CHAPTER 7

FINDINGS AND SUGGESTIONS
FINDINGS

- The biggest challenge in the Software industry today is to match the demand for and the supply of Human Resource. So, the companies have to constantly look into training and development needs of its employees. Companies have realized that it is essential to have a right mix of technical, business, and functional skills to meet the needs of individual business segments and customer markets and are hence spending substantial amount of time and resources to help their employees to have value addition.

- The big companies that are working on multi-technologies are able to get people without too much difficulty because they are able to recruit from "enlarged pool." But small companies face a huge problem in recruiting people. Recruiting the "best" and the "right" employees is a big task for all the companies in the IT industry, it is because of the high growth of the industry and high rate of turnover.

- Companies have to pay high prices for attracting as well as retaining the talent. Companies are using multiple channels to recruit people, which increased the cost of the process.

- Lot of companies are going for "walk-in-interviews" which helps them to reduce the lead-time of recruiting and saves the lot of time and resources. Most big and average companies have a continuous recruitment process.

- Companies are trying many methods along with the traditional ones to attract people. They currently use a wide range of sources that are available like:
Chapter 7: Findings and Suggestions

- Campus recruitments
- Placement agencies
- Newspaper advertisements
- Employment fairs
- E-recruiting
- Employee referrals.

- Various companies are spending different resources in skill development of its employees and the priorities are getting change as expectations of the clients.

- In a small company like Knoah, Srishti, their main focus is on technical skills, which is given the highest weightage. They also look for communication skills, as the software engineers may be required to work "on-site" and this means interfacing with the clients and trying to understand their needs.

- Large companies have good reputations in the market and they are recognized as good companies to work. They have created strong brand equity for themselves and use this to attract and retain talent. Organizations are doing “perception mapping” on a regular basis to understand how they are perceived by prospective employees. It will help to improve HR practices. It is the “brand” that creates the emotional bonding.

- Companies like Satyam that have well-developed training and development centers, As soon as a person joins Satyam he/she is put through rigorous three month training programs that equips him/her software basics as well as project and organization specific skills.
The IT industry is spending considerable time and resources to upgrade abilities of their trainers. They are encouraged to participate in world-class training programs. Small and medium sized companies have resources constraint and they are able to provide limited opportunities to people.

The competition for talent in the IT industry is very high. It will be on two aspects – one is recruiting good talent to keep pace with the growth industry and the other is retaining the best people. It is the experienced professional who has an advantage. Presently freshers are easily available as supply from institutes is very high.

In order to attract, and retain employees software companies are taking some steps they are as follows.

- This includes competitive salaries and perks.
- Offering ESOPs is one of the methods of attracting and retaining talent. It creates a feeling of partnership and involvement in the organization.
- Overseas opportunity is another important driver for most software professionals.

In small companies they try to pay different salaries, as they cannot afford to pay same salaries to all, they are average payers according to industry standards. However, they do give variable pay according to the performance of person.

All the Software professionals want to be recognized by the management. The need for self-recognition is very high. Companies are following various strategies to identify their star performers and they are publicly recognizing them. It is done to recognize their need for self esteem.
In big companies, service-based recognition programs—Club 5/Club 10/Club 15—serve as forums where long service of employees who have put in 5/10/15 years is recognized. They also have performance recognition programs that take the form of spot awards. Where managers are empowered to announce spot awards for their team members for good performance. Difference in action (DIS) awards are for recognizing exemplary individual or team performance.

Small companies in the industry also have reward and recognition procedures they have awards.

Rewards at Satyam are based on project performance, process deployment, best practices, and participation in quality teams, effective training, best process ownership, best suggestions, and others. This is very important in attraction of talent. The location of work place, the building they work, the quality of your workplace, the privacy of the workspace of the employees, and other such factors play an important role in attracting and retaining professionals.

