CHAPTER 1

INTRODUCTION OF THE STUDY

1. 1 BACKGROUND TO THE STUDY

In competitive global business climate, Information Technology (IT) companies believe that human resources are their asset and their employees drive them forward and facilitate them in achieving the organizational objective in the present technological world. Based on this idea companies invest a lot of money in the training and development programme for their employees to change their attitude in to optimistic mode and to empower their knowledge, technical skills and behavioural pattern (cited in Wayne Cascio 1976 and Anton 2011). Most of the IT companies believe that improved skills will help employees to improve their individual performance and it leads to increase in the company’s productivity and share holders’ value. Therefore, IT companies spend billions of rupees every year for employee training and development programmes. The costs are incurred for training which covers all types of training like formal as well as informal, on-the-job and off-the-job training. With this kind of huge investment for their human resource, IT companies are very curious, in knowing if they realize maximum return on their investments, what kind of return they really realize, and what are the other opportunity costs (Hardeep Singh 2012).

With the current economic development, IT companies have to think twice about every investment and the returns they get. Training is a set of activities designed to increase an individual’s skills, knowledge and experience. It brings attitudinal change among the employees, increases the job involvement, organizational commitment and job satisfaction and in turn enhances employee performance (Noorlizakaria et al 2006). The success of any training programme largely depends upon the people who are identified for training. On one side, training could be of a greater value when employees acquire technical skills,
knowledge and abilities to improve their individual job performance and sustain company’s competitive edge. On the other side of the coin, IT companies opined that it would be a great waste of capital investment, if the technical knowledge and skills acquired during training are not directly applied in the job performance and / or maintained over time to convert into higher productivity and better organizational performance to align with main objectives of the business. That is why a successful transfer of training should be of a paramount magnitude as of today, in which the IT companies spend huge cost of expenditure in employee training (Qasimsaleem et al 2011).

Over the years, Indian IT service sector market offerings have evolved from application development and maintenance, to emerge as full service players providing testing services, infrastructure services, consulting and system integration. The coming of a new decade heralds, a strategic shift for IT services companies from ‘one factory, one customer’ model to ‘one factory, and all customers’ model’. With the centralization, this strategy model offers best world class services for its growing customer needs and reduced capital expenditure level. So that, there is a need to create best trained professionals who are better able to go for a technology in a specific domain area. With the upcoming of various new technologies, it has become further challenging for the IT companies to offer effective, updated, latest technical knowledge and skill for its employees (Mahapatara, J 2011).

With the growing investment by IT companies in the development of their human resources, various companies have now started their own learning centers. IT companies are investing both in the technical training, which has always been an essential part in the IT industry, as well as in managerial skills development. IT Companies now keep aside 3-5 percent of the revenue for training programme. According to recent IDC report, India alone spends $216 million, i.e. 21 percent of the total spending of IT training in the region, and is
expected to be one of the largest contributors in the coming years. This is largely because India alone accounts for 60 percent of the total Asia-Pacific demand for IT professionals (cited in NASSCOM research report).

1.2 RATIONALE OF THE STUDY

With the world-wide expansion of companies and changing technologies, Indian IT industry has created a system that has made human resource as a source of advantage and smarter workforce which yields the best possible result in this competitive era. Latest technological trend has created an awareness and demand and have realized the importance of corporate training in India IT sector where the gradual shift from general to specific approach of learning / training. Today, employees no longer are eager to join any new organization where their knowledge and skills do not get upgraded.

Chennai has the third largest IT services in India. The IT industry has great scope in Chennai as it provides employment to many technically and non-technically graduated professionals. Most of the graduates are recruited in IT industries with high salary and other special offers. Thousands of college students are recruited every year in the IT parks all over Chennai. The leading IT companies in Chennai are Infosys, TCS, HCL, Wipro, Mahindra Business & IT Services, IBM, HP, Dell, Polaris etc. Employment in these IT companies has increased the living standards and economy of the state. The Government of Tamil Nadu has taken many steps to promote and sustain the IT industries in Chennai. For example, it has given tax holiday up to 2010, allocated many acres of land and provides infra-structure support, reduce the international communication cost, etc. In Chennai, the Rajeev Gandhi Salai also known as the IT corridor of Chennai consists of hundreds of IT parks.

Most of the researches in the training and development topic have addressed only specific problems related to its environmental analysis like
challenges, growth and opportunities, training as a retention tool, the HRM systems, training reduces job stress and burn out, job satisfaction, individual performance etc. Literature review has also shown how various researchers have identified a plethora of reasons behind the escalating importance of corporate training in IT sector and many of them have suggested various models to evaluate the effectiveness and impact of a training program (Brinkerhoff’s model 1987, Holton’s model 1996, Phillip’s model 1966, Donland Kirpatrick 1967 and Kirpatrick & Kirpatrick). Many researchers have also worked on employee attitude (Ann Bartel et al 2004) but only few researchers had contributed towards work related attitude (NoorlizaKaria et al 2006). contributes three factors such as job satisfaction (Maurya & Kaushik 2013), organizational commitment(Alexander Newman et al 2010) and employees’ performance are studied by some of the researchers combining one or two factors such as job satisfaction and organizational commitment or only job involvement (Prasadini et al 2013). However, no systematic and comprehensive work has been found that collaborates all the facets viz. analyze the impact of training and development programme, job satisfaction, organizational commitment and job involvement etc. to combat the most smoldering problem of the present times, i.e. the work related attitude of the employees’ after attaining the training and development programme. Another interesting finding that emerged from prior researches is that reducing attrition may not always mean increasing retention. Attrition may reduce if the negative characteristics of the job are taken care of. However, that does not mean employees increase their willingness to stay in the same organization. Thus, different set of factors emerged for attrition and retention respectively. Looking at the big picture of the much realized potential of the IT industry in India and the impending curse of attrition in this sector, it can be said that the problem cannot be overlooked. There is dire need of tackling the problem of attrition in the IT industry of India and for this employee training and development has been chosen as an effective tool. There is need to develop a concurrent strategic method, an innovative development paradigm that can be
utilized to curb the ever-increasing attrition rate in the IT companies by enhancing the employees’ attitude. Thus the need for this study can be clearly defined:

1. Due to the stressful work environment prevailing in IT companies, the physical and mental well-being of the employees is at stake. Hence a compact model should be developed by which it can determine the work related attitude of the employees’ after attending training and development programme can be identified which enhances to greater employee satisfaction and improved productivity and thus make them better corporate citizens.

