CHAPTER NO 6

ANALYSIS OF THE FIELD STUDY
OBJECTIVES OF THE RESEARCH

The field study was carried out to find out:

- How HR departments have moulded themselves to meet the requirements of IT industry.

- Identify factors influencing recruitment.

- Study changing appraisal and reward systems.

- Identify existing best practices adopted by IT industry.

- Study strategies for retaining talent.

- Status of women and their future in industry.

- Future strategies in HR issues in IT industries.
The following graph shows the nature and percentage of industries in relation to total selected industries.

**Graph No. 4: Types of Software Companies**

**Key:**

1. Development of Software-Customisation.
2. Development & Maintenance of software.
3. AutoCAD Services.
4. ERPS
5. GPS
6. Embedded Software
7. Animation
8. Any other

Objective No 1

How HR Departments Have Moulded Themselves to Meet the Requirements of the IT Industry

While conducting any business successfully, it is the human resource amongst all the factors of production which differentiates the better companies from the ordinary companies. It is human capabilities and commitment which in final analysis distinguishes successful organizations from the rest. It logically follows from this premise that human resource ought to be treated with great care. It is a special resource requiring and deserving managerial time and attention. It is to be nurtured as valued asset and not as incidental cost. The aim is not to seek compliance with rules and regulations from employees but to strive for much more ambitious objective of commitment. This follows that HR policies should not only be derived from corporate plans but should feed in to the plan.
The HR became much more significant for IT industry in India which was growing at fascinating speed. The industry which was employing 0.28 million people in the year 2000 was employing 1.63 million by the year 2007. Revenue wise growth during the same period was $4 billion in 2000 reached to $31.9 billion in year 2007.

The industry needed professionals, graduates and people with specific skill sets as the industry was growing up to year 2007 almost at the rate of 30% per year. The measure problem before the industry was how to obtain human resource at such scale and as and when required. There was a huge gap between demands for and supply of required human resource. The supply was lagging far behind. This automatically led to the increased impotence of HR departments.

During initial stages of development of this industry, the focus of HR departments was only on recruitment and training. With the fast growth and intense competition, locating and retaining the talent became the major challenge. With the current slow down, no doubt the companies have to do the down sizing but also have to retain critical talent with an eye on HR cost. Thus the new challenge before the HR managers is whom to and how to weed out.

The role of HR begins with identifying and estimating of requirements in terms of qualification, experience and specific technical skills. In this industry technological changes are very quick.
For each project different technology may have to use. To develop any software package people need to possess technical as well as domain knowledge of the given area. Estimating and arranging for such requirement becomes the measure challenge for H.R. It is noticed here that such estimation is done by H.R in consultation with technical experts. The technical experts not only requisition the requirement but also help the HR departments in selection process by judging the technical knowledge of the candidate. Rests of the formalities, as per the HR policy of the company are handled by the HR department.

Earlier, once the estimation of required man power was done the only method used for locating the talent was to advertise in newspapers of repute. As the requirement for technical people out paced the supply and the keen competition amongst the rival IT companies started for the same, the method of only advertising proved inadequate and so the H.R departments started searching for other avenues for locating the talent. These methods included approaching placement agencies, Campus recruitment from elite engineering institutions and collages of repute, advertise on own portals and the most unique system of internal referrals where the referrer gets handsome monetary incentives for every candidate selected. Some companies also started recruiting from amongst the
students undergoing industrial training or approaching the companies for their project work as a part of their curriculum.

To attract the best talent from amongst the fresh graduates as well as the experienced ones, the HR departments of many IT companies started explaining the exact career path to the candidates as per their qualification and experience. This not only helped the young and ambitious talent in selecting the companies but also proved as a great help for companies in getting young talented career oriented ambitious man power who knew well in advance as to how much efforts and hard work they need to put in to move up the hierarchy.

In addition to offering attractive salary packages with many grades and performance based pay, the companies also started taking new measures like:-

- Employee Stock Options.
- Consultancy offers.
- Out sourcing assignments to existing employees.
- Choice in technology shift.
- Option to refuse foreign assignment for personal reasons,
- Freedom to refuse particular project.
- Participation in decision making.
To have proper assessment of performances to be able to offer correct monetary rewards, HR departments developed innovative systems of appraisals like:

- On line system of appraisal.
- Self assessment by employees prior to peer review.
- Structured approach to appraisals with objectives set in advance.
- Periodical reviews.
- Factorisation of appraisals at different levels of appraisals.
- Performance review during and after the completion of a project.

All these measures have been discussed in details while discussing the Factors influencing recruitment, appraisal and reward system, Identification of best HR practices and Retention strategies. IT companies require large number of technically qualified manpower. Obviously it is drawn from different geographical locations and is heterogeneous in nature as far as cultural mix is concerned. Cultural clashes can affect the work atmosphere which in turn can affect the over all performance of the companies. To avoid this and
bring in homogeneity, HR departments have devised various steps like:

- Arranging Get together.
- Celebration of various festivals.
- Social Outings.
- Families get together.

Work in this industry is project oriented with rigid dead lines. Peer pressure to deliver is high. Due to this the employees work for long hours with indefinite schedule and are always under tremendous stress to meet the dead lines of the clients. The competition amongst the group for better appraisal grades is very keen. The employees could be away from their families for long hours or periods. This leads to stress related behavioral problems, strained professional relations, Low levels of adjustments amongst team members, and strained family relations.

The H.R departments of the IT companies have started identifying such problems and have made arrangements for counseling by experts. Big corporate in this sector have their own counseling centers. H.R departments make sure that they get the feed back after the counseling.

