HR BEST PRACTICES FOR TALENT MANAGEMENT

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ABSTRACT

The research aims to discover the extent to which Indian HR practices can be considered unique, and in what ways they are developing. The research aims to gather evidence from software professionals in Indian IT companies situated in various parts of India. Drawing on a review of literature the paper sets out an agenda for research on HR practice in Indian IT firms. It includes an innovative approach to qualitative data collection using online discussion boards to capture employee experiences. This research will contribute to evidence concerning the unique HR practices in Indian IT companies. The thesis aims to fill gaps in the current HRM and International Business literature, specifically the lack of published work by indigenous Indian researchers; and qualitative analysis of the employee perspective on HRM practices. This paper draws up a new research agenda that may be of value to all researchers. Further it develops a relatively new approach to qualitative data collection that may find applications in research across a range of disciplines.

**KEYWORDS:** HR Practices- India (IT Industry)

INTRODUCTION

India's software sector presents the case of an internationally competitive high-tech industry in the context of a rapidly developing economy. India's exports of software services, which accounted for US$128 million in 1990–91 increased to $8.3 billion in 2001 (Nasscom Report, 2001). The industry's exports of services, which started at the low end of data feeding and onsite projects in the early and mid-1980s, moved up the quality ladder to encompass offshore development, niche products, and softwareconsultancy services by the beginning of the millennium. Almost all the major US and European Information Technology (IT) firms have set up software development and R&D centre's in India, especially in Bangalore (Nasscom Report, 200) It includes an innovative approach to qualitative data collection using online discussion boards to capture employee experiences. The research aims to gather evidence from software professionals in Indian IT companies situated in various parts of India, about their expectations and experiences in relation to the HR practices followed in their respective companies are born into their castes which creates a social hierarchy that spills over into organizational life. This is the scenario within which HRM is evolving from a primarily industrial relations and personnel function to that of the creation and molding of strategic and systemic policies and practices aligned with their business goals in an environment of intense global competition . There are lots of HR policies of Subex , which are worth mentioning. One is our Feel the Pulse meet. As per the program every Subexian will have to meet up his senior Subexian , (not the immediate manager, but the manager who is one level above). This happens once in six months. This is basically for the senior Subexian to feel the pulse of the junior, to know whether he is doing well or not, whether he is enjoying his job or not, where are the areas where he needs support etc.

HR Practices in India

Implementing HRM systems, the literature has suggested that these indigenous firms often adaptand tailor these

practices to the realities of the Indian context and the challenging circumstances India faces. This research is designed to understand the HR practices and an employee perspective in relation to their expectations, experiences and performance in the IT sector,micro environment, the socio-cultural context of any country is also known to significantly influence it's HRM systems (Budhwar and Sparrow 1998; Budhwar and Bhatnagar 2009). India is a democratic republic comprising 29 states and 6 Union territories. It is the second largest country in Asia and the seventh largest in the world. A former British colony, India has emerged as the largest democracy in the world and is the birth place of three of world's main religions;Hinduism (about 7000 years BC), Buddhism (487 BC) and Sikhism (AD 1699). Indian society comprises six main religious groups: Hindus (83.2 %), Muslims (11%), Christians (2%), Sikhs (2%), Jain and Buddhists (less than 1%). There are over 3000 castes. India has 179 languages and 544 dialects. Hindi and English are the two official languages.
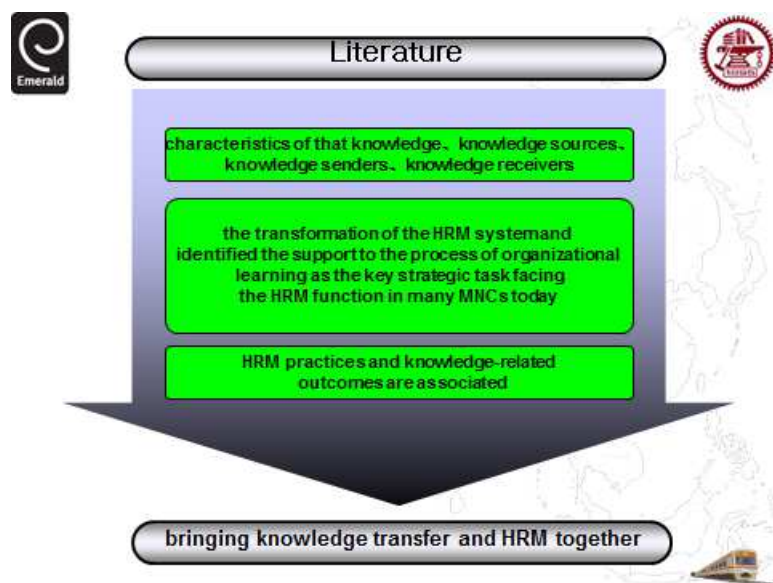
Figure 1

