INNOVATIVE HR PRACTICES IN SOFTWARE ORGANIZATION

Dr. S. Balasubramanian Mr. V. Antony Joe Raja
Management Consultant& Research Scholar
Research Supervisor School of Management Studies
Anna University Coimbatore Anna University Coimbatore
Coimbatore Coimbatore

INTRODUCTION

India now becomes a major player in the global stage. Everyone wants to do business with us, this change has given lot of opportunities to our country to grow further but it posed lot of challenges in front of us like Indian software companies gained confidence to acquire foreign giant companies and try to establish themselves very competitive than the foreign companies at the same time we have to give emphasis on the various challenges before us like the gap between people in the corporate world and those in the rural areas is becoming serious concern and the wage differentials between blue collared workers and senior managers, the candidates having good education and communication skills getting more chance in the job market than other people lesser than them, attrition levels are all time high in India for example business process outsourcing facing problems with talent retention.

1. CRITICAL DIMENSIONS OF BEST PRACTICES

Attract and Access: Attracting and retaining talent is becoming a big problem for every organization, they are following every trick and strategy to recruit and retain the employees.

Develop and Grow: Nowadays organizations try to recognize the aspirations of employees and focus on their growth and development. India provides job rotation opportunities to high – performing employees from operations division. This gives them broader understanding of the business.

Engage and Align: Employee engagement has retained the focus of organizational leadership and many companies keep launching new practices to woo employees. They are using innovative practices like “Loyalty Interview”- to find out what is it that makes its employees stay on, the feedback from loyal employees often reflects on the leadership style and is seen to work as a great motivation.

Transition: Movement of talent within the organization and outside of the organization sends strong signals to the employees about the organization’s care and concern. Right from the induction, which is often the first impression the employees carries, to the exit interview, the sensitivity displayed by the organization has a lasting impact on all employees.

2. HR PRACTICE IN INFOSYS

As part of its inclusive HR policy, Infosys will throw open a satellite centre in the heart of the city to enable employees (particularly new and to-be mothers) to cut down on travel time to work. The centre, which can accommodate up to 50 women at a time. The company has also initiated a pilot project for
employees giving them an opportunity to opt for a one-year sabbatical at any point in their careers. This could be used for childcare, eldercare, higher studies or for health reasons. Announcing this at the Nasscom IT Women's Leadership Summit in Bangalore today, Mr Narayana Murthy, Chief Mentor, said that inclusive policies such as these should be based on justifiable parameters rather than emotional parameters.

"For such policies to work, the organisation should benefit as much as the employees." Commenting on the state of gender empowerment in the country, Mr Narayana Murthy said that though the male-female ratio in the Indian IT industry seems to be encouraging (65:35), recently published global gender gap survey by the World Economic Forum is disappointing: India ranks 98th among 115 countries surveyed, lower Sri Lanka, Kenya and Algeria.

"We need to understand that women form half of the human resources of this nation, but we have tapped just a fraction of their capacity." Listing some of the challenges faced by women across the globe, Ms Rosalyn Taylor O'Neale, CEO of Barnes & O'Neale, and diversity expert, said that female employees tend to fall into gender stereotypes that undermine their capabilities, do not have the benefit of networking as their male colleagues and most often, suffer from lack of support for a good work-life balance.

"Indian companies have the advantage of working with global companies and, therefore, learning some of their best practices in the area." Nasscom today announced that it was working on and would soon institute awards to recognise organisations with excellent "gender empowerment practices." Mr Kiran Karnik, President of Nasscom, said that the IT industry in the country has seen some examples of extraordinary practices that enable gender empowerment. "We are hopeful that this award will serve to showcase the IT sector's focus on this area, in addition to encouraging companies to do more to attract more female employees."

3. HR CHALLENGES IN INDIAN SOFTWARE INDUSTRY

MANAGING ASPIRATIONS

Software professionals are professionally qualified and young knowledge workers with very high levels of ambition and aspiration. This is clearly indicated in the results; two such variables viz. career satisfaction and met expectations found strong support as predictors of employee turnover. Managing these aspirations, therefore, is an important dimension of attrition-control measure. Managing careers is not a challenge for HR professionals alone but a challenge for others concerned as well - line managers and top management. As 'role models', project managers, project leaders, group leaders or practice heads are people whom software professionals have the highest degree of interaction with as a member of the project team. These 'role models' would have insights to individual differences among their team-mates that no survey or assessment exercises can identify. Their role in managing and/or directing the careers of these people is, therefore, very important. As 'knower' of the strengths and weaknesses of their team members, they can give feedback on their (team members) training and development needs for skills or personality development. As assessors of the software professionals' performance appraisal, these leaders can convincingly tell them reasons behind the differences in their performance ratings, and have an open discussion on the same. As members of the higher management group, they can bring their team members' common concerns to the top management’s attention help the management modify the respective policies as required. On the other hand, they are in the position to convey the vision, mission, and objectives of the company and their underlying rationale so as to increase the level of synergy between the team members' organizational and personal goals.
HR managers are the facilitators of various HR policies that meet the organizational strategy. As recruitment specialists, they can contribute significantly to the career management of software professionals. They can induct 'right' people in the company - whose career aspirations are in tune with the companies’ work and reward systems. They can identify people whose need for utilization of knowledge, skills, and abilities' are in tune with the kind of job-assignments they are being recruited for. More over, they can identify the income, advancement and growth needs of prospective candidates and attempt to select those with high fit with the compensation and reward system of the company. In a pressure to recruit a large number of people (that the company requires), they need not make 'false promises' or paint a 'rosy picture’ that may later result in employees’ dissatisfaction.