As far as training is concerned, H.R departments play a limited role by imparting entry level training with the view to improve
communication skills, personality development and cultural adaptation.

Various work related and general retention measures and special measures to retain female employees have also been devised by H.R departments. Measures devised for female employees are

- Flexi working hours.
- Part time work.
- Concession to attend to family problems.
- Fixed working hours.
- Work from home.
- Special cell to deal with cases of abuse.
- Special motivational measures.

General and work related motivational measures devised with the view to retain employees are:

- Transfers at preferred destinations.
- Freedom to refuse a project.
- Freedom to refuse foreign assignment.
- Choice in technology shift.
- Performance based pay hikes, promotions and selection for special training.
- ESOPs.
• Participation in decision making.
• Out sourcing to existing employees.

Measures like providing various facilities like Yoga centers, Sports facilities, club memberships, Tie up with hotels and resorts have also been devised by HR departments. These measures have been discussed with analysis while discussing the objective of strategies for retaining the talent. (Page No.-260 to 263)

To monitor and get the feedback regarding the policies devised by HR departments for maintaining good HR climate, methods like experience interviews, perception surveys, personal discussions, and coffee meets with HR personnel are employed. Some companies also conduct third party surveys with the view to assess the effectiveness of their own HR policies and departments.

Since the down trend started the HR departments have moulded them selves with the view to maintain a balance between retaining crucial talent on one hand and controlling the HR cost on the other. With the fear in mind that when the business picks up it could be difficult to get back the required man power, the companies have not resorted to sacking on large scale. Instead they have resorted to measures like:-

1. Reduction in recruitment.
2. Freeze on fresh recruitment.
3. Discontinuation of appraisals and promotions.
4. Reduction or freezing of salaries.
5. Reduction in working days.
6. Termination of non-performance
7. Forced leave.
8. Reduction in bench strength.
9. Reduction in salaries for those on bench.

Besides these negative measures, some companies have taken this as an opportunity and have started diverting this idle manpower towards reskilling and R&D. These down trend measures have been analysed while discussing about status of HR during recessionary trends.

**Objective no. 2**

**Identification of factors influencing recruitment**

When I.T. industry started developing in India in 1990’s, the only objective of H.R department was to locate and hire the people. The people requirement used to be in thousands. Recruitment used to be the only agenda for H.R. departments. So it is interesting and necessary to identify major factors which were dominating the recruitment process.
<table>
<thead>
<tr>
<th>Category</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Professional</td>
<td>21 %</td>
</tr>
<tr>
<td>2 Specific technical skills</td>
<td>22%</td>
</tr>
<tr>
<td>3 Post graduate</td>
<td>15%</td>
</tr>
<tr>
<td>4 Graduate</td>
<td>13 %</td>
</tr>
<tr>
<td>5 Experience</td>
<td>15 %</td>
</tr>
<tr>
<td>6 Specific Expectations</td>
<td>12 %</td>
</tr>
<tr>
<td>7 Vocational</td>
<td>2 %</td>
</tr>
</tbody>
</table>

**Observations and conclusions**

It is observed that the requirement of manpower of this industry is very specific.

- Maximum i.e. 43 % requirement is that of professionals and people with specific technical skills majority of whom are involved in development of software.
- 15 % Post graduate and 13 % graduates with domain knowledge are also absorbed by the industry.
- Experience carries lot of weightage as 15 % of the recruitment is of experienced candidates while 12 % of
candidates are selected who fulfill specific expectations of the companies.

- In software sector people with vocational degree are required in negligible percentage. I.e. just 2%.

**Recruitment from small towns**

![Diagram no 1](image)

**Observations and Conclusions**

50 percent of the companies had the policy to recruit the employees from small towns. It was observed that in case of small and medium companies people were selected from nearby small and big towns like Satara, Kolhapur and Sangli. The prominent reasons appeared during the interview that:
- In cases of employees hailing from this area, the job hopping is comparatively less.
- Salary expectations are low.
- They are more loyal to the organisation.

**Outsourcing of Recruitment**

![Diagram no. 2](image)

**Observations and Conclusions**

Outsourcing the recruitment is not so common in the industry. 94% of the companies carry out the recruitment by using various sources on their own.
• The reason seems to be their needs are well designed, requirements are specific and so they prefer to recruit the staff by evolving their own procedures.

• These companies undertake variety of assignments from various corners of the globe and hence it becomes easy for them to recruit the staff at their campus as per their present and future needs.

• It helps the companies to brief the candidates about companies' philosophy; plans and overall work culture and prepares them to stay on the bench and possible foreign assignments too.

• Salary packages can be discussed / negotiated at length.

• Nature and place of work can be discussed to enable the prospective employee to decide about the family adjustments needed to be done.
Sources of recruitment

<table>
<thead>
<tr>
<th>Source</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Placement agencies</td>
<td>62 %</td>
</tr>
<tr>
<td>2 Advertising</td>
<td>50 %</td>
</tr>
<tr>
<td>3 Internal references</td>
<td>100 %</td>
</tr>
<tr>
<td>4 campus interviews</td>
<td>56 %</td>
</tr>
<tr>
<td>5 Own Portal</td>
<td>56 %</td>
</tr>
<tr>
<td>6 Any Other</td>
<td>12 %</td>
</tr>
</tbody>
</table>

Table No. 7

Observations and Conclusions

- 62 % of the companies make use of placement agencies for recruitment may be when requirement is specific and certain.
- 50 % of the companies make use of traditional method of recruitment through advertisement to satisfy the immediate requirements and may be to have wider reach.
- Internal referrals for recruitment at all levels seems to be most popular as 100 % of the companies resort to this method as it is time saving and reliable method. It also helps in development of net work and team building.
• 56% of the companies use campus interviews for recruitment as:
  a. Large young career oriented pool of talent is available at a single point.
  b. Wider choice is available.
  c. Time is saved.
  d. Salary expectations could be relatively low.

