HRM PRACTICES OF INDIAN SOFTWARE ORGANIZATION

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ABSTRACT

This research work explores the Indian software services industry by focusing on one of its critical challenges in human resource management practices. Indian software services organisations, some key issues namely, voluntary attrition, reluctance to make a transition from technical to management positions, lack of managerial skills, difficulties with teamwork, work preferences and maintaining work-family balance. Finally, organisational strategies to effectively manage and motivate software professionals, such as moving up the value chain, creating learning opportunities, bifurcated career path, facilitating wealth generation and conducive work environment are important for retaining the employees.

Keywords: Human Resource Management (HRM) and Software Organizations

INTRODUCTION

HRM is management function that helps managers to recruit, select, train and develop members for an organization. Obviously HRM is concerned with the people’s dimensions in organizations. HRM refers to set of programs, functions, and activities designed and carried out. HRM is concerned with the people dimensions in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true, regardless of the type of the organization – government, business, education, health, recreational, or social action.

The Indian IT sector is one of the fastest and consistent growing sectors in the Indian economy. With the revenue for the 2006-07 being US $ 47.8 billion, India has emerged as the IT hub of the world. The sector is expected to contribute around 5.4% to the GDP of India. Indian IT sector has established itself as the most preferred destination for outsourcing the various IT services by organisations across the world; and has given many world leaders in the industry like TCS (Tata Consultancy Services), Infosys, Wipro etc. The sector can be classified into 4 broad categories:

- IT Services
- Engineering Services
- ITES-BPO Services
- E Business

India is exporting various software and other IT services to more than 110 countries around the world. India offers the advantages of offering the low-cost competitiveness, highly skilled and English-
speaking professionals, quality IT infrastructure, proximity to other continents, high security and quality standards and the increasing investment of MNC’s in India. With the maturing global market and the emergence of the new locations, India is expected to retain its leadership position as the provider of outsourced services.

**LITERATURE REVIEW**

HR practices are regarded as elective measures that entail employer investment in and commitment to and trust in employees or the reverse a lack of concern and the thoughtful and considerate people management within an organization potentially signifies interest for support and concern for welfare of the employees (Edwards, 2009).

The resource-based view which considers human and organizational resources, more than physical, technical or financial as a source of a firm's continual competitive advantage they being predominantly difficult to emulate (Barney, 1991; Wright and McMahon, 1992; Lado and Wilson, 1994) has given way to a knowledge-based theory (Grant, 1996; Nonaka and Takeuchi, 1995) with firms being viewed as knowledge-creating entities with capabilities to create, transfer and utilize knowledge as the most important source of a sustainable competitive edge (Kogut and Zander, 1996). These capabilities naturally vest in people. HRM should therefore ideally focus on human capital skills, experience and knowledge to give a firm economic and competitive boost (Snell and Dean, 1992).

**EMPLOYMENT IN THE IT SECTOR**

IT sector is one of the strongest sectors of the Indian economy. The total employment in the IT sector in 2006-07 was 1.6 million people. The sector provides lucrative career opportunities to the lakhs of engineering and computer science professionals. Where India has become the IT hub of the world with most of the international and renowned Indian players, it also produces the second largest force of engineering students every year (more than 500,000).

**Compensation and Attrition**

IT sector pays the best and highest packages in the Indian industry. The sector provides direct employment to engineers, computer science professionals and graduates, apart from the other management support functions; and creates indirect employment opportunities for various other services.

Inspite of the large pool of the engineering graduates every year, only around 25 percent of them have been found capable of being hired by the IT corporates. To overcome the widening gap between the demand and supply of the technical workforce, many companies like IBM, Cognizant, TCS etc. have tied up with several engineering institutes across the country to provide practical training, required course structure and internship opportunities to the students. Contrary to its consistent growth, the sector is facing the jitters of high attrition rates. The attrition rates in the sector are constantly high at around 30 percent from the past couple of years. And the sector is seeking professionals with IT acumen.
HR PRACTICE IN SOFTWARE ORGANISATION

Right from its humble beginning in 1975, Microsoft had been an innovator in computer software and related services. Its product portfolio included the Windows series of operating system software for clients and servers, the office productivity suite - MS Office, business applications software, games, and software for mobile phones and handheld devices.

Microsoft India's HR Approach

Managing human resources in the IT sector has been a challenge for most companies that have set up operations in India. These companies aimed to take advantage of the relatively low cost of technically competent labor in India as compared to the US and developed countries in Europe. There was a huge demand for skilled personnel in this sector, but companies confronted by a lack of sufficient numbers of skilled personnel to meet the demand.

Human Resource Management Practices

Recruitment and Selection
Microsoft India recruited both fresh graduates from academic campuses and experienced professionals in the IT industry. For campus recruitments, the selection process included written tests and several rounds of personal interviews.

Training and Development
For trainees, Microsoft India conducted a training program named Leap Engineer Acceleration Program (LEAP) which imparted technical and personal skills required to carry out the job.

Career Management
Microsoft India provided both vertical and lateral growth prospects for its employees in all the six business units present in India.

Flexible Work Timings
Microsoft India followed a flexible work timings policy for its employees. A flexi-time policy enabled the employees to work according to their convenience liberating them from rigid work timings.

Employee Retention at Microsoft Global Technical Support Center (MSGTSC)
For employee retention, Microsoft India initiated various programs particularly in MSGTSC, Bangalore, where work was carried out around the clock (24 X 7) in order to provide technical support services to its customers in different nations and time zones...

Compensation and Benefits
Microsoft India provided offered compensation packages on par or higher than the industry standards based on the technical skills and experience of the candidates. Employee benefits were standardized across employees.

Performance Management
Microsoft India followed a candid process while evaluating the performance of employees and regarding their compensation packages. The process was transparent so as to enable employees to identify their performance levels and have a clear idea of what was required in terms of performance in order to reach to the next level.

Women's Empowerment
Microsoft India conducted special recruitment drives exclusively for women in line with the overall IT industry's aim of raising the female-male ratio in the workforce.

Work-Life Balance
In 2007, Microsoft India launched a program called 'Bring Your Child to Work' in a move to improve work-life balance among its employees.

CONCLUSIONS
In the present competitive world, the companies are facing lot of skill shortage, talent crunch and attrition those reached historically height ever, that made the companies feel the internal customer also more important equally with external customers, so every company try to devise innovative HR practices to attract best talent , giving them nice environment to work with, that enables the company to retain talents, the above said practices are conceived and implemented and found successful by the leading companies in India. It is found that convergence of practices of different companies in different HR areas, if any company wants to apply those practices that will benefit for the company to become more competitive in the global market.

REFERENCES