

# Best Practices of High Impact HR Organisation That Amplifies Success in Indian Information Technology Sector

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## **Abstract:**

“Change” and “Crisis” two words most hated by the human as well as the industries. However Crisis leads to change and change leads to innovation. Indian IT industries have under gone several crises which resulted in innovation in the HR practices to survive from economic, political and legal crisis. An attempt has been made in this paper to highlight some of the important HR practices which intensify the employees performance at workplace. The growth of the IT industries started after the IT revolution in USA, which attracted many IT professional to work in USA. Later some reputed companies in India could see the future of IT industries in India and established their own setup to outsource as well as to provide software services. The job of these industries switched from Outsourcing to software development in a rapid manner and for which they developed HR practices and policies. However these companies suffered from an economic crisis later on and to survive from this they developed some innovative HR practices and for which they could grow in the fastest way in comparison with other countries. This paper finally concludes that these innovative HR practices led to their success and brought name and fame to India which made India the Information technology super power.

**Keywords:** HR practices, information technology, innovation

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## **I. INTRODUCTION**

The modern age can be termed as ‘The Age of Information’ due to the dramatic growth of the Global IT industries during the past decades and In the meanwhile India sets its position in the global IT industries starting from the year 1991, when It declared itself open to the Liberalization. Liberalization resulted in the rapid growth and transformation of different industries and Business sectors in India including the IT sectors, which attracted the Global Media and termed itself as the Information Technology Superpower. The term information technology has a wide meaning, contributing its services through the application of digital electronic devices like computer systems in almost all fields to study, store, manipulate, alter,

and transmit data and information and by producing the necessary results by processing them. The IT industries are those who work over the information technology, who are responsible to develop, manufacture the IT products as per the needs of the customers and build the infrastructures dedicatedly for this field of work.

## **II. Innovative HR Practices Followed by Indian IT Companies**

When we talk about IT industries, we talk about people, their talent pool, work ability and Human, Conceptual and Technical skills. If we take in account of the total cost of service, we will find the cost for people is relatively higher than the capital costs in IT industries, basically due to the value of

skills possessed by the people, the continues development of HR practices and policies and the high turnover rate of employees in these industries. The question of survival always arises in this hypercompetitive environment where in a fraction of second the technology upgrades and provides a new, innovative and cost efficient ways of solutions to the business problems. “The twentieth century was the age of machine; the twenty-first century will be the age of people”. Human Resource is one of the major factors for the growth of Indian IT Industries. The skills of Indian technocrats and the minimized cost for the skills attracted many international IT industries to set up the IT factories inside India or to outsource the talents. With the development of different IT industries and due to the external force of competition, the industry has to change its structure, size, policies, procedures, technologies and continuously upgrade its employee’s skills, which resulted in the innovation of new and unique HR practices and Policies in Indian IT industries.

Some of the innovative HR practices followed by some reputed IT industries are:

- I. Employee branding.
- II. Cost optimization by people investment.
- III. Implementation of Green Management
- IV. Harnessing the power of Generation- Y
- V. Use of advance technology and social media.

### **III. Employee Branding**

Employees are the brain of IT industries. No doubt, An IT industry wants to recruit, select and retain the best talents out of the world. However it is true that a talented, skilled person chooses his own workspace and his own employer. Hence every IT companies want to become “Employer of Choice”, which leads to the development of “Employee Branding” practice in these industries where these organizations creates a culture ,an image in the society that they can attract the best talents by showing themselves employment friendly.

### **IV. Cost optimization by people investment**

This HR practice encourages the industry to use the human resource in the most effective way that it can maximize the productivity. It is not an ideal decision to cut cost, especially the training cost and the cost for welfare. Industries have to develop a cost-effective approach which will optimize the cost with increase in employee satisfaction. Hence most of the IT industries in India have developed a practice to encourage their employees to take sabbaticals for skills upgrading and educational studies Instead of workforce reduction or layoffs.

### **V. Implementation of Green Management**

Green Management is a process of applying innovation to achieve sustainability, waste reduction, social responsibility, and a competitive advantage via continuous learning and development and by embracing environmental goals and strategies that are fully integrated with the goals and strategies of the organization. Indian IT industries follow the golden rules of the Green management and accordingly design the programs and policies to survive and achieve the organizational objective in a productive way.