Accenture and Satyam have state-of-the-art infrastructure of building, facilities, and resources. They have every kind of facility in house. From swimming pool, cafeteria, Boating Club, Gymnasium etc, these facilities give pride to employee about its company and they also show that company cares from them.

Many companies know the fact that a particular percentage of persons will leave them anyway. This is especially true for the smallest companies.

In large companies, they have proper procedure for training need identification of its employees. They have training calendar developed well in advance and circulated to all which helps people in planning their time. They have well established training centers. In which they get well renowned professors from IIT and various good institutes and consultants
to train their employees. They train people in soft skills and provide cultural training too.

- In large companies, the HR department is given a lot of importance and is empowered to a great deal. If HR wants to start any initiative. Not must justification is required. Hence HR is actively involved in building organizational culture and has an important role in the organization. In small companies. HR does not have such an important role as ion the large and medium companies. They are actively engages mostly in recruitment and compensation management. They do not play a very important role in the organizational dynamics.

- In the large companies, when the organization wide goals and strategies are formulated. HR planning is also done at the same time. The human resource requirements flow from the organization-wide goals and strategy. Usually the business strategies are aligned with the HR philosophy. Human Resource requirements are mapped out and derived based on business projections.

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- Usually, the Human Resource requirements are mostly need based. The various departments or project leaders convey their requirements to the Human Resource Department who set about meeting those requirements and set about recruiting.
The awareness about the conceptual knowledge like awareness of mission and vision of the companies is very poor in Indian IT industry. Even the middle level executives are not able to analyze what their mission and vision are. Even in employee survey 84% respondents told they just know about vision and mission where only 11% of them clearly know about it and 16% of respondents told they just not know and but they are committed to the fulfillment of it. The noticeable thing in this is 16% of respondents said they are not informed about the mission and vision of the organization.

It is found that the internal career opportunities in Indian IT industry are moderate. It is inferred from the satisfaction level of the employees', 65% of the employees said they are very much happy with the available career opportunities in the company. Most of the satisfied respondents are of level 4 (18 out of 20 in Accenture) and very much-dissatisfied respondents are of level 1 (16 out of 20 in knoah solutions) in remaining three companies satisfaction level is around 75%.

All the software companies of Indian industry are suggested to plan the internal career opportunities more effectively. It may helps them to attract their employees and make the employee retention more effective. It would be better if the companies can design the career succession plans based on employee interest and competency mix. Some efforts should be put to efface the practice of job-hopping nature of the employees.

Employees in IT industry are not pro to working with same company for more than five years. They feel that personal growth can be had only when they change companies for about five years. It is found from the opinion about changing companies to ensure their personal growth. Majority of the respondents (73%) opted the option of changing companies for every five years. It is observed that the positions and salaries are increased when employees change companies compared to continuing with the same company.
• Priority for retention of employees is not seen in the industry. But few companies are trying very hard to retain their good performers. As average employees are more in the industry, all companies are trying to replace them with the new employees. Frankly speaking, this practice is not wrong from the companies' point of view but employees may feel that their company is not putting efforts to retain them. The same factor influenced the 69% of respondents to say that the companies are not putting efforts to retain their employees.

• Compared to any other industry in India, the retention rate of employees is not good in information technology industry. It is felt by many software engineers that, the job security should be provided to a fair extent, it may help the employees to come out of the insecurity feeling and motivate them to work up to their potential capacity.

• It is observed that the feedback system on strengths and weakness is not up to the satisfactory level. Performance appraisals clearly show the areas of strengths and weakness of employees and if companies communicate the findings to respective employees, it will be good for both the parties. Every company is keen on conducting various types of appraisals, but most of them are failing to communicate the findings to respective employees. Only 36% of respondents said they are getting feedback on their strengths and weakness. In level 4, 11 out of 20 respondents said that the feedback is provided; in remaining all companies employees have no feedback on their strength and weaknesses.

