PREFACE

Popular perception in industry circles is that an organization’s continuous success, improved performance and long term sustenance depend more on the way the HR Function is handled. The Corporate World has recognized this fact long ago and the basis for this is the kind of new HR interventions that they took up based on research conducted in this field. Despite of the focused attention on HR activities, there are still many such organizations where HR Function has not lived up to the expectations.

Against this backdrop, a thorough evaluation of HR Function becomes the need of the hour, to give a new life and thereby rejuvenate the whole gamut of HR activities. In this process, it needs to be kept in mind to what extent these activities are actually business driven. This is where HR Audit comes in handy as it dissects and deciphers HR Systems, HR Competencies, Organizational Culture and a host of other pertinent parameters to unearth the performance hindering factors. By taking up such systematic evaluation through HR Audit at regular intervals, the organizations would be in a position of strength to handle all possible challenges that keep arising every now and then posing a big threat.

Indian IT industry has slowly emerged as the main growth engine of our economy in the last couple of decades. The Information Technology (IT) and Information Technology Enabled Services (ITES) industry has been one of the key driving forces fuelling India’s economic growth. This sector is in fact, one of the world's fastest growing economic activities and assumed lot of significance globally. Considering the vital role it is playing in shaping the economy of our country, lots of researchers have carried out different kinds of research in this industry. In the context of HR, there are huge challenges that have plagued this sector. Since the industry fortunes depends on the skilled manpower, more than anything, it is felt highly imperative to carry out a detailed study to iron out HR challenges that have been affecting it. At this juncture HR Function requires a serious attention in IT industry on account of the persistent problems that have posed a big threat.
Studies conducted by various researchers over the years in IT sector have identified certain recurring issues that required constant attention of HR Functionaries and these include; a) Managing Knowledgeable Workforce, b) Motivation and maintaining the Morale, c) Competency Development, d) Recruiting the Right Candidates, e) The Trust Factor, f) Work – Life Balance, g) Attrition and Retention of the Talent Pool etc., to name a few.

Through this research an attempt is made to assess the effectiveness of Human Resource Management practices in IT industry using various HR Audit tools. The study is confined to three IT companies based in Hyderabad. It covered a total of 210 software professionals, 18 HR functionaries, 3 CEO’s, 3 HR Heads from these three organizations and 12 senior management personnel. A research model was developed based on the existing literature and the same is being tested using statistical tools. Descriptive Statistics were used to analyse the data. The research concludes that there is a need to conduct HR Audit at regular intervals. The noteworthy contribution of the research is that the effectiveness of various HR Systems depends largely on the Commitment of the Top Management and Head of the HR Department. HRD Profile and the competencies of the Human Resource Professionals would also determine virtually the effectiveness of human resources in the organization. Various inputs provided though this would become instrumental in fixing some of the existing HR issues faced by the IT companies not only in India but across the globe as well.

The total work is presented in the form of six chapters and the details of these are:

- **Chapter 1: HR Audit – An Overview**
  It provides a comprehensive overview of HR Audit.

- **Chapter 2: IT Industry & HR Challenges**
  This provides a brief profile of Indian IT industry and HR Challenges faced by this sector.

- **Chapter 3: Literature Review & Research Methodology**
  This chapter covers various research contributions made by earlier researchers in the field of HR Audit and outlines the research methodology adopted in this study.
• **Chapter 4: Commitment, HRD Profile & Competencies**
  This deals with descriptive statistics which covers the Commitment of Top Management and HR Head to HR Function. It also covers HR departments profile in IT companies and the competencies of HR professionals.

• **Chapter 5: Effectiveness of HR Systems**
  There are two parts in this and the first part deals with descriptive statistics which covers the effectiveness of HR Systems in IT companies, while the second part deals with hypotheses testing.

• **Chapter 6: Summary of Findings & Suggestions**
  The contribution of this study is highlighted. How the research gap addressed and the directions for future research are shared here.

• Bibliography
• Appendices