As performance managers, they can improve on a performance measurement system, as objectively as possible, upon discussion with the line managers. They need to clearly define the role for each position in the organisation, and communicate the positions to the new entrants respectively. They may formulate a reward system that is in tune with industry standards, and company's retention and performance strategy, and take local and overseas opportunities as factors of consideration. As facilitators of training and development activities, they may identify their teams’ individual training needs which may involve technological, behavioral or cross-cultural contents. As career counselors, they may develop different career paths - technical or managerial, and attempt to satisfy the needs of the software professionals.

Top management, in defining the organization's vision, mission and strategy may clearly convey to the line and HR managers its definition and expectation of those concerned. Its occasional support for all new and relevant HR initiatives may leads to better responsiveness to environmental conditions, thereby paving the way for increased levels of motivation, satisfaction and employee retention.

Managing Expectations is a great challenge for managers of software companies. The expectations arise not only after joining the company but also during a job interview. Unmet expectations in a previous organisation could result in a job change. These expectations are especially high in the case of software professionals because they are in a sellers’ market, while organizations are in a buyers'. Again, like career management line managers, HR managers and members of the top management team need to play an important role in managing this aspect. E.g. the project manager may make all attempts to know of the software professional’s expectations from the organisation in general, and from project manager himself in particular. This is due to the fact that people come with preconceived notions based on their experiences with organizations they have worked in previously or otherwise.

Similarly, HR managers can manage expectations right from the recruitment stage itself. Problems often result from mismatched expectations created at this early point in an individual's relationship with the company. Recruitment managers may, therefore, play the role of a good film director - explaining to the actors what the film is all about, and what is expected of them. Clear communication with regards to technological and on-site opportunities, company's position on the value chain, company's future plans, ESOPs etc., as identified by the study, will help manage expectations to a large extent.

The top management can help balance the needs of individuals with those of organizations. Clearly defined vision, mission, and organizational objectives can help line and HR managers articulate the firm's needs and expectations further.
MANAGING FIT

The results reveal that person-culture (P-C) fit and person-job (P-J) fit are the two important variables that are closely related to employee turnover, the former being the fit between personal beliefs and values of an individual whereas the later being the fit between the job challenges and achievement orientation of a person. Lack of these fits results in lower job satisfaction and consequently in employee turnover. Both these variables are highly relevant to software industry – a people and skill intensive industry. Attaining high levels of fit starts right from the recruitment stage and HR managers need to devise the selection process accordingly.

Impact of tight labour market: Labour market assumes immense importance in the context of software industry on account of acute global shortage of skilled professionals and Indian professionals being in demand in India as well as in many other countries. The study finds that on account of availability of large number of jobs in the market, the extrinsic satisfaction perceived by these professionals is less likely to lead in high turnover.

MANAGING SIZE AND THE START-UP CHALLENGE

The study incorporates 14 software organizations as sample organizations with high variance in size and maturity. Size here is a function of number of employees working in the company, whereas maturity relates to the number of years the company is operating in the field of software development. Size is inseparable from growth in software industry, particularly in services the segment. With new organizational requirements (new customer segments, new technologies, new clients), it becomes necessary to add new members to the organisation. The study reveals that larger size and high maturity companies are more susceptible to employee turnover on account of low levels of satisfaction. Issues that managers of large software companies should address are:

- More focused businesses
- Developing leaders at all levels
- Managing change
- Establishing open communication

Managers of matured software companies, too, need to respond to a great deal of challenges from the start-up firms on account of aggressive approach to recruitment, new technologies, high compensation, and foreign affiliation of start-up firms. Apart from the major findings and implications as described above, the following are challenges that managers in software companies need to address:

Retention Plan for High ‘Stayers’

- The Challenge of Foreign Visits
- The Challenge of Pay-Job Inequity among Application and Services Companies
- Coping with the Challenge of P-J Fit and Lack of Internal Opportunities among Systems Companies
- Threat of High External and Low Internal Job Opportunities among Product Companies
- Bridging the Perception-Gap between HR and Software Professionals on Turnover Reasons
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4. HR POLICIES OF TOP SOFTWARE COMPANIES IN INDIA

If a company spends a large part of its time in motivating the employees and its problems, then the Software Company would not run a long way. Now-a-days, Top Software Companies in India have adopted a new way policy that of Employee Manual Builder. It saves the company in almost thousand dollars spent on employee recruitment as well and many other internal problems arrived in a Software Outsourcing Company.