• When it comes to providing required consultancy on rectifying weak areas of employees, companies are not showing much interest. The interest that is seen in the training programs, will not be there when employees is progressing in his project. Irrespective of the level, the majority of the
employees (78%) informed that no consultancy is provided on weak areas.

- The design of the jobs to some extent is proved scientific as lots of techniques are used in the process of job design. But it is found only 22% respondents agreed that the jobs are scientifically designed and 31% of respondents disagreed that the jobs are designed scientifically.

- It is found that the employees are expecting the redesign of their jobs. They are feeling that their jobs are not scientifically designed. 75% respondents said they have need of job redesign. There is no deference of level of companies in this regard, even in level 5, 16 out of 20 said they need redesign of the jobs and in level 1, 18 out of 20 said yes to redesign of the jobs.

- In the training programs, all most all the companies are very much concentrating on work contents and they are giving less importance to the behavioral contents of the employees. As a whole 84% of the respondents said the companies are focusing more on work content. Only in level 4, 8 out of 20 respondents said both work and behavioral aspects are given equal importance and in remaining all levels only work aspects are concentrated more.

- It is found that the opinion on the appraisal methods is very poor. Very less number of respondents (6%) accepted that the appraisal methods are accurate. Remaining 94% of respondents said either some aspects of appraisal methods need to be changed or all the aspects need to be changed. In level 5, no employee said, that the appraisal methods are accurate and 14 of them said, some aspects need to be changed. Majority of the respondents are of the opinion that at least some aspects of appraisal methods need change.
The satisfaction about the training methodologies in the company is moderate, 43% of respondents said that they are happy with the methodologies. In level 4, 16 out of 20 employees are happy, which is the maximum number, and in level 2, only 3 out of 20 are happy with the training methodologies.

The relationship between pay and performance is not maintained in the industry. Fixation of salary is a chance factor in the selection process, it is completely a deal based, and different employees working for the same type of job are getting different salaries. No one will know the salary of others in the company. 74% of respondents said that the pay and the performance are not related. It is observed that employees working for the same job are getting varied salaries. The salary fixation is based on the salary of the previous company where from employee comes. 20 to 30% more salary will be fixed than the previous pay slips to make sure the employee joins the company.

It is observed that the performance appraisal reports are considered in the career path of an employee. Salary hike, promotions, assignment of new or over seas projects even terminations are completely based on the appraisal reports. 57% of respondents said reports are considered in the future decisions related to the career path. Only 27% respondents said that the reports are not considered. The highest number of employees (17 out of 20) in level 4 said the appraisal reports are considered in the career path of employees.

The industry is following mainly the change methods of either discussion with employees or by force for the change implementations. Almost half of the respondents said the companies are introducing the changes by force. Where employees will be asked to make suitable themselves to the
situation or find their way out. A fair number of respondents (36%) said companies are discussing with the employees before change is implemented. Only 23% of respondents said companies are using change agents in the process of change implementations.

- It is found that the employee suggestions are considered in decision-making of the companies. 81% of respondents said that their suggestions are taken in the decision-making. Only 19% of respondents said their suggestions are not at all considered. It is a good practice in the industry that employees' suggestions are considered by respecting the knowledge workers experience and exposure.

- The IT companies conduct training programs according to the need it means all the programs will be after analysis of the requirements. Only 18 respondents said they would have monthly training programs. Out of which 12 respondents are of level 5. 31 respondents said they would have yearly training programs, majority of employees (51) have told programs will be according to the need. It is noticeable that level 1 & 2 have no monthly training programs.

- The workload of employees is found a bit concerning. The jobs in the industry are overloaded. It is found that the companies are squeezing the capacities of employees. Half of the respondents said their jobs are overloaded 52% of respondents said they have psychological pressure which is hampering the working efficiency. It is all happening because of chasings by the project manager to complete the projects by the due dates. 44% of respondents said their jobs loaded equal to the capacity. 5% of employees said their jobs are under loaded it happens when companies have less number of projects and wants to retain all the employees for the future projects.
• The relationship between present assignments and the educational background of the employees is not there. Even non-literates of computer science are working on computers after getting some software training. Even the employees are asked to work on platforms that are different from the platforms in which they are trained. 67% of the respondents said their educational background and present work assignments are different.