• Only 12% of the companies make use of other methods like selecting the students from among those who come for industrial training and also for completing the project work assigned by the college.

• 56% of companies have their own recruitment portals which saves lot of money and time. It is generally observed that big corporate are using this method.
Categories of Staff

Graph No. 5

Observations and Conclusions

Recruitment is categorized into core and supporting administrative categories. In core categories people are appointed on permanent basis but support staff is appointed on contract basis.

- Core staff is maximum up to 80%
- Support staff ranges maximum up to 20%.

As the nature of work in IT industry is highly technical maximum requirement is of core i.e. technical staff. Support staff is mainly required for administrative purpose.
Methods of payment

Graph No. 6

Observations and Conclusions

- 17% companies adopt only fixed pay method
- 11% of the companies adopt only performance based pay method.
- 50% of the companies use combination of fixed and performance based pay structure.
- 22% of the surveyed companies have not responded to this query.

While recruiting, salary structure is most important influencing factor which initially attracts and later helps in retaining the ambitious talented technocrats. Fifty percent of the companies use the
combination of fixed and performance Based pay to motivate employees

**Percentage of Idle Manpower**

**Observations and Conclusions**

There appears to be policy of recruiting people more than the exact requirement. Thus idle capacity is deliberately created.

- 27% of the companies do not have idle man power.
- 22% of the companies have idle capacity of less than one percent.
- 6% of the companies have idle capacity of 1 to 5% and equal numbers of companies have idle man power between 10 to 20 and 20 to 25%.
• The percentage of companies who have not responded is 33%.

The reasons for employing excess man power may differ from company to company. Reasons could be:

• Lack of training,
• Need to show capacity to client,
• Higher labour turnover
• To test the commitment
• To meet global labour situation.
Percentage of Employees Kept on Bench

Graph No. 8

Observations and Conclusions

- 12% companies do not maintain the buffer.
- An equal more than 5% of companies studied maintain a buffer strength of employees of less than 1%, between 1 to 5% and 5% of the companies between 20 to 25 percent.
- More than 72% of companies have not disclosed the strength of employees on bench.
- Bench strength is maintained by the companies to meet the challenges of new assignments and to remain competitive but companies are secretive about disclosing the same.
Observations and Conclusions

- An equal percentage (6%) of companies are keeping people on bench either for periods of up to 1 week, 3 to 4 weeks or for 3 to 4 months.
- 27% of the companies keep the employees on bench for a period of 1 or two months.
- 55% of companies have refused to disclose information about the bench strength. It does not mean that they do not maintain the bench strength but are just secretive about it.
Maintenance of this gap becomes essential as depending on the projects which are in the pipeline, buffer man power is required.

**Factors influencing recruitment**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualification</td>
<td>19 %</td>
</tr>
<tr>
<td>Experience</td>
<td>27 %</td>
</tr>
<tr>
<td>Specific requirement of the project</td>
<td>33 %</td>
</tr>
<tr>
<td>Part of H.R. policy</td>
<td>11 %</td>
</tr>
<tr>
<td>Result of merger</td>
<td>6 %</td>
</tr>
<tr>
<td>Adjustment in MOU</td>
<td>4 %</td>
</tr>
<tr>
<td><strong>100.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Table No 8*

**Observations and Conclusions**

From the above table it is observed that considering the unique nature of the functioning of the IT companies which is project based, time based and must always satisfy the customer's needs, 33 % of companies give maximum weightage to specific requirement of the
project followed by 27% of the companies give weightage to experience while recruiting.

**Processing of requests for HR**

<table>
<thead>
<tr>
<th>Q7</th>
<th>5.56%</th>
</tr>
</thead>
<tbody>
<tr>
<td>94.44%</td>
<td></td>
</tr>
</tbody>
</table>

**Diagram No. 3**

**Observations and Conclusions**

In case of 94% of the companies, request for HR is initiated by project managers.

Project managers play an important role while recruiting technical staff. Depending on the nature of the project, a request for HR is made by respective project managers. H.R. department plays a limited role. While conducting the interviews technical experts play an
important role in the selection process while only the administrative formalities are handled by HR departments.

**Objective No.3**

**To Study Changing Appraisal and Reward Systems**

For many years due to continuous growth in business, the requirement of human resources was very large. Major problem of the H.R. department was to locate the sources of recruitment, appoint the people and to retain them. As competition became tough retaining the people became a challenge for the companies. Companies had to evolve innovative methods to appraise performance and reward the best talent.
Observations and Conclusions

The study results show that a large percentage of 78% of the companies involve the subordinates in setting up of parameters of evaluation for themselves.

Different ways have been adopted and systematic appraisal systems have been developed over the years by the companies. It begins with allowing the subordinates in setting the parameters of evaluation for them. It helps in:

- Setting up of the bench mark.
- Deciding achievable target.
• Creates sense of responsibility & avoids discontent amongst employees.

Peer review and self assessment

Graph No. 10

Observations and Conclusions

The system of peer review and self assessment is common feature in this sector.

• 83% of the companies have well developed system of review and self assessment.

• 17% of companies have not responded to this query.