There are ample of texts and guidance available in the online sites of Google pages, and many of the Yahoo and MSN sites. There are many comments given by the various authors, who are usually running the Top Software Outsourcing Companies of India, sharing their views and experience regarding the HR policies and carried on personnel management work. They talk about many experiences felt and experienced when in conversed with project leaders, the IT managers and the employee relationship. Such suggestions and issues help the Software Outsourcing Company to develop a reader-friendly manual which spends less time in handling personnel issues and more time in running the company or any department.

Effective Communication in Top Software Companies in India

Effective Communication is regarded as most effective way of handling any tough experience in the IT Industry. The expectations of the employees are taken into consideration, and the policies are improved upon in the Top Software Companies in India. There are written employee handbooks which can improve the morale and increase productivity of the employees as well as keeps the Outsourcing Company out of the legal restrictions. The book also states code of conducts to be maintained in Software Company, that each and every employee needs to follow.

Every India software Company should have defined corporate culture, wherein the misunderstandings, misinterpretations or even miscommunications which can take out you to courts, must be tactfully resolved internally. A good employee of Top Software Companies in India proves to be powerful tool in regards to management. He keeps up the morality of the employee, motivates the employees, takes care of the sexual abusing of the opposite genders and even ensuring the employees have satisfactory return due to work.

Many Top Software Companies in India suffer due to big time harassment when there is rivalry and cold-war among the employees and their team leader or even in between the employees. It induces unwanted insecurity and pressure on the minds of the employees which will adversely affect the mental and physical health of the employee. The manuals provided in the Software Outsourcing Company helps the employee, to approach the HR staffs that take care of the worker related issues. The diversities break-up the cords between the individuals, and the HR guide helps through it thoroughly. Thus productive relationship is developed in the India Software Company.

5. SOFTWARE TALENT

Software talent is not a well-understood set of abilities, although it has been studied since the 60’s. At the very beginning of the data processing industry, IBM had to develop an “aptitude test” to identify workers who could become the world’s first programmers.
However, the process of developing software has become more complex in many ways since those early days, and there are many more skills needed to staff successful projects (not all are unique to software projects, of course). Here’s a list to start from:

- Systems analysis – needs and vision, business process design
- Architecture – form and function, space of technical alternatives
- Design – usability, constructability, testability, reliability and maintainability
- Development – still craftsmanship
- Debugging – skill and temperament
- Testing – still undervalued
- Documentation, training and support — facilitating effective use
- Project management – the key to success

6. SHORTAGE IN THE WORKFORCE FOR THE SOFTWARE INDUSTRY

Evidence for the shortage

- Delays in projects caused by movement of personnel
- Delays in filling open positions with qualified personnel
- Wage increases
- Silicon Valley start-ups having more difficulty finding key talent — the last to feel the pinch
- Project failures and systems malfunctions caused by gradual loss of qualified people in some sectors. This is not a labor shortage, it is a talent shortage.

Arguments against this evidence

- There was a surplus of IT professionals 5 years ago
- There have been dire predictions before: telephone operators and physicists
- All labor shortages are cyclical and will disappear with rising wages
- There are plenty of programmers, employers are too picky
- No shortage exists -- employers are conspiring to be allowed increased access to cheaper immigrant labor

Some common misconceptions about the software talent shortage

- This shortage is global, not local to Silicon Valley or to the US
- It is not limited to Java, SAP, HTML or any other technical specialty and not caused by a crisis like the Year 2000 problem or the Euro conversion.
- The shortage was masked in the early 90’s because of massive relocation of workers from large IT firms (IBM, Digital Equipment, AT&T), corporate IS departments and the defense/aerospace sector
- The simultaneous appearance of Indian talent, often cited as a reason for labor displacement, even now accounts for less than 0.1% of the world’s SW services
- The shortage is not likely to be very sensitive to future economic cycles because it is driven by demand for software across all industries. It is likely to get worse for a decade or more before it gets better.

7. INNOVATIVE PRACTICES IN HR AREAS

- Recruitment and selection
- Learning and development
• Rewards and recognition
• Career planning
• Compensation and benefits
• Performance management
• Leadership and development
• Organization structure

8. MERCER’S 2008 BEST COMPANIES TO WORK FOR IN INDIA

• Infosys Technologies Limited (IT industry)
• MindTree Consulting (IT industry)
• Satyam Computer Services Limited (IT industry)
• Dr. Reddy’s Laboratories Limited (pharmaceutical company)
• Sapient Corporation (business and technology consulting)
• Agilent Technologies (IT industry)
• Johnson & Johnson (consumer health care company)
• Covansys India (IT industry)
• HCL Comnet (IT industry)
• HSBC; Hongkong and Banking Corporation (banking services)

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