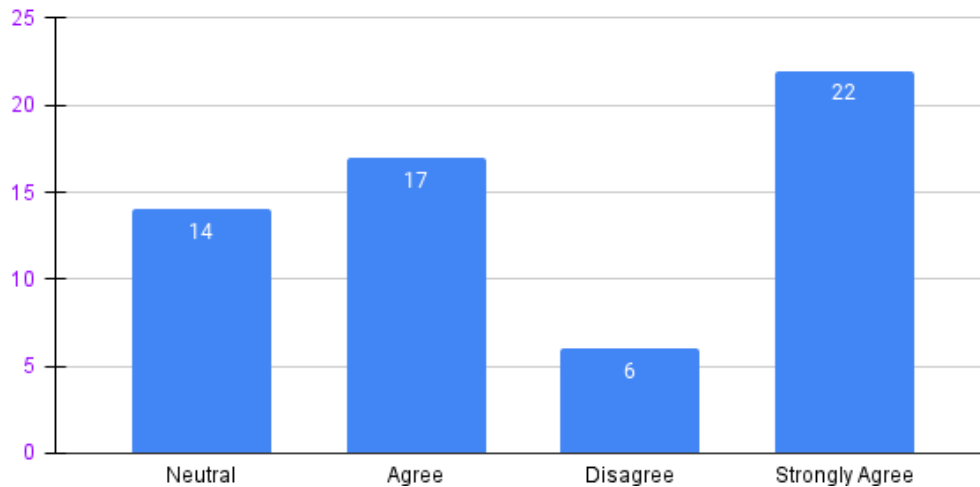**Analysis:** From the above graph we can see that

- 1 responded with Undergraduate which constitutes 1.6%
- 2 responded with Ph.D. which constitutes 3.2%
- 21 responded with Graduate which constitutes 34.4%
- 37 responded with a master's degree which constitutes 60.7%

Interpretation: More than half of the respondents had a master's as their highest qualification and the rest half were Graduates.

Effectiveness of the Employee Program

For the welfare of the employees, the Human Resource Department has been launching various programs. However, the perception of the employees towards their effectiveness is quite different.

Count of employee perception on program launched by HR in the last 6 months have achieved its objective?

Analysis: From the above graph we can see that

- 9 responded with Disagree which constitutes 14.5%
- 14 responded with Neutral which constitutes 22.6%
- 17 responded with Agree which constitutes 27.4%
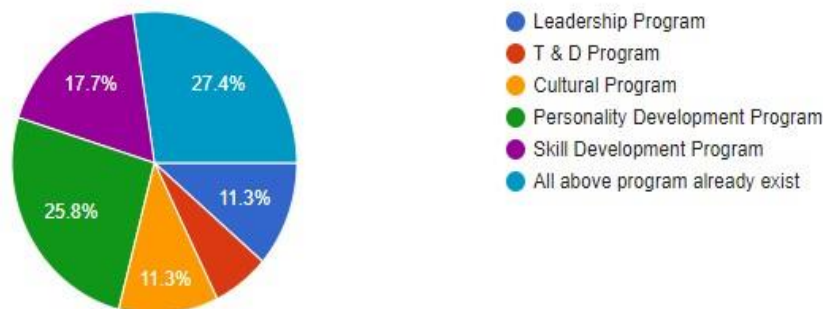- 22 responded with Strongly Agree which constitutes 35.5%

Interpretation: The majority strongly agrees that the entire employee program launched by HR in the last 6 months has achieved its objective.

Employee Program Preference

Various programs can be launched in an organization for the development of Human resources. The following figure displays the preferences of the employees towards these programs.

Which of the following employee program needs to be launched in your company?

62 responses

- Leadership Program
- T & D Program
- Cultural Program
- Personality Development Program
- Skill Development Program
- All above program already exist

Analysis: From the above graph we can see that

- 4 responded with T&D Program which constitutes 6.5%
- 7 responded with Leadership Program which constitutes 11.3%
- 7 responded with Cultural Program which constitutes 11.3%
- 11 responded with Skill Development which constitutes 17.7%
- 16 responded with Personality Development Program which constitutes 25.8%
- 17 responded with All of the above which constitutes 27.4%

Interpretation: The majority would prefer to have all the programs that were mentioned in the question but few of them would like to prefer to have personality and skill development programs.

This research is conducted to study human resource management (HRM) practices in the IT companies and explore the impact of HRM practices on the operational performance.

Correlation analysis, regression analysis and T-test were carried out to examine the relationship between the selected HRM practices and operational performance of IT companies.

The analysis of the opinion and perception collected from the respondents revealed that, there is a positive and significant relationship between effective HRM practices (especially recruitment and selection, performance appraisal, involvement and communication and employee relationship) and the operational performance of IT companies.

Respondents perceive that the factors that play an impact on the employee's performance are the HR Practices of an organization, corporate relationships, and Organizational Culture. While responding to one question asked to them the respondents on average gave an answer which shows that the wages and the salary system in the company are not satisfactory. The factors that play a key role in job satisfaction are Salary, Company Policies, strategy, and Competitor strategy. One way that the respondents think that employee motivation can be improved is through bonuses, Allowances, Incentives, and Perks. Compensations that would benefit the overall growth of the company.