The following innovative systems are being used by various companies.
• Entire process of assessment is conducted on line without any manual intervention. At each level the system itself sends triggers to the respective employees in case deviation is observed. The same is received by process owner. This ensures maximum transparency in evaluation.

• Self appraisal based on perceived strong and weak qualities is devised by some companies for the purpose of promotion.

• When talent is to be awarded a peer review is given the importance.

• For the purpose of reward separate appraisal is done covering all the areas like technical and behavioral by candidate himself and also by his superior. The comparison is made between the two appraisals and then the reward is fixed.

• In some companies depending on the level of the position, factors to be added for the appraisal are changed. When project leader is to be appraised it would be based on ten factors but for lower level it could on the basis of three factors only.

• Appraisal is done either annually, quarterly or monthly. It is sometimes on the basis of project completed. Sometimes clear objectives are set initially and after attainment of the same, appraisals are carried out.
• To avoid the bias in the process and to give human touch to entire process at times personal discussions are held by the manager with the concerned employees.

• Certain companies keep the record of number of training sessions completed and scoring of each session is used for appraisal purpose.

Thus appraisal systems have been devised innovatively by the companies over the years. These systems are implemented very seriously. The process of appraisal is a continuous one and rewards are given on the basis of same.
Methods of monitory rewards

Observations and Conclusions

From the above graph it is observed that 50 % of the companies use combination of fixed salaries and performance based pay which is not possible without carrying out the appraisals while 11 % of companies are using performance as a base for increments .It leads to:

- Motivating employees to put in their best.
- Employees are sure about monitory gains if they perform.
- It develops sense of satisfaction.
- It helps in reducing rate of attrition.
Allotment of Work

Graph No. 12

Observations and Conclusions

94% of the companies have set standard procedures to fix the responsibilities of the team members which facilitate comparison between objective set and achieved. Only 6% of the companies do not use standard procedures.

Considering the performance of the sector as a whole, it is observed that companies are functioning in most systematic and efficient manner as it is observed that 94% of them have standard procedures to fix responsibilities by project managers. This also helps them remain competitive by maintaining quality of work.
Feedback linked to rewards

100 % of the companies are very particular about obtaining the feedback from the project managers as huge monetary stake is involved due to extreme competitive nature of the IT business. Judgment of the project managers about the efficiency and performance of their teams is thus very important as competitiveness of the companies depends on it.

<table>
<thead>
<tr>
<th>Rewards</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Promotions</td>
<td>34.0%</td>
</tr>
<tr>
<td>B Higher Pay</td>
<td>34.0%</td>
</tr>
<tr>
<td>C independent</td>
<td>24.0%</td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
</tr>
<tr>
<td>D Training abroad</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

Table No.-9

237
**Observations and Conclusions**

The above table shows that:

- In 34% of the cases feedback is linked to promotions.
- In 34% of the cases feedback of evaluation is linked with higher pay.
- Independent responsibility is accorded to personnel by 24% of the companies depending upon the feedback from the project managers.
- 8% of the companies take decisions about whom to send for overseas training depending upon the feedback obtained from project managers about their teams.

Decisions about weeding out the non performers also depend on the feedback from the project managers.

**Objective No. 4**

**Identification of Existing Best Practices Adopted by Companies**

The best practices adopted by this industry are not arbitrary but have been developed over a long period of time keeping in view a long term perspective. These practices cover various aspects like:
• Long term perspective.
• Career path.
• Performance based pay.
• Standard procedure of work allocation.
• Peer review and self assessment.
• Maintaining team spirit.
• Counseling.
• Experience interviews.
• Strengthening HR climate.
• Special measure for women employees.
• Flexibility and incentives to employees.
• Perception Surveys.
### Long Term Perspective

<table>
<thead>
<tr>
<th>Measures</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Strategy</td>
<td>33 %</td>
</tr>
<tr>
<td>2 Policy</td>
<td>42 %</td>
</tr>
<tr>
<td>3 Special efforts</td>
<td>25 %</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>

**Table No. 10**

### Observations and Conclusions

- 33% companies have long term strategies evolved.
- 42% of the companies have developed policies to meet their man power requirement.
- To meet the emergencies of manpower shortages, special efforts are made by 25% of the companies.

One of the unique measures is the referral system wherein an employee gets monetarily rewarded for every candidate if the candidate referred by him is selected.
Observations and Conclusions

This is a practice adopted by 88% of the companies where the future career path is explained to the newly selected candidates before hand.

- This helps the person joining to understand the scope for career.
- The efforts that he requires to put in to climb up the ladder.
- It also assures him that the company policies for promotions and increments are fair and transparent.
Observations and Conclusions

The observation shows that 50% of the companies use the system of combination of fixed plus performance based pay as a measure of motivation which in turn helps the companies to attain the stiff targets in this competitive age.
Standard Procedure of Work Allocation

Diagram No. 6

Observations and Conclusions

- 94% of the companies use standard procedures to allocate the work to team members.
- This helps the companies at the time of appraisal.
- Creates a sense of fair play amongst the employees.
Observations and Conclusions

- 83 % of the companies have well developed system of peer review and self assessment.
- 17 % of the companies have not responded.

This system has already been covered while discussing the changing appraisal and reward system (Page No. 232) though 17 % companies have not responded all other responses are positive on this issue. This evaluation is again linked to promotions, higher pay, training abroad and conferring independent responsibilities.
Observations and Conclusions

In this industry, the basic working group is a team of technocrats whose number may vary as per the requirement of the project. To maintain team spirit special techniques like:

- 31% of the companies undertake various team building exercises.
- 28% of the companies resort to group training.
- 38% of the companies arrange social outings to maintain team spirit.
- 3% of the companies adopt methods like recognition and clear and honest communication. It leads to best use of potential of
all the members in the team towards achieving set goals and inculcates a spirit of homogeneity.