If we talk about strategic HRM in the Indian context, then it is evidenced by significant variations in HRM strategies across different levels of employees. There can be a number of explanations for the low level of sharing of strategic and financial information with different levels of employees in Indian organizations. The first is 'mistrust' or the low faith of higher management in their subordinates (Sparrow & Budhwar, 1997; Budhwar & Khatri, 2001).Second, research has shown that Indian managers are less willing to delegate and have a high possessive attitude towards their subordinates (Sharma, 1984; Budhwar & Khatri, 2001). Hence it seems that the more privileged and powerful have greater access to more information than the less qualified or lower level employees. Third Indian managers like centralised decision making (Kakar, 1971; Budhwar & khatri, 2001). Moreover the majority of the lower level of employees are not aware of their rights and are exploited by the management (Budhwar, 2000; Budhwar & Khatri, 2001). Taking into account the above literature, it can be concluded that there is a significant variation in the nature and type of HRM strategies for different levels of employees and thus , different types of HR practices for different level of employees in Indian organizations.

This mainly is due to the competition created by the liberalization of economic policies. A change in the attitude of the trade unions has also been noted (antagonistic to supportive) towards their respective management (Budhwar & Khatri, 2001). However, it's only the beginning of a long process which has to survive the political and social pressures.

considering the pressure created by the present dynamic business environment, Indian organizations need to pursue more rationalized HRM practices, which should emphasize solely performance and should be less influenced by traditional values, religious and political factors. There are some indications suggesting such developments in the form of increased emphasis on training & development, preference in talent in recruitment and performance based compensation are taking place (Budhwar & Khatri, 2001). Given the unique socio-cultural, political, legal and economic surroundings of India, the challenges placed before the efficient management of Human Resources in the Indian context can be both complex and demanding. From the mid- to late 1990s, as a result of liberalization policies, competition between Indian and foreign firms increased and the Indian firms were under tremendous pressure to change from indigenous, costly and less effective technology to a more highly effective one (Krishna and Monappa 1994; Venkataratnam 1995; Budhwar and Bhatnagar, 2009).

This also demanded an effort not only to upgrade the infrastructure and existing organizational culture, but also to change the bureaucracy at all operational levels. The policies of that time indicated a switch from labour –intensive to a more capital –intensive methods of production and therefore required organizations to remove surplus labour and generate new sustainable employment. Such pressures forced Indian organizations to improve quality and match International standards. The challenge was also how to increase productivity, reduce costs , generate employment and reduce voluntary and involuntary absenteeism, because of increasing competition that has resulted from liberalization, Indian organizations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees. By the way of summary, Budhwar and Bhatnagar's (2009) book provided an overview of HRM practices in India, including key developments in Indian HRM, determinants of Indian HRM, sector specific HRM, emerging themes, future challenges, and the way forward. The challenges of managing talent have led firms in India to implement HRM systems, often based on their understanding of the best practices used in successful MNCs (Bjorkman & Lu, 2001). Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance (Corporate Executive Board, 2006). This recognition and certain counterintuitive research findings across culturally diverse countries have led HR scholars to demonstrate that merely transplanting "best" HR practices around the globe may be less than desirable from an organizational competitive advantage perspective. Although researchers have undertaken ambitious cross country and cross-cultural international HR studies, these studies have not directly incorporated the Indian HR perspective, and a scarcity of research in the Indian context persists (Budhwar & Sparrow, 1997). While some studies have considered other Asian countries, India differs culturally from its geographical neighbours in terms of socio-cultural attributes (Triandis, 1989), which have been thought to influence organizational HR practices.