### **VI. Harnessing the power of Generation- Y**

Generation- Y is a process of applying modern digital and electronic technologies as an HR practice. It is an innovative and creative way to digitalize the work of the employees which in return increase their efficiency and productivity. Generation- Y has high level of intelligence and used artificial intelligence to atomise the work in IT sectors. Some software products are self-designed by some other software products i.e with the use of artificial intelligence a computer system itself design an application software according to the need, which makes the work of the industry easy. It is difficult to retain the skilled employees, but it is not difficult to retain their skills through artificial intelligence. Hence the application of Generation-Y as an HR practice provided the organization a chance to

survive from economical slow down and for which we can see tremendous growth of IT industries in India.

## VII. Use of Advance Technology and Social Media

The implementation of advance technology helped the IT industries to speed up their work, provided a way of cost- optimization and most importantly a path to connect each and every Individual in this world especially through social media. Social media was used by these industries not only to build their image but also to attract and connect with the best talents in the world. Now different IT companies are integrating with each other virtually and sharing their work loads. HR departments in various IT industries are using LinkedIn, Twitter, Facebook, Blogs to communicate with young talents and

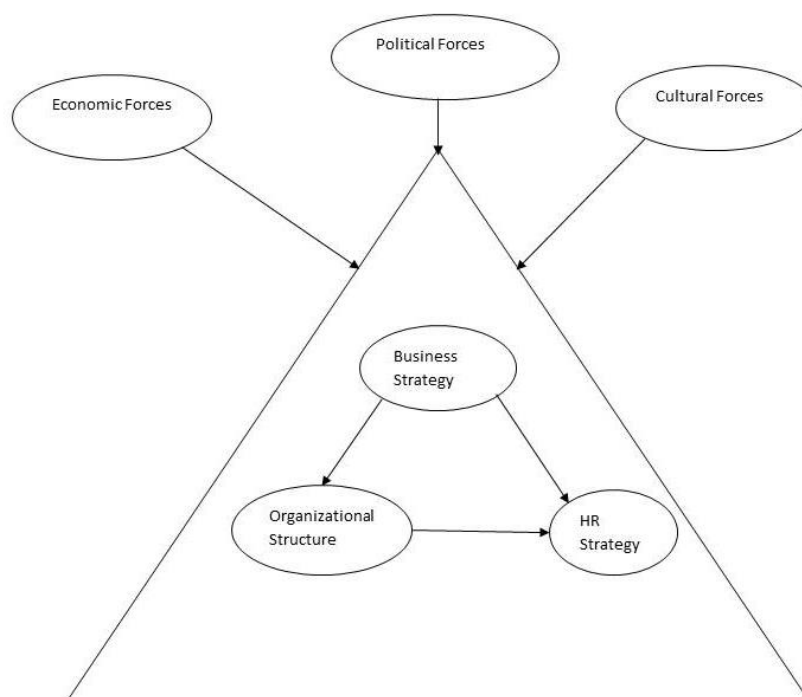
exports. Hence this becomes a general practice in almost all IT companies.

## VIII. Theories and Models Used for The HR Practices in India

Every HR practice is based on certain theories and model. Likewise different IT industries in India follow different theories and models for their HR practices. However it is observed that 5 main HRM models are used in almost all IT industries in India:

- 1) **The Matching model**
- 2) **The Harvard model**
- 3) **The contextual model**
- 4) **The 5-P model**
- 5) **The European model**