Problems of Heterogeneity

<table>
<thead>
<tr>
<th>Problems Of Heterogeneity</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Difficult to maintain team spirit</td>
<td>14 %</td>
</tr>
<tr>
<td>2. No communication among team members</td>
<td>28 %</td>
</tr>
<tr>
<td>3. Groupism Within Same Cultures</td>
<td>35 %</td>
</tr>
<tr>
<td>4. Discontent amongst groups.</td>
<td>10 %</td>
</tr>
<tr>
<td>6. Any other</td>
<td>3%</td>
</tr>
<tr>
<td>7. No such problems faced</td>
<td>10 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

Table No. 11

Observations and Conclusions

Teams could be drawn from members representing:

- Different cultures.
• Different backgrounds.
• Geographical areas.
• Different linguistic backgrounds.

This heterogeneity can create many problems for a team leader which in turn can affect the productivity of the team because of difficulty in maintaining team spirit. The problems could be:

• 14% of the companies find it difficult to maintain team spirit.
• 28% of the companies report that there is lack of communication due to all or one of the above reasons.
• 35% of the companies report tendency for groupism amongst members coming from same culture.
• 10% of the companies report discontent amongst the groups.
• Only 10% of the companies reported that they do not face problems of heterogeneity.
• 3% of the companies have not specified the types of problems being faced due to heterogeneity although they agree to the existence of this problem.
Measures Taken to Maintain Homogeneity

<table>
<thead>
<tr>
<th>Measures</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Get togethers</td>
<td>30%</td>
</tr>
<tr>
<td>2. Celebration of festivals</td>
<td>20%</td>
</tr>
<tr>
<td>3. Outings</td>
<td>32%</td>
</tr>
<tr>
<td>4. Family get together</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Table No.12

Observations and Conclusions

To overcome the problems arising due to the heterogeneity as discussed above, the companies are taking various measures with an aim to remove cultural and linguistic barriers by providing them with an opportunity to get acquainted with each other. The measures taken are:

- 30% of the companies arrange get to gathers.
- 20% of the companies celebrate various festivals.
- 32% arrange outings.
- 18% arrange family get together.
Counseling

Graph No. 16 A

Graph No. 16 B
Observations and Conclusions

In this industry, the work pressure on the team members is tremendous due to pressure of meeting the dead lines for the project. Long working hours and competition among the team members to prove oneself because of the pressure of appraisal adds to this pressure. This leads to various mental problems which may lead to physical problems subsequently. These problems are:

- Family relations.
- Child care.
- Frustrations due to strained professional relations.
- Peer pressure.
- Behavior.
- Rigidity.
- Indifferent Attitude.
- Inability to communicate with colleagues.

To overcome these problems, quite a few companies send employees for counseling on regular basis or have their own counseling centers.
Experience Interviews

Diagram No. 7

YES-83.33%  No-16.67%

Observations and Conclusions

To cross check the results of various measures so far discussed to maintain team spirit and healthy work environment, experience interviews are conducted on regular basis which help companies in making suitable changes, if required, in their methods.

- 83% of the companies undertake experience interviews and try to carry out suitable changes while 17% of them do not.
**Steps to Strengthen HR Climate**

**Steps By Companies to Strengthen HR climate.**

- Communicating Values: 22%
- Monitoring: 18%
- Renewal Of Appraisal System: 16%
- Analysing Factors Of Appraisal: 20%
- Record of Innovative Work: 9%
- Flexi HR Plans: 15%

**Diagram No. 8**

**Observations and Conclusions**

Being the service industry, its back bone is human resource. All the companies have well developed policies to deal with this resource. Companies try to improvise their policies in this regard on regular basis to strengthen and maintain HR climate as reflected in the above graph.
Observations and Conclusions

From the employee opinion analysis it is clear that various measures taken by the companies to strengthen HR climate are effective as a total of percentages of those who agree strongly and somewhat is more than 82 % as depicted in the above graph.
Women employees have to maintain balance between family and professional responsibilities. Being women they also expect a healthy work culture and their safety. Considering these aspects, they expect certain adjustments from the managements regarding work schedules, leaves, health assistance and sabbaticals for child care.

At the same time as the employers have recognized the capabilities and efficiency of women employees, they have offered various special measures to satisfy their special needs as women and are adopting various measures to help them achieve a balance between the career and personal life.

Following graphs point out various measures which have been discussed at length under the chapter Women in IT. (Page No. 176)
Special Measures for Women Employees-1

**Graph No 18- A**

**Graph No 18- B Special Measures for Women Employees-2**
Above three graphs depict how the companies have taken various measures for women employees and have responded to their expectations.
Flexibility for Employees