HRM practices in Indian public- and private sector organizations and found somewhat unexpectedly that many similarities existed in practices between these two sectors in (1) the structure of the HR department, (2) the role of the HR function in corporate change, (3) recruitment and selection, (4) pay and benefits, (5) training and development, (6) employee relations, and (7) emphasis on key HRM strategies. However, they also found that in several - HR functional areas (for example, compensation ,training and development), Indian private sector firms have adopted a more rational approach (e.g., the adopting of formal testing of job applicants, job evaluation, training needs analysis, training evaluation, and performance-related pay) than their public-sector counterparts. One of the conclusions of their study indicates that knowledge workers are mostly reacting positively in their attitudes to more rationalized HRM systems in India. They tried to find out that what must be done to gain competitive advantage and whether firms in different parts of the globe practice human resource management for competitive advantage differently? Their investigation concludes that there is indeed a

convergence in the use of HRM for competitive advantage; however, in pursuing this convergence there are some clear divergences, nuances and specific themes in the areas of HRM that must be handled carefully. HRD is another area which also needs a mention here though it has been used interchangeably with HRM.

The 5-P Model for HRM

The 5-P model is mainly based on SHRM which is largely concerned with 'integration' and 'adaptation'. SHRM therefore has many different components, including HR policies, culture, values and practices. Based on such premises, Schuler (1992) developed a 5-P model of SHRM that deals with five HR activities (Philosophies, Policies, Programmes, Practices and Processes) with strategic needs. The model further shows, the influence of internal characteristics (such as organizational culture and the nature of the business) and external characteristics (such as nature and state of economies in which the organization is existing and critical success factors such as opportunities and threats provided by the industry) on the strategic business needs of the organization.
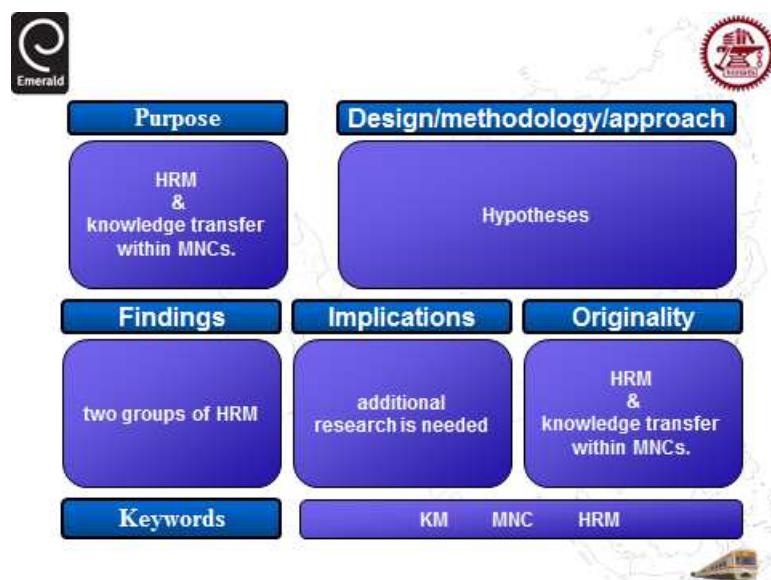

Figure 2

Discussion Themes

- Background to the organisation and to the interviewee (Employee / line manager).

- Discussion about the expectations of employees from their organization.

- Discussion about the experiences of employees' in relation to HR practices in their respective organisations.

- Discussion about the relevance of these unique HR practices in Indian Context.

- Discussion about changing / adding anything to the existing HR practices for improvement
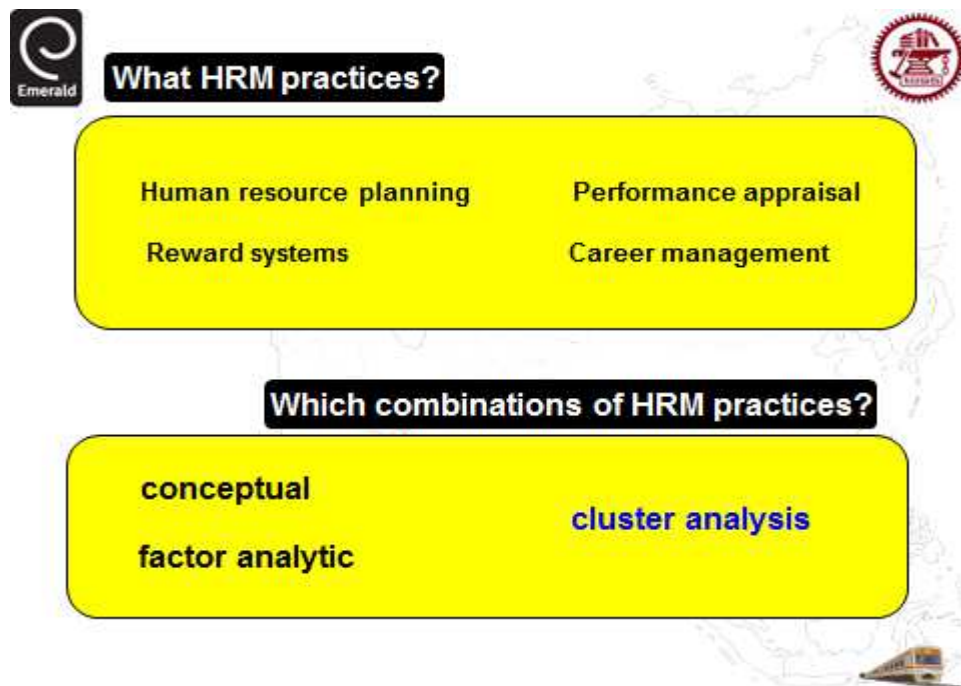
Figure 3

