High-Performance of HRM Practices with Special Reference To Information Technology Industry

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Abstract

This research paper highlights the context within which IT Industry has grown in India and the extent of human resource management practices and systems practiced in the IT Sector. In nowadays top leaders fully realize the power of information technology tools for reaching business targets. This research article main aim is to "To measure the high performance of human resource practices determinants onemployee performance in IT industry". The paper applies data reduction using Exploratory FactorAnalysis (EFA) on a sample of 250 respondents drawn from 7 ITcompanies (Wipro, Infosys, IBM, Accenture, Dell, Capgemini and Tech Mahindra). It is found that compensation, recruitment and selection, training &development, performance appraisal and promotion are impacting significantly the employee performance. Study concluded that compensation had the highest impact on the employee performance followed by recruitment and selection, training & development, performance appraisal and promotion.

Keywords: Information Technology, Human Resources Management, Software Industry, Performance Appraisal

Introduction

Human influence in business has been constantly rising since the Industrial Revolution, even after machine and automation has increased to a great extent. There is a shift in the role of humans in business; earlier humans were more into physical part, now it is increasing on the intellect part. Technology will always help in making things simple and easy but to remain relevant and stay competitive, effective human involvement is indispensable for today's businesses. The importance of human potential for company increases proportionally with the speed of changes which appear in the business area because human capital represents a basic qualitative parameter of fruitfulness of any changes. Following that, Human Resources Management (HRM) must aim at achieving the competitiveness of the company in the field of HR by means of providing constant educational and training programs for personal development of employees.

Human Resource Management(HRM) has arisen principally in acknowledgment of the way thatHR should be overseen decisively for the firm to partake in a maintainable upper hand over theopposition. HRM can be characterized as the strategies and practices expected to play out the schedules of HR in an association, for example, representative staffing, staff advancement, execution the board, pay the executives, and empowering worker inclusion in navigation. Hence forth, the banks are expected to actuate the job of HRM through the usage of Human Resource Management Practices (HRMP). HRM assumes a significant part in the making of betterHR (who are the fundamental resources of the association), and maintenance of such assets, andgive adaptability and the capacity to adjust to accomplish a reasonable upper hand (Khatri, 1999).
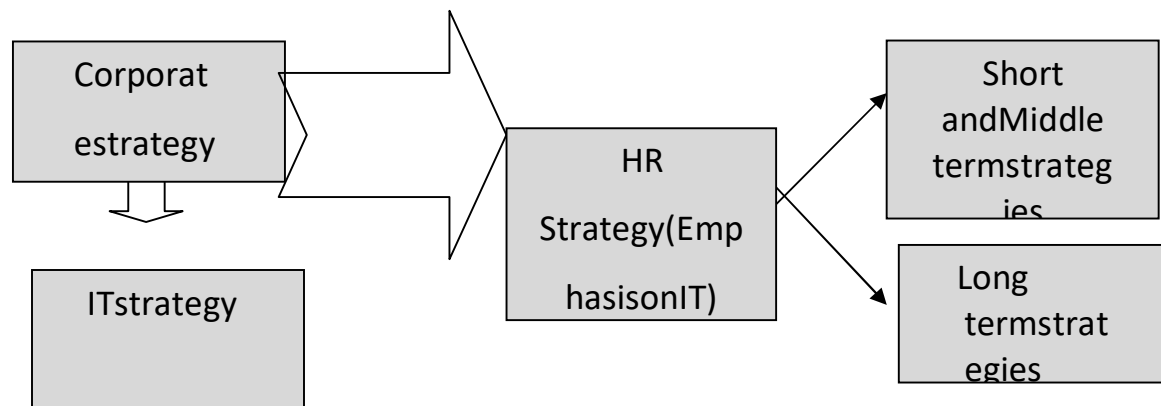
Fig1–TheFrameworkofInformationTechnologyHumanResourcesPlan
Source:SAMENI,M.K.,KHOSHALHAN,F.AnalysisofHumanResourceDevelopment for Information Technology and E-Commerce in Iran. IT Department,Faculty of Industrial Engineering, K.N.Toosi University of Technology, Tehran, Iran.2006,p.1190

The worker's exhibition is viewed as one of the elements thathave an effectandjob on theassociation's presentation, as it straightforwardly adds to the accomplishment of the associationthrough the conduct of the person notwithstanding the presence of different variables that assistancein its prosperity (Saleh et al., 2020). Representative's conduct is formed through a heap of particularyet interrelated HRM rehearses. HRMP is utilized to quantify the exhibition of the singular workinginside the association and raising the presentation of laborers by inspiring them and making rivalryamongthem(AhmadandSchroeder,2003). The aim of this paper is to measure the high performance of human resource practices determinants onemployee performance in IT industry.

Review of Literature

De Miranda Castro et al. (2020) considered the NHRM practices in organizational structure lead to good quality of working environment synchronized with the strategies of organizations. NHRM practices have elements of skills to deal with new situations. Also, organizational approach to focus on innovation, embrace change, and solving problems with new ideas.