<table>
<thead>
<tr>
<th>Flexibility &amp; Incentives Offered</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Preferred Transfers.</td>
<td>5.2%</td>
</tr>
<tr>
<td>2. Freedom to Refuse project</td>
<td>8.4%</td>
</tr>
<tr>
<td>3. Freedom of refusing Foreign Trips.</td>
<td>9.0%</td>
</tr>
<tr>
<td>4. Choice In Technology Shift</td>
<td>11.6%</td>
</tr>
<tr>
<td>5. Performance Based Pay</td>
<td>10.3%</td>
</tr>
<tr>
<td>6. ESOPS</td>
<td>1.3%</td>
</tr>
<tr>
<td>7. Consultancy Sharing.</td>
<td>2.6%</td>
</tr>
<tr>
<td>8. Participative Decision Making.</td>
<td>10.3%</td>
</tr>
<tr>
<td>9. Outsourcing to Own Employees</td>
<td>3.2%</td>
</tr>
<tr>
<td>10. Regular Salary Rise</td>
<td>9.0%</td>
</tr>
<tr>
<td>11. Promotions</td>
<td>10.3%</td>
</tr>
<tr>
<td>12. Special Training</td>
<td>9.0%</td>
</tr>
<tr>
<td>13. Medical and Educational Allowances.</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*Table No. 13*
Observations and Conclusions

It can be observed that not only to the women employees but these companies are offering a lot of freedom and flexibility coupled with various incentives as motivational measures to all the employees as is obvious from the table no 13.

Such flexibility is need and necessity of IT industry, without which they will not be able to perform efficiently and effectively. It also indicates that company policies are accommodative and receptive. Companies are ready to respond to the suggestions of the employees and are prepared to incorporate them in to the H.R policies of the company. Freedom to refuse any project, choice in technology shift, participation in decision making, consultancy sharing are in fact the signs of progressive approach of the company toward retaining the talent.
Observations and Conclusions

To judge as to how the Values, Principles and Policies of the company have been understood by the employees, perception survey is carried out on regular basis by IT companies which help them modify their procedures for effectively reaching out to employees.

- This healthy practice is adopted by 72% of the companies where as 28% of the companies do not pay attention to this aspect.
Objective No. 5

Innovative Strategies to Retain Talent

Bonds

Bonds from Employees Being Sent Abroad

Diagram No. 10  yes-17 %, No-83 %

Observations and Conclusions

In spite of the threat of employees quitting the jobs once sent abroad, it is observed that IT companies are not insisting on bonds being signed by employees. Only 17% of the companies are asking for the bonds. 83% of the companies do not resort to this as may be the managements feel that asking for a bond from the employees being sent abroad may develop amongst them a feeling that their loyalty and integrity is being questioned. This sense of hurt may harm the efficiency of the employees and in turn that of the companies too.
However a general observation is that it is a common practice in this industry to take the bonds from the freshers.

2. **Allowances While Working On Site.**

![Diagram No 11](image)

**Diagram No 11**

Yes-94 %. No- 6 %.

**Observations and Conclusions**

When employees are sent abroad, besides the regular salary, they are also given special allowances for working away from home as an incentive. 94 % of the companies are paying allowances plus salary to the employees. It seems it helps in retaining the employees.
3. **Other Innovative Measures.**

In addition, many innovative measures are used to retain employees which have already been enumerated while discussing existing best practices adopted by IT industry under objective no. 3 and objective no.4. Some of the important ones are:

- Providing counseling facilities and getting the feedback of the same.
- Conducting experience interviews.
- Involvement of subordinates in setting parameters of evaluation for themselves.
- Perception surveys.
- Special measures for retaining women employees.
- Fixed plus performance based pay.
- Continuous training.
- General retention measures.

**Objective No.6**

**Status of Women Employees and Their Future in the Industry**

This objective has been discussed at length as a separate chapter in details. (Please refer page numbers 176 chapter No. 4.)
Objective No. 7

Future Strategies in HR Issues considering its trends

IT industry in India was developing at a hectic rate since 1990. During this time the measure challenges before HR departments were locating, hiring and retaining the required qualified man power. To meet this challenge many companies started their own academies. They established tie ups with placement agencies and academic institutions of repute. E-recruitment was also being used effectively. This trend lasted till year 2006.

Down trend started from the year 2007 due to changed global economic scenario. Suddenly direction to the future HR strategies had to be changed from the problem of finding and retaining manpower at any cost to weed out the surplus and non performers and minimizing the cost on HR. Only the really talented and useful would be retained till the situation turns for better. Following diagrams and graphs adequately indicate the steps being taken by the industry since the down trend began.
Observations and Conclusions

- An alarming 72% of the companies have reduced the annual intake.
- Though 28% of the companies claim that they are still recruiting at the normal previous rates, the claim is difficult to accept considering the situation and news reports from various sources.
Observations and Conclusions

- 94% of the companies claim that they have stopped the fresh recruitment. This is in total contradiction of the earlier claim made by 72% of the companies that they have only reduced the intake and have not stopped the recruitment altogether.

- This also supports the researcher's observation about non-acceptability of the claim made by 28% of the companies that they are recruiting at the normal rate. From the above diagram it seems that only .6% of the companies are
even though the data shows that only 50% of the companies have discontinued appraisals and promotions, the general observation of the researcher is that most of the companies have stopped this system as a measure to reduce employee cost to fight the recessionary trend.
Reduction in salaries & Perk & Freezing of Salaries

Graph No. 20 Salary freeze

Graph No. 21 Reduction in salaries & Perks.
Observations and Conclusions (Graphs 20 & 21)

Since the new contracts are not in sight and the fear that the projects in hand also may be discontinued by the clients, 39 % of the companies have taken steps of not only reducing the salaries and perks of the employees as depicted in graph no.23, but 17 % of the companies have also taken the drastic step of freezing the salaries at current levels as is shown in the graph no. 22.

However the general observation is that many companies are asking the employees to work on only the basic salaries or at 50 % of the existing salaries.
Reduction in Working days

Graph No. 22

Observations and Conclusions

Though the down trend is severe, the industry feels that this is going to be a short phase and business scenario would change for better in a year or so. With this in mind, companies instead of reducing the work force are reducing the number of working days in a week or a month and are trying to save on all kinds of recurring costs. As a result only 22% of companies have actually reduced the number of working days.