RESEARH METHODOLOGY: was will be collected from following sources

- By conducting face-to-face interviews with employees

- Written responses from online discussion boards specially designed for this study by the researcher will be collected. This website will be controlled.

- Companies' annual reports, HR policies etc.

- Companies' websites, blogs and relevant Govt websites.

- YouTube links for (interviews with CEOs and HR heads, discussions on national TV channels on relevant topics, Speeches etc).

Data Collection

The employees were invited to participate either in a semi-structured interview or to join an online discussion board. Semi structured interview is chosen as an instrument for this research because it involves a series of open ended questions based on the topic area. The open ended nature of the question defines the topic under investigation but provides opportunities for both interviewer and interviewee to discuss some topics in more detail. If the interviewee has difficulty answering a question or provides only a brief response, the interviewer can use prompts to encourage the interviewee to consider the question further.

In a semi structured interview the interviewer also has the freedom to probe the interviewee to elaborate on the original response or to follow a line of inquiry introduced by the interviewee. The interviews will be digitally taped and the participants will be asked to tell their stories and share their experiences in relation to various HR practices in their respective companies. They will be asked to give an account of their experiences of current HR practices of their employers and to what extent these practices fulfill their needs and expectations. Further to discuss the areas where they

believe that the HR practices and policies might be improved, extended and/or differently organized. Participants will be informed via the letter of introduction that no information that identifies an individual will be published in my dissertation and that the confidentiality of any information provided by them will be respected. All the recorded interviews will be retained and will not be made available for general view. Participants can ask for information to be omitted at any stage. The participants will also be provided with a list of interview themes to be explored during the interview.

After each interview, the participant will personally be thanked and also afterwards, an e-mail will be sent to the participant thanking them for their participation and informing that they will be sent a summary of results when the study is finalized. Similarly before freezing the websites a thank you note will be uploaded for all the participants. Each participant will have the opportunity to review his/her interview transcript. Participants will be sent a summary of results of the interview as it will appear in the published work. If anyone will have questions about the use of information, those will be addressed before it is published.

ON-LINE DISCUSSION BOARD

The access to the websites will be given only to the participants who give their consents to take part in the discussions from each company via a link to the website. Participants will be invited to the website which is set up for their company and they will take part in the discussion on a particular theme. They can press a "guest" tab on the website to express their views, so that their names and email ids will not appear on the webpage rather it will appear as "anonymous".

Research Questions & Research Justification
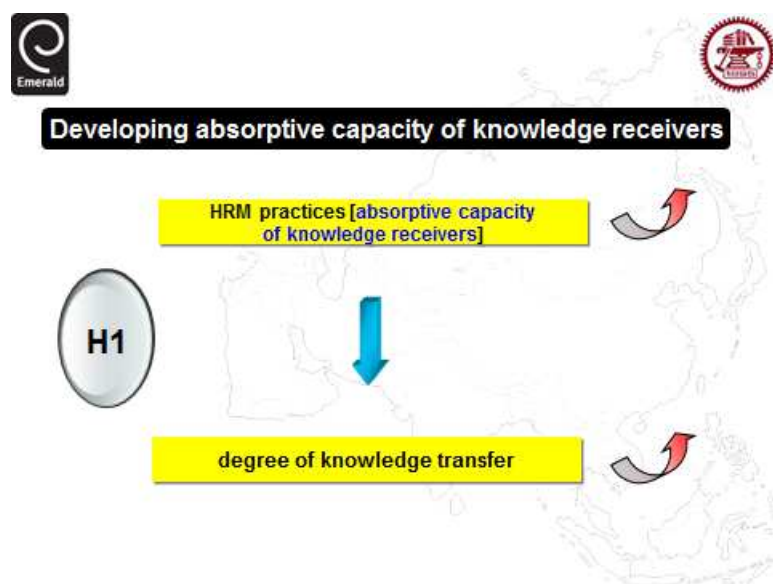
Figure 4

The research problem addressed in this study is, To what extent the Indian HR practices can be considered unique and in what ways are they developing? In order to address this research problem, the following four research questions are formulated.

