

A CONCEPTUAL STUDY OF THE HRM CHALLENGES IN IT INDUSTRY

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Abstract

Human resource management challenges play a vital role in the success of the organization. The purpose of this study is to examine the different environmental influences faced by IT Industry, factors affecting HR challenges and to explore various challenges faced by HR managers. The study is done with the help of a secondary data covering all the HRM challenges. Management might be able to increase the level of the commitment in the organization by improving satisfaction with compensation, policies, and work conditions. Companies should involve their employees in decision making as industrial revolution brought drastic changes in the organizations as they viewed it as an indispensable source of competitive advantage. One way of increasing the job satisfaction at the workplace is expanding the interactions level with employees in staff meetings and rising guided discussions of topics related to industrial revolution and HRM issues. If the employees are well aware of the organization environment, their duties, and objectives, they can perform their tasks in a better way, and it helps the organization to enhance its productivity. A highly committed and competent workforce allows companies gain a competitive advantage.

Keywords: Human Resources, Information Technology, HR practitioners, Challenges.

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1. INTRODUCTION

Organizational performance direct towards the overall growth of an organization. Human resource is the most important asset in any organization. It is necessary for the organizations to manage their employees effectively and efficiently. Human resources play a vital role in any organization. It, thus, requires the considerable attention of the management so that employees can work up to their full potential. Human Resource means individuals or staff or workforce within the boundary of an organization they are responsible for performing the tasks assigned to them and they aim to meet the organization objectives and make the profit. Human resource can provide a sustainable competitive advantage by giving them different practices. A company's success depends upon the people who are working in the organization. Human resource considered more important asset in any organization. In any organization, the employees must be treated as a valuable asset; the organization's mission will be achieved in a better way if their skills would be developed. In the presence of the competitive environment, the success of any organization depends upon the capabilities and the caliber of their Human Resource to meet human resource challenges. If there are no human resource management challenges, then company always face the difficulties and not able to perform in the competitive society. Company's current and potential human resources are essential considerations in the development and for the execution of its strategic business plan. Human resources include individuals, staff or workforce within or even outside

the boundary of an organization who are responsible for performing the tasks assigned to them. The main aim of an organization's human resource team is to help the organization in achieving its objectives. Human resource helps the organization in making sustainable competitive advantage.

2. Review of literature:

Bakker^[1] conducted a study to investigate and identify to what extent country differences are affecting the adoption and deployment outcomes of e-HRM and found that generally the role of country differences is suggested to be of no importance, regarding the e-HRM adoption and deployment outcomes. When investigating the featuring of HR processes in an e-HRM application, it was suggested that acquiring HR is likely to be coherent with local recruitment differences.

Shane^[2] conducted a study on Development and Validation of a measure that examines attitudes towards e-HRM Practices in South Africa with the main objective to investigate, analyze and evaluate attitudes towards electronic human resource management (e-HRM) tools within a large South African financial institution. This was done by developing and validating an instrument to determine e-HRM tool usage, e-HRM tool preference as well as attitudes towards e-HRM. A total of 104 HR professionals and line managers completed the e-HRM attitudinal questionnaire. The research summarizes that, users of e-HRM tools had significantly more positive

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attitude towards e-HRM tools than non-users. The conclusions were based on both conceptual study and in empirical study. The conceptual study concluded that, e-HRM is seen as a facilitative tool improving communication between stakeholders, including human resource professionals, line management and employees and potential employees.

Seyed-Mahmoud Aghazadeh^[3] findings says that due to globalization there is a need to be re shape workplace. Today HR needs to be more than a simply expert on personnel issues. HR executive must also need to be an informed and skilled business person since HR professional must play a key role in helping their organization remain competitive in the marketplace.

Edwards and Kuruvilla^[4] contributions of the paper has been twofold. First this paper pointed out the weakness in the way that the global – local question has been addressed and to concepts that have been used in either under development strands of the IHRM field or related field that can rectify these weaknesses. Secondly, this paper stresses the connections between the intuitional divides between countries, the organizational policies of MNCs and the international division of labor within them. These points have important implication for both practitioners and academics.

Puja Shaw and Ranjana Mary Varghese^[5] the tools that are used in IT Industry are cognitive computing, cloud computing, Mobile technologies, Big data, augmented reality and cyber security. In this regard several functional areas of HR like competency development, collaborative team development and organizational structure and process development need to be taken into consideration for organizational sustainability.

NeleshDhanpat^[6] conducted a semi-structured interviews and found that through data analysis of themes that new technology, new work, Automation, Human resource agility, digitalization of HR work, re-skilling, understanding the environment, development programs, networking and many more are identified as the key issues in Industrial Revolution.

Violeta Sima^[7] focused on identifying the different types of influence of industry revolution on human capital development and consumer behavior and also on identifying the drivers for human capital development in the industry 4.0 revolution. It is found that reducing the number of jobs allocated to human labor, allocating labor force to higher added value and increased demand for labor endowed with the skills that is required with new technologies.