### 1) The Matching model



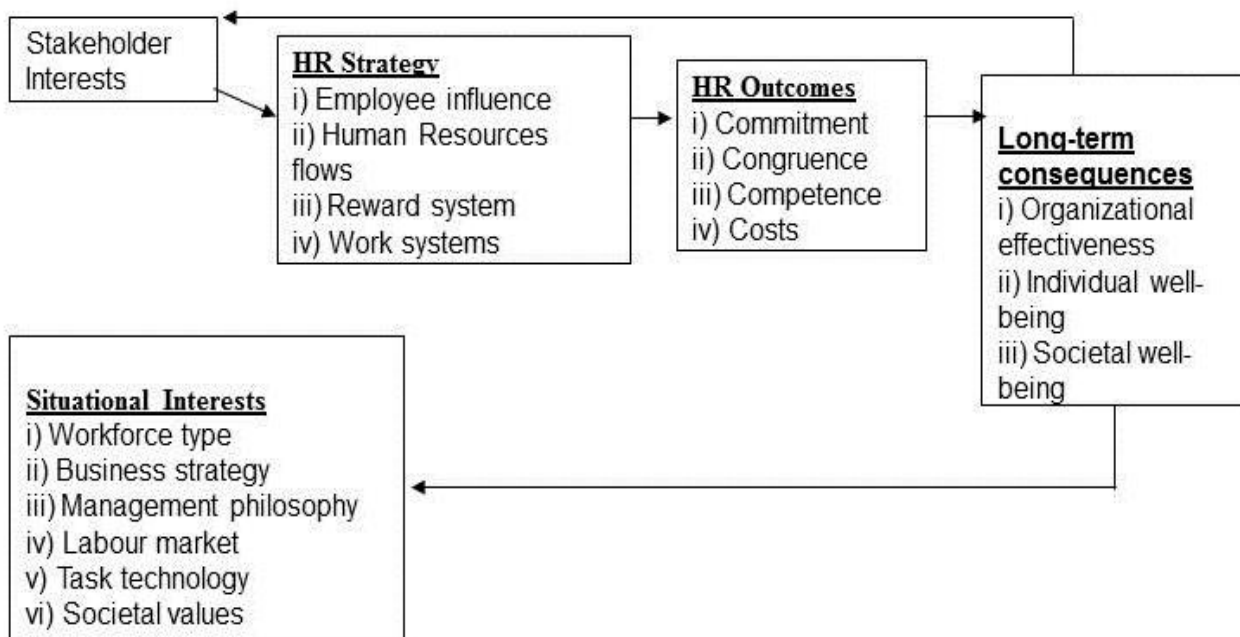
**THE MATCHING MODEL**

This model was proposed by Fombrun Tichy and Devanna in the year 1984 which highlights on the effective utilization of resources in an industry. According to the model **“To gain high profits labour must be obtained cheaply, used sparingly,**

**developed and exploited fully”**. This model is based on “Product Market logic”. It also states that when organization changes strategies, the HR practice is changed. By following this model, The Indian IT industries made the strategies to obtain

talents cheaply and made policies and procedures to utilize the talents that they can extract the maximum productivity.

## 2) The Harvard model



## THE HARVARD MODEL

The above Harvard Model was postulated by Beer et al in the year 1984 at Harvard University. He considered multiple stake holders in an industry and defined the relationship between them. It also defined the relationship between employee and employer. The content of this model describes in four policy areas- human resource flows, reward systems, employee influence and works systems. The Indian IT industries follow this model to establish a good employee- employer relationship and to analyse the outcome of organizational and social activities conducted by the industry.

## 3) The Contextual Model

The contextual model was developed by a group of researchers at Warwick Business School in UK. This model not only focuses on the internal environment of the industry but also consider the wide angle of the external environment such as economic, legal, political, societal, competition etc. This model is used by the Indian IT industries to develop the policies and procedures for the human resource

considering both internal and external environment and the expected change in it.

## 4) The 5-P model

The model is based on the strategic human resource management (SHRM) in which 5-P represents Philosophies, Policies, Programmes, Practices and Processes. This model also states the influence and effect of internal and external characteristics on the SHRM. The IT industry in India follow this model to design the policies, programs, practice and process and accordingly provide the philosophies to develop the human resource and integrate the success to the success of the organization.

## 5) The European model

This model also describes the influence of both external and internal environment in the HR practices of an industry. It describes 6 factors which influence the HR practices such as- environment, objectives, focus, relationship with employees, relationship with line managers and role of the HR



specialist. This model was designed to work in the restricted autonomic environment of Europe. The Indian IT industries use this model to forecast the outcome by considering the factors which influence the HR practices and according modify the HR practices when needed

## IX. CONCLUSION

The growth of the IT industries started after the IT revolution in USA, which attracted many IT professional to work in USA. Hence the primary job of the IT industries in India was to outsource IT professionals to outside. Later some reputed companies in India could see the future of IT industries in India and established their own setup to outsource as well as to provide software services. The job of these industries switched from Outsourcing to software development in a rapid manner and for which they developed HR practices and policies. However these companies suffered from an economic crisis later on and to survive from this they developed some innovative HR practices and for which they could growth in the fastest way in compassion with other countries. The innovative HR practices lead to the achievement of these industries and these industries brought the name and fame to India and India became the Information technology super power. We can conclude Human Resource is the most valuable resource in an industry. The industrial growth depends upon how an industry utilizes its human resource by developing HR practices and policies and how productive its human resource is.

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