Research Question 1: What are the key HR practices in the Indian IT companies?

Research Question 2: What are the experiences of HR practices among the employees of IT Companies in for

this study?

Research Question 3: To what extent are employees' experiences of Human Resource Practices in the Indian IT companies convergent with their expectations? For example: Their experiences and expectations of Training and Development policies; Promotion policies.

Research Question 4: To what extent do HR practices influence employee performance in the Indian IT companies / Study group?

DATA ANALYSIS

Analysis of data adopts an "emic" approach in this research project. This means that the researcher attempts to interpret data from the perspective of the population under study. The results are expressed as though the subjects themselves expressed them. Collected data will be transcribed and each participant will have the opportunity to review and edit his/her interview transcripts. Transcribing is the procedure for producing a written version of the interview. It is a full "script" of the interview. Good quality transcribing is not simply transferring words from the tape to the page. When people are in conversation only a small proportion of the message is communicated in the actual words used. A larger proportion is transmitted in the way people speak. Tone and inflection are good indicators of a whole range of feelings and meanings. When transcribing, consideration should be given to how these feelings and meanings can be communicated on paper by using punctuation marks, and techniques s Where appropriate the triangulation process will be used to ensure the validity of collected data. Triangulation is the process which seeks to examine existing data to strengthen interpretations by cross checking data collected from different sources. This process therefore reduces the impact of potential bias that can exist in singly observed information. Small quotes can be used for analysis as this research is based on the expectations and experiences of software professionals, such as upper case lettering, underlining and emboldening.

Basic content analysis will be used to organize the collected data together various techniques that can be used within the methodology of content analysis like coding; identifying themes, using quotes. Coding is a process for both categorizing qualitative data and for describing the implications and details of these categories.

CONCLUSIONS

The Indian economy was forced to adopt a structural change process at the beginning of 1991. Liberalization initiated the process of the opening up of an otherwise closed economy of India and created a hyper-competitive environment. A hyper-competitive business environment presented a number of challenges and opportunities, both external and internal. External challenges and uncertainties included barriers that were difficult to control. Internal challenges like dramatic advances in technology, changing of organizational forms necessitated redesigning of human resource practices. To respond to this turbulence, Indian organizations adopted innovative changes in their HRM practices.
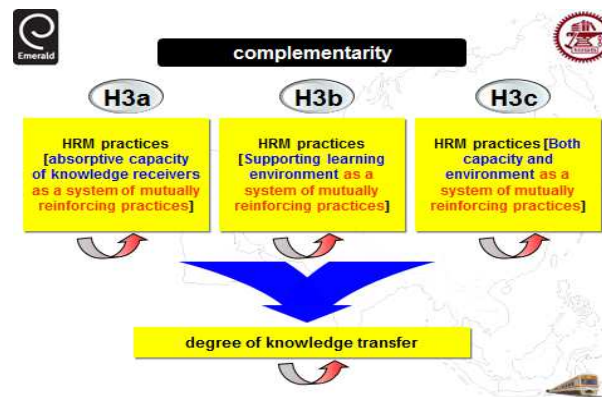
Figure 5

Emerging economies also face a daunting challenge: to sustain their impressive growth rates for years to come, diversify that growth across a broader range of sectors and make it more inclusive across their populations. As this new landscape takes shape, India has the opportunity to position itself at the forefront of future economic growth — as a leading international hub for investment, human capital and innovation. The country's growth rate remains among the strongest in the world, fuelled primarily by rising domestic demand. Despite these achievements, India must do more to take its place at the table with the world's most competitive economies. To improve its position, India needs to rebalance the foundations of its growth to build structures and capabilities that can help it withstand economic shocks and sustain high growth rates far into the future. Liberalization does not result in the replacement of "traditional" with "modern" in India but rather creates hybrid relationships in which an emergent global managerial class is built on and Christians (2%), Sikhs (2%), Jain and Buddhists (less than 1%). There are over 3000 castes. India has 179 languages and 544 dialects. Hindi and English are the two official languages.

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