2. Due the constant technological changes IT companies has to invest in large amount towards the perceived non-existence of effective training and development programme the in IT companies which is one of the bitter truths that is responsible for high levels of attrition in this sector. Time has come to identify the impact of training and development programme that has contributed towards employees’ attitude change.

3. Employees’ attitude towards training and development practice plays a conscious and effective role among the IT employees. To be successful in today’s working environment employees need the knowledge, idea, energy and creativity. The training and development practices in IT Company are implemented with the hope of building employees’ commitment, overcoming the worker’s dissatisfaction and reducing absenteeism, turnover, poor quality of work, etc.

1.3 STATEMENT OF THE PROBLEM

The IT industry in India is growing faster than other knowledge-based industries and manufacturing industries. It also makes it possible of reverse brain drain. Earlier, a large number of graduates from India’s top institutions used to choose jobs in developed countries which resulted in wastage of government expenditure in such institutions. On the other hand, a considerable number of
graduates of such institutions getting absorbed in companies in India, due to the coming of the third wave in India. Employment generation is another key strategic issue in India, which can also be efficiently addressed through the establishment of IT industries.

India is a hot destination for IT-based industries not only for cost savings, but also for talented human resources and their leadership qualities. Indian IT companies undertake human resource development programme through various training initiatives for knowledge and acquisition of skills to the human resources. Most IT service companies have addressed strategic issues in human resources development more progressively to sustain in competitive global markets and also to retain their valuable talents for future growth. This industry adopts frequently changing work environment that requires new set of skills and business intelligence. Thus, training and development in this industry is particularly very important. The IT companies in India spend a good amount of financial resources to keep their manpower updated and to equip with the latest skill sets and business knowledge.

Training is an integral part of Human Resource Development and is crucial for the effective functioning of any organization. Organizations would appreciate the value of adequate, consistent and long term investments in such functions. They would face challenges due to technical and economic changes and hence, they need to prepare themselves to adapt to these changes. For this, they require up gradation of skills and knowledge, change in the attitude and perception of their employees. The employees concentrate more on the job related activities and mostly avoid the act of establishing or maintaining human relations with peer group, subordinates and supervisors. This kind of attitude prevents them from sharing their knowledge with others. Hence, they behave differently, and it is very much essential to inculcate the value of team spirit and team building
among the employees to achieve the goals of any organization. The following are the questions that the researcher wants to probe and find answers:

1. What extent demographic variables have impact towards the training and development programme undergone by the employees?
2. Does the work related attitude of employees’ has undergone change after attending the training and development programme in IT sector?
3. What extent training and development programme have impact on job satisfaction, organizational commitment and job involvement among the IT employees?
4. Which are the key factors that envisage organizational commitment and job satisfaction among the employees in IT sector?
5. How to sketch a model by integrating the factors of employees’ work related attitude and portray its relationship with impact of training and development programme?

1.4 OBJECTIVES OF THE STUDY

This study is brought out with the following objectives:

i. To examine the influence of demographic variables towards impact of training and development programme among the employees in IT sector at Chennai.

ii. To examine the association between demographic variables and work related attitude of employees towards training and development programme in IT Sector.
iii. To measure the impact of training and development programme on job satisfaction, organizational commitment and job involvement among the IT employees.

iv. To identify the key factors envisage organizational commitment and job satisfaction among the employees of selected IT Company.

v. To develop a model integrating the factors of employees’ work related attitude and portray its relationship with impact of training and development programme.

1.5 SCOPE OF THE STUDY

The study was conducted for employees working in selected Information Technology companies in Chennai particularly selecting the top five IT companies, which come under the top 20 companies for the past five years in ranked by NASSCOM. The researcher has taken up this study to assess the impact of training and development programme attended by the employees of selected IT Companies in Chennai.

Further the researcher has studied employees’ work related attitude such as organizational commitment, job satisfaction and Job Involvement with respect to the job / task assigned in IT sector. It also suggests ways to improve the multi-tasking skills and abilities of the IT sector employees through proper training intervention.
1.6 CHAPTER SCHEME

i. First chapter deals with the introduction and design of the study which includes the introduction, the need for the study, the statement of the problem, its objectives, the scope and limitations of the study and the chapter scheme.

ii. Second chapter deals with review of the literature of the previous studies relevant to the present research. The review of various studies conducted in the field of employees’ attitude towards training and development and its correlates are presented in chronological order.

iii. Third chapter presents the theory related training and development. More over theories related to employees’ attitude and various conceptual frameworks for the present study has been chapteried.

iv. Fourth chapter presents the profile, overview, growth, structure and importance of IT industry.

v. Chapter five deals with research methodology which includes research design, data collection, sample design, research instrument, scale measurement and statistical tools for data analysis.

vi. Chapter six mainly focuses on data collection, processes, analysis and interpretation on the result of the finding which are related to the research questions and hypotheses development.

vii. Chapter seven presents the discussions about the findings from data analysis and interpretations of the study. It also includes implications and theoretical contributions of the research, limitations of the study, and offers the final conclusion.