Santangelo and Pini (2011) explain that NHRM practices create responsibility, flexibility, creativity, autonomy, and participation in production, avoiding traditional practices such as recruiting, selection training, and career paths. As well as their proposals present that information technology integrating with NHRM practices can achieve innovative performance contributing to reducing mistakes and risks. Indeed, researchers demonstrated the empirical association connecting NHRM practices and innovation performance at organizations' planning. NHRM practices give significance to individual systems and reduce bureaucratization.

Appelbaum,Bailey et al (2000) TheAbility,MotivationandOpportunity(AMO)modelis valuable to clarify the connection between availability for changeandrepresentatives'singularpresentation.AMOsystemsuggeststhattoguaranteetherepresentative's optional exertion, three components should be set up: 1. workers should have thevital abilities, 2. they need the proper inspiration, and 3. businesses should offer them the chance totake aninterest

MaPrietoandPérez-Santana, (2014) Capacitiesalludetoinformationandabilitiesthatworkershave stress the significance of the capacity aspect asserting thatwithout capacity neither inspiration nor opportunity will add a lot to execution, despite the fact thatthe two aspects are critical. Capacity improving practices plan to purchase abilities and additionallyupgradethe currentworkers'abilities

*AlHarazneh and Sila(2021)*Technology implementation in organizations has enabled the adoption and undertaking of innovations and the influence of web-based HR on the HRM system force implemented by HR professionals of behavioral, intention, and position. WB6 as developing countries should follow the path of producing innovative

pioneering changes in IT applications. The population is aimed at the telecommunications sector in WB6. The research literature suggests telecommunications sector as the main sector that invests in human assets and pursues constant innovation

Objectives
- To analyze th e human resource practices determinants inselected IT Companies
- To measure the impact of human resource practices determinants on employee performanceinselected IT Companies

Hypothesis
- There is no significant relationship between HR practices determinants andemployee performanceinselected 7 software companies

Research Methodology
For the purpose of the study, 250 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 software employees. The primary data have been collected from the respondents based on interaction with them which included in-depth discussions and self-completing questionnaire. Primary data collected from selected seven IT companies Wipro, Infosys, IBM, Accenture, Dell, Capgemini and Tech Mahindra and Secondary data collected from Companies website and other published sources.

Data Analysis and Interpretation

Table1:Reliability Statistics

Cronbach'sAlpha	NofItems
0.891	22

Thetable1,states that internal consistency of the questionnaire of 21questions with a value of the Cronbach's Alpha is 0.891, which shows that data is89.1percentreliable.

Exploratory Factor Analysis

Table2 :KMOandBartlett'sTest

Kaiser-Meyer-OlkinMeasureofSamplingAdequacy.		.912
	Approx.Chi-Square	1203.100
Bartlett'sTestofSphericity	df	210
	Sig.	.000

The table 2 denotes before proceeding for factor analysis the eligibility of the data has to be testedby conducting KMO- Bartlett's test. This test is a measure of sampling adequacy and multivariatenormality among variables. The KMO value in this study is 0.912 > 0.5 which says that the sampletaken is adequate. Bartlett's Testof Sphericity valueis 0.000 < 0.05, indicatemulti normalityamong variables. Hence Factor Analysisis considered as an appropriate techniqueforfurtheranalysis ofthedata.

EigenValues
Theinitialcomponentsarethenumbersof thevariablesusedintheFactorAnalysis.However, not all the 25 variables will be retained. In the present research, only the 8 factors will beextracted by combining the relevant variables. The Eigen values arethe variances of the factors.The total column contains the Eigen value. The firstfactor will always accountfor the mostvariance and hence have the highest Eigen values. The next factor will account for as much of theleftovervarianceasitcan andthesamewillcontinuetillthelastfactor.In thepresent research, the first 5 factors explain 61.861 per cent of the variance. The rotation sums of thesquared loading represent the distribution of the variance

after the varimax rotation with KaiserNormalization.The varimax rotationtries to maximize the variance of each of the factor.

Table.3:Total Variance Explained

Component	InitialEigenvalues			ExtractionSums ofSquared Loadings			RotationSumsof Squared Loadings		
	Total	%of Variance	Cumulative %	Total	%of Variance	Cumulative %	Total	%of Variance	Cumulative %
1	7.414	33.698	33.698	7.414	33.698	33.698	4.032	18.327	18.327
2	2.393	10.876	44.574	2.393	10.876	44.574	3.250	14.772	33.100
3	1.486	6.755	51.329	1.486	6.755	51.329	2.510	11.409	44.509
4	1.187	5.397	56.725	1.187	5.397	56.725	2.050	9.319	53.828
5	1.130	5.136	61.861	1.130	5.136	61.861	1.767	8.033	61.861
6	.893	4.059	65.920						
7	.852	3.871	69.791						
8	.780	3.545	73.336						
9	.703	3.195	76.531						
10	.603	2.741	79.272						
11	.513	2.331	81.603						
12	.489	2.224	83.827						
13	.474	2.153	85.980						
14	.454	2.063	88.043						
15	.429	1.949	89.992						
16	.405	1.839	91.831						
17	.369	1.679	93.510						
18	.359	1.631	95.141						
19	.324	1.471	96.613						
20	.293	1.332	97.945						
21	.253	1.152	99.096						
22	.199	.904	100.000						
ExtractionMethod:PrincipalComponentAnalysis.									