Zhongming Wang and Zhi Zang^[8] shows that both functional and strategic dimension of HRM could be identified which has differential effects on organizational performance and that the most successful local entrepreneurial firms were among the collective –based and globally oriented ones. In their further finding of two studies

1. The dimension of SHRM and its model across joint venture partnership
2. SHRM, innovation and entrepreneurship modeling largely supported or modified the four hypotheses. The result shows that there are mainly two dimensions among HRM practices in most Chinese companies: functional HRM practices and Strategic HRM practices.

3.Objectives of the study:

1. To identify the different environmental influences faced by the IT industry.

2. To determine the factors affecting the formulation of HR policies in IT Industry.
3. To explore the various challenges faced by HR Managers in selected IT companies in Bangalore city.

4.Research methodology:

Qualitative Research study has been done for exploring the objectives of the paper. This study is purely based on secondary data. Both published as well as unpublished data sources are considered for the study.

5.Discussion:

Information Technology sector is considered as one of the most booming sector in India. There is huge number of task force in this area and human resources survival for this sector is very essential. There are various environmental moves that make the Human Resource Managers to be more competitive. After collecting the information from various sources the following environmental influences are traced out:

1. Economic issues
2. Technological issues
3. Political factors
4. Legal factors
5. Cultural factors
6. Social factors
7. Global factors

Due to all these environmental issues certain factors are influencing the HR policies HR policies are defined as the body of principles and rules of conduct that govern the enterprise in relation to its employees. They are: Objectives of the company, management structure, and financial resources available to the company up to a particular time, attitude, social values and norms of the top management, fiscal and monetary policies of the Government, public opinion, Labor welfare policies and expectations from Business and responsibility towards the society.

Human resources play a vital role in the development of the organization. They used to play different challenges while performing their roles and responsibilities in the organization.

1. Attraction: Attracting best talent is very crucial for HR Professionals. Most of the professionals encourage qualitative people into the organization. Filtering qualitative people during the recruitment process is considered as one of the key challenge faced by most of the HR Managers.
2. Retention: Retaining human resources is an important aspect. Old employees are considered as the asset for the company. Maintaining old employees in the organization are key challenge as it they expect career growth and advancement, increments and many more from the company.
3. Training: In IT sector updated knowledge and skills are very important. In order to get new skills and knowledge training need to be provided to the employees. HR practioners need to appoint a well versed trainer and provide training to the employees so that efficiency of the employees will be increased.
4. Career opportunity: career growth is treated as one

of the best individual/ personal for the employees. Career opportunities are to be provided to the employees and if the employee is kept in the same position for a long time without concentrating much on career advancement then employees may feel frustrated and may not support for the organizational goals.

5. Labor shortage: Sometime labor shortage cannot be balanced in the organization. This is because labor availability is the biggest problem in service industry. So proper records and information regarding availability of labor is to be properly maintained so that labor shortage will not happen in the company and this may lead to free delivery of the service.
6. Benefits and cost: cost versus benefit system is to be properly balanced in the organization. The more is the costs incurred in the organizations the less may be the chances of getting profits in the organization. Therefore, most of the managers needs to see that unnecessary costs need to be reduced and work more on getting more utilities to the organization.
7. Compensation costs: compensation and incentives are not linked with the employees. Remuneration and salary is regulated by the government as well as by the organizational policies. Sometimes it creates dissatisfaction and equality problems among the employees. If employees are not satisfied the output will be very low.
8. Encouraging quality: Quality is utmost important in IT companies. Quality improvements in IT companies and service delivery can be achieved by introducing better service delivery, user satisfaction, flexibility and integrity in decision making.
9. Customer focus: Employees attitude correlate strongly to customer attitude. Customer focused services creates a value chain system in the organization. HR practices should be consequently focused on increasing the services to the customers so as to bring loyalty among the customers.
10. Up gradation of skills: Information sector is developing rapidly and it is strongly impacted by the taste and preferences of the customers, technological changes and legal changes. All these affects the structure and management styles of the organization. If employees don't have skills to manage the things or to perform their duties and responsibilities then this becomes a biggest challenge for the HRM to train these employees and impart new and advanced skills.
11. Motivating the employees: employee motivation is considered as the key challenge as employee motivation can be done through providing financial or non-financial rewards. But all these rewards may not equally motivate all the employees of the organization. Some of the employees are motivated by only financial rewards; some gets motivated by non-financial rewards and few members by both. Hence it is important to identify the key motivating factor that motivates the employee.

Conclusion:

Human Resources play an important role in the success and failure of the organization. Therefore companies should involve employees in various aspects like decision making, problem solving and in key management activities. If the human resources are satisfied by overcoming all their challenges they will have job satisfaction that ultimately results in increasing

organizational productivity and performance. In this regard HR practioners need to take proactive role in IT industry. Profitability and sustainability of the firm cannot be maintained in the organization if HR practices are not properly addressed and focused. Therefore HR need to maintain a strict vigilance of all the professional roles and responsibilities to face the changing environemtal conditions.

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