• The communication system in the industry is very much supportive. It is observed that the systems flow; empathetic, and two-way communication system is followed in the industry. Very less number of respondents said that they have boss centered communication system. Only in level 1 9 out of 20 said they are having boss centered communication system, in remaining all companies majority of respondents said they have very much supportive communication system.

• The industry is giving the 'bounded autonomy' for its employees. No company is able to give full autonomy to their employees. Industry still has to workout a lot to develop fully autonomous teams. 63% if respondents said they have autonomy to some extent in the jobs. Considerable number of respondents (37%) also told that there is no autonomy.

• Almost all employees are very much liking the flexi work system, which is not presently popular in India. Only in level 2 & 4, 7 out of 20 employees told they don't like to have flexi work system. At the outlet 83% of respondents said they like to have the system.
• It is suggested that the awareness about the 'conceptual knowledge' like mission, vision and major objectives should be provided right from the initial training programs. To achieve this objective, apart from the technical information in the training programs, the information about the conceptual knowledge must also be provided. It will be good if the information is furnished on notice boards and hoardings near to place of working, rest rooms and cafeteria.

• All the software companies of Indian industry are suggested to plan the internal career opportunities more effectively in the company. It helps them to attract their employees and make the employee retention better. It would be better if the companies can design the career succession plans based on employee interest and competency mix. Some efforts should put to efface the practice of job-hopping nature of the employees.

• Compared to other industries in India, the retention rate of employees is not good in the information technology industry. It is felt by many software engineers that the job security should be provided to a fair extent, it may help the employees to come out of the insecurity feeling and work up to the potential capacity.

• It is suggested that the feedback system on employee strengths and weaknesses should be practiced across the organization. The information should be sent to at least to immediate superiors and later discussions are arranged on both identification of reasons and efforts needed to work out the weak areas. Most important thing is to provide the continuous consultancy to work out the problem areas either by group meetings or by forming a quality circle.
• The design of the jobs must be made more scientific. Employee previous experience, potential capacity and socio-psychological factors must be considered in the design of the jobs. It is suggested that the companies should go for redesign of the jobs that are troubling employees continuously.

• It is suggested that the training programs must concentrate equally on both work contents and behavioral contents. Most of the companies are striving to provide only technical skills that are enough to work on projects. They should recognize the importance of behavioral contents of the employees that prompt them to work effectively.

• As most of the employees are feeling the need to change some of the aspects of employee appraisal methods, it is suggested the companies to identify the aspects that need change in employee surveys and implement them without fail.

• Most of the employees are suggesting the companies to make their training methodologies lot more effective by making them on line and conference based. It is also suggested that the skills enhancement training programs must be conducted internally without sending them to the outside training centers.

• Fair bit of transparency is needed in the matters of pay. Principle of equity must be followed in compensating the employees. Companies must link the performance at time of taking decisions on pay fixation. They should ensure that the employees working for the similar job are not getting different salary
• The implementation of change must be made convenient to both employees and the organization. So far, the industry is implementing changes 'by force' compelling the employees to make themselves compatible. This practice will not benefit any software company in the long run. The advantage of not having active unions should be used for general benefit and wish this situation to sustain for long time where companies can work without threatening from the employee unions. So, it is suggested that the change implementations must be through the 'use of change agents' and lot more discussions with the employees.

• It is always better for the companies, if they relate the educational background of the employees and the work assignments that are given to them. In the boom period employees will be recruited without much look in to their educational background and later they all will be asked to quit the companies when it gets the recession.

• Industry should take lot more initiation in developing autonomous teams. Based on the stage of empowerment continuum in the employees are, the required autonomy should given