This approach will help the companies in retaining talent and when the uptrend begins, the required man power will be with them. They will not have to spend time on locating the same.
Termination of Surplus Staff

Graph No. 23

Observations and Conclusions

As a cost saving measure, 22% of the companies have taken the extreme step of terminating the surplus along with the nonperformers. It is generally observed small and medium size companies are unable to sustain the costs of employees during the recessionary trend and had to take such extreme measures.
Forced Leave

Graph No. 24

Observations and Conclusions

Another way to save cost is by sending employees on forced leave. However, only 6% of the companies have resorted to this measure. Mr. Nandan Nilkeni of Infosys has publicly stated that their company has asked senior executives to work with selected NGOs for a year or two, where as some companies have asked their employees to use the period to improve their qualification. Considering overall situation and the observations of the study do not support the claim made by almost 89% of the companies claim that they do not send the employees on forced leave.
Through personal interviews while analysing the collected data regarding the crucial issues that the organizations envisage due to global melt down and to survive through it in best possible manner, many interesting factors / suggestions have emerged as an answer. These are:

- Diversification
- Re skilling.
- Absorbing new market trends.
- Fresh employees over the experienced.
- Simultaneous cost cutting and quality control.
- Development of domestic market as a counter to Global recession
- Shifting the focus from servicing to development of products.
- Focus on government contract.
Employee Opinion was sought from the same companies whose HR managers had filled in the questionnaire with the view to judge for the extent of correctness of the claims made by the companies. The views of the employees were sought only on selected HR practices being adopted by their employers. An effort has been made to make a comparative study of the opinions expressed by the employers against those expressed by the employees on number of selected HR issues. These are:

- Individual initiative is encouraged.
- Corporate communications are frequent.
- Adequate planning of tasks.
- Conducive work environment.
- Utilisation of individual potential.
- Objective assessment.
- Team spirit.
- Career path
- Organisatioal values.
- Cordial relations with colleagues.
- Effectiveness of HR department.
Individual Initiative is Encouraged

Employers Claim

Individual Initiative is Encouraged - Companies View.

Graph No. 25 A
Individual Initiative is Encouraged

Employees Opinion

Graph No. 25 B
Individual Initiative is Encouraged

Observations: (Graphs 25- A & 25- B)

- To encourage the individual initiative 39% of the companies analyse the facilitating and inhibiting factors identified by appraisal system and use the results for rewarding individual efforts by offering performance based pays, promotions, sending abroad for specialized training or bestowing independent responsibilities etc.

- Similarly 83% of corporate keep the track of innovative practices and outstanding work done by the employees not only for giving rewards but also for learning and updating their own procedures as has been explained while analysing the questionnaire for HR managers as is seen from the above graph.

- If we study the graph of employee opinion, it is observed that 61% of the employees agree strongly where as 21% agree some what with the companies claim. It can be concluded that claim made by the companies is correct.
Corporate Communications Are Frequent

Employers Claim

Communicating Company Values-
Company View

Diagram No. 14
Corporate Communications Are Frequent

Employee Opinion

Graph No. 26
Corporate Communications Are Frequent

Observation: (Diagram 14 & Graph 26)

- 89% of the companies claim that they communicate company values to the employees and their communication is adequate and transparent.

- Considering the employee opinion about the same 75% of the employees agree to the fact that corporate communication is frequent and transparent. Additionally 7% of the employees agree somewhat with the majority.

- However a miniscule 7% of the employees strongly disagree with the employer's claim.

- Over all, companies claim regarding frequent communication with employees seems to be correct. This means that the various methods used by HR departments for strengthening of HR climate including communicating company values and conducting experience interviews do work in reaching out to employees. Besides the above mentioned methods many a corporate are using informal ways like arranging coffee meets, HR quiz etc. to communicate and place the new policies before their staff prior to implementation of the same.
Adequate Planning Of Task

Employers Claim

Graph No. 27 A
Adequate Planning Of Task

Employees Opinion

Graph No. 27 B
Adequate Planning Of Task

Observation: (Graphs 27-A & 27-B)

- A total of 66% of the companies claim that they employ various ways to do adequate planning like setting the tasks jointly by project managers and team leaders or in consultation with project managers as is evident from the above graphs.
- The employees on the other hand disagree with the claim as only 36% of them are in total agreement with another 14% agreeing only partially.
- That is if taken together hardly 50% of the employees agreeable to the claims made by the companies regarding planning of tasks.
- A substantial 35% of the employees, including those who have not opted to answer, have remained silent on this issue indicating their unhappiness about the planning.

It may be said here that the companies will have to put in more efforts towards task planning for smooth functioning of their organizations.
Conducive Work environment for Employee Development

Measures for Conducive Work Atmosphere

Employers Claim

Graph No. 28 A
Conducive Work environment for Employee Development

Employee Opinion

Graph No. 28 B
Conducive Work environment for Employee Development

Observations: (Graphs 28 -A & 28- B)

Companies have been taking various work related measures like Transfers at preferred destinations, Freedom to refuse particular project, Refuse foreign assignment, choice of technology, performance based pay, ESOPs, Consultancy sharing, participation in decision making and selection for special training as depicted in the graph above.

In addition to this companies are taking general measures like Yoga classes, sports facilities, family get to gathers, and counseling etc.