All the respondents have confidence that the cultural context is dependent upon the company's internal and external environment and that providing rewards and recognition to the employees increases the productivity of the company. The reason for the poor performance in the company is the lack of knowledge, skills, training, and experience.

Remuneration System

Count of The wages and salary system in your company is satisfactory ?
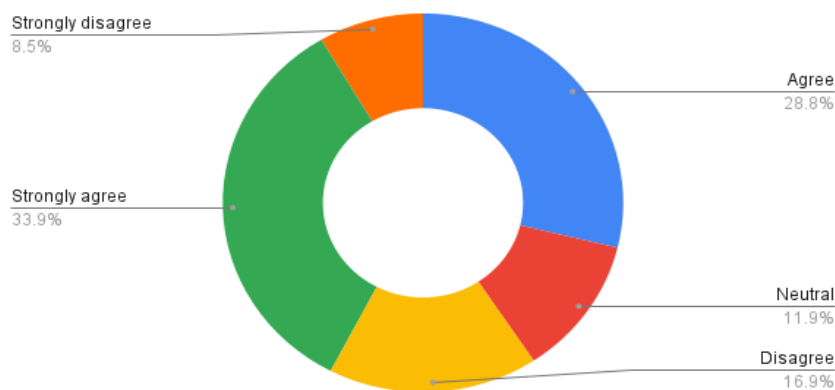
As per various motivational models, the financial incentives are considered the Hygiene factors which is a must for any organization. For the employees to continue with an organization, it turns out to be evident that they need to be satisfied with the remuneration system.

Analysis: From the above graph we can see that

- 5 responded with Strongly Disagree which constitutes 8.5%
- 7 responded with Neutral which constitutes 11.9%
- 13 responded with Disagree which constitutes 16.9%
- 17 responded with Agree which constitutes 28.8%
- 20 responded with Strongly Agree which constitutes 33.9%

Interpretation: The majority strongly agrees or agrees that their company has adequate growth opportunities.

SUGGESTION

The employer must be aware of the needs and desires of the employee in order for them to be able to completely commit to the expansion of the business once they have achieved the level of job satisfaction they require through growth or monitoring factors. Because they may assist employees in several ways, HR departments play a significant role in this sector. HR may support an employee's development by offering them a variety of training and development opportunities as well as a stimulating work environment. All the activities must be completed by HR while also displaying some empathy or sympathy.

There are numerous areas that the HR division and the company as a whole can examine and enhance. The study that was carried out with such a tiny sample size was very beneficial in helping to comprehend the employee's perception in more detail.

SUGGESTIONS & RECOMMENDATIONS

- The employee's performance appraisal is assessed using either 180- or 360-degree feedback.
- The company should put a lot of effort into its mentorship programme, which will aid employees in advancing their careers.
- Employees should take psychometric exams, according to the organisation.
- All levels of employees should be required to complete the training.
- The Departments ought to adopt a positive outlook towards one another.
- The organisation should properly acknowledge each employee's contributions and achievements. To increase employee engagement, an organisation should implement a flexible reward system.
- The organisation built a more open and secure communication system.
- Filling the gap left by the present system.
- The administration of salaries and pay has to take a more scientific approach with a focus on fair compensation for equal labour.

CONCLUSION

1. The company's policy offers opportunities for an individual's all-around development through internal and external training, reorientation, lateral mobility, and self-improvement through self-motivation.
2. The Policy prepares each individual to reach his full potential in all areas while helping him or her to achieve more ambitious organisational and personal objectives.
3. The Policy promotes teamwork as the main tool in all activities and encourages the formation of teams.
4. A fair, scientific, and impartial system of rewards, incentives, and control is implemented by the Policy.
5. To maintain a high level of employee motivation and morale, the policy promptly and appropriately acknowledges contributions that are valuable.
6. The workers concur that they know what is expected of them in terms of performance.
7. The workers are aware of how their objectives relate to those of the business.
8. The workplace motivates staff to deliver their best job each and every day.
9. The decision-making and communication processes are unsatisfactory because they allow organization-related information to leak.
10. The employees do not get the proper credit and appreciation for their contributions and successes.
11. The staff members believe they aren't being compensated adequately for the contributions they make to the business' success.

References

[1] Allen NJ, Meyer JP. Affective, continuance, and normative commitment to the organization: An examination of construct validity. Journal of Vocational Behavior. 2022 Dec; 49(3): 252–76. CrossRef. PMid:8980084

[2] Kinnie N, Hutchinson S, Purcell J, Rayton B, Swart J. Satisfaction with HR practices and commitment to the organisation: why one size does not fit all. Human Resource Management Journal. 2020 Nov; 15(4): 9–29. CrossRef. Ministry of Textiles.Textile Sector Profile.

[3] Jones TF. Location: Every Door Direct Mail finds the customers who matter most. The Costco Connection. 2013 Aug;p. 24–5.

[4] Quresh TM, Akbar A, Khan MA, Sheikh RA. Do human resource management practices have an impact on financial performance of banks?. African Journal of Business Management. 2010 July; 4(7): 1281–88.