On the basis of Varimax Rotation with Kaiser Normalization, 5 factors have been extracted. Eachfactor is constituted of all those variables that have factor loadings greater than 0.5. 22 variables were clubbed into 5 factors. 5factors were extracted from the 22variables used in the study. These 5extracted factors explained 61.861 percent of the variabilityinhumanresourcepracticesdeterminantsinthetable3.

RotatedComponentMatrix

Table 4 represents Rotated Component Matrix represents the rotated factor loadings, which are thecorrelations between the variables and the factors. The factor column represents the rotated factorsthat have been extracted out of the total factor. These are the core factors, which have been used asthe finalfactorafterdatareduction.

Table4: Rotated Component Matrix[a]

Statements	Component				
	1	2	3	4	5
Presenceofequitableexternalsalary	.913				
Presenceofclearlywrittenand operationaltraining policy	.812				
Presenceofequitableinternalsalary	.911				

Myperformanceisbetterthanthatofmycolleagueswith similarqualifications	.799				
Presenceofcontinuoustrainingneedsassessment	.781				
Myperformanceisbetterthanthatofemployeeswith similarqualificationsinotherorganizations	.811				
Theperformanceofmyorganizationisbetterthanthatof otherorganizations	.711				
Presenceofwrittenandoperationalrecruitment and selectionpolicy		.810			
Presenceofclearjobdescriptionandspecification		.819			
Highroleofmeritinrecruitmentandselectionexercise		.911			
Presenceofattractive salary scales that can attract qualifiedapplicants		.614			
Presenceofattractivecompensationsystem		.819			
WhileshoppingItrytofindjusttheitemsthatIam looking for			.915		
Presence of written & operational trainee-selection procedure			.855		
Presenceofwrittenand operationalEPE			.912		
Igotoshoppingmalltobuy thingsformyfamily,friends andspecialones			.819		
Agoodstorevisitiswhenitisoververyquickly					
EPEresultshasalottodowithpersonneldecisions				.917	
EPEresultshasalottodowithsalary				.912	
Presence ofwrittenandoperationalpromotionpolicy				.713	
Provisionofpriorityto meritinpromotiondecision					.818
Provisionofprioritytoseniorityinpromotiondecision					.796
ExtractionMethod:PrincipalComponentAnalysis. RotationMethod:VarimaxwithKaiserNormalization.					
a.Rotationconvergedin22 iterations.					

Theabovematrixgivesthecorrelationofthevariableswitheachoftheextractedfactors.Usually,eachofthevariablesishighlyl oadedinonefactorandlessloadedtowardstheother factors. To identify the variables, included in each factor, the variable with the maximum value ineach row is selected to be part of the respective factor. The values have been high lightened in eachoftherowstogroupthe22 variablesinto5 corefactorsexcludinglowloading variables.

MultipleLinearRegressions

In order to access the impact of independent variables (Human Resource Practices determinants) onemployee performance as a dependent variable, enter a method of multiple linear regressions wasapplied.

Table5:ModelSummary[b]

Model	R	RSquare	AdjustedR Square	Std.Errorof theEstimate	Durbin-Watson
1	.881[a]	.619	.510	.709	1.912

Table 5 depicts R^2 represents the coefficient of determination which lies between 0 and 1. Sincethe R square value is 0.619 i.e. 61.9 per cent of the explained variation is there in theemployee performanceinselected IT c. Durbin-Watson statistic test value is 1.912.Itisclosertothestandard value2.So,thattheassumptionhasalmostcertainlybeen met.

ANOVA

Table6: ANOVA^a

Model		Sumof Squares	df	MeanSquare	F	Sig.
1	Regression	188.269	5	33.104	45.901	.000^b
	Residual	122.916	215	0.147		
	Total	311.185	330			

TheANOVA(Table6)revealsthattheFstatisticsoftheregressionmodelisstaticallysignificantat 0.05 levelsimplyingthegoodnessoffitoftheregressionequation.(Modelisstatisticallysignificant). Thereisasignificantrelationshipbetween HR practices determinants andemployee performanceinselected software companies. Then Null hypothesis rejected.

Conclusion

As far as Human Resource Planning is concerned, hardly any sample being collected is a CMM level company, which is considered as quality benchmark as far as IT industry is considered. Majority of the companies agrees that it is used majorly for forecasting human resources, to promote employees in a systematic way, for implementing skill matrix of the resources, to utilize existing manpower productively, and to take optimum utilization of human resources. Study concluded that compensation had the highest impact on the employee performance followed by recruitment and selection, training & development, performance appraisal and promotion.

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