From the study of the graph about the employee opinion regarding the working atmosphere in their companies, it is observed that almost 79 % of employees feel that the work atmosphere in their companies is very good and conducive to carry out the given tasks. Out of this 79 %, almost 68 % seem to be totally happy with the working condition where as for 11 % it is partially satisfying. A meager 3% of them are totally unhappy with the situation where as 18 % have not commented upon the issue.

It can be concluded that all the measures being taken by companies are definitely helping in maintaining conducive work atmosphere.
Utilisation of employee Potential

Employee Opinion

Graph No. 29
Utilisation of employee Potential

Observations : (Graph 29)

It is clear from the above graph that more than

- 64% of employees feel that the companies they are
  working for use their inherent potential.
- Additionally 29 % are also partially in agreement with
  this view.

It means that various procedures like experience interviews,
Interviews before and after the completion of a project, informal get
gether etc, which the HR departments claim to be following, not
only help them in judging the potentials of the employees but that
they are also making full use of this feed back while making
statement of work and fixing responsibilities of individuals.
Objective Assessment

Employers Claim

Peer Review & Self Assessment-Companies View

Diagram No. 15
**Objective assessment**

**Employee Opinion**

**Graph No. 30**
Objective assessment

Observations (Diagram 15 & Graph 30)

From the above pie diagram and the graph, it is seen that:

- 83% of the companies claim that they have systems for the appraisals of employees like peer review, self assessment, Quarterly reviews, Reviews during and after the completion of a project.

- About 53% of employees totally agree with the companies claim and 25 % of them partially agree to it.

It can be safely deducted that about 78% of employee's opinion matches totally with the claims made by the companies where a combination of peer review and self assessment system is used.
Team Spirit

Employers claim

Measures by Companies to Maintain Team Spirit

Graph No. 31- A
Team Spirit

Employee Opinion

Graph No. 31-B
To maintain the team spirit, companies are taking various measures.

These are:

• 31% of the companies undertake team building exercises.
• 28% organise group training.
• 38% arrange social outings
• 3% resort to other measures.

It is seen from the employee opinion graph that a sum total of 82% of employees agree that the team spirit in their organisation is of high order where 53.5 of them are in total agreement with the employers claim.

A safe conclusion can be drawn that the variety of measures taken by the organisations are successful.
Reveling Future Plan

Employers Claim

Career Path Made Known By Companies

Diagram No. 16
Reveling Future Plan

Employee Opinion

Career Path Made Known

Graph No. 32
Revealing Future Plan

Observations (Diagram 16 & Graph 32)

- 88.0% of the companies claim that they reveal the career plan at the entry level itself.
- As far as employee opinion is concerned regarding this issue, only 46% agree strongly with companies claim.
- 7% of employees agree somewhat on this issue.
- 14% of employees however are in strong disagreement with 4% of them disagreeing somewhat with the companies claim.
- 29% have remained neutral.

It can be safely concluded that the tall claim made by 88% companies that they make the career path known at the entry level is only partially correct as a sum total of agreeable employees is hardly 53%.
Organisational Values Discussed

Employers Claim

Communication About Company Values By Companies

Diagram No. 17
Organisational Values Discussed

Employees Opinion

Graph No. 33
Organisational Values Discussed

Observations (Diagram No. 17 & Graph No. 33)

- 89% of the companies maintain that they communicate to the employees the values of the company.
- As far as employees are concerned, 68% agree to this claim strongly.
- 14% of the employees agree somewhat with the companies claim.
- 11% of the employees have remained neutral whereas 3% of them have chosen to remain silent on this question.
- Only 4% of the employees have expressed strong disagreement.

It can be easily concluded that the companies claim that they communicate company values to the staff is correct as it is supported by almost 82% of the employees. (Total of those who agree strongly and agree somewhat)
Cordial Relations with Colleagues

Efforts by Companies to Maintain Cordial Relations

Employers claim

Percentagewise distribution of q28a

Graph NO 34- A
Cordial Relations with Colleagues

Employee Opinion

Graph No. 34- B
Cordial Relations with Colleagues

Observations (Graph 34 A & Graph 34 B)

Most of the IT companies take various majors to maintain homogeneity which in turn helps in maintaining cordial relations as their employees come from various cultures and also hail from different geographical locations. The purpose is to maintain cordial relations amongst the employees which otherwise may hamper efficiency and quality of the work. To maintain cordiality companies take various measures like:

- 29. % of the companies arrange get to gathers.
- 21% celebrate all types of festivals.
- 32 % take the employees for outings.
- 18 % organise family get togethers.

It is evident from the employee opinion graph that these measures are yielding the desired results as 89% of employees agree that the relations amongst the employees are cordial.
Effectiveness of HR Departments

Employers Claim

Steps By Companies to Strengthen HR climate.

Diagram No. 18
Effectiveness of HR Departments

Employee Opinion

![Graph NO 35](image)

Graph NO 35
Effectiveness of HR Departments

Observations (Diagram 18 & Graph 35)

Companies take various steps to strengthen the HR climate like:

• 22. % of the companies communicate company values to the employees.

• 15 % of the companies monitor implementation of values.

• 18 % of the companies under take renewal of appraisal system from time to time.

• 9 % of the companies analyse the parameters of appraisals after renewal of the system.

• 20 % of the companies keep the record of any innovative work done by the employee.

• 16 % of the companies have flexible HR plans.

From the above employee opinion graph it is evident that percentage of employees who agree totally and some what together is more than 82 %. It means that the variety of measures taken by IT companies to strengthen the HR climate, as is evident from above graphs for the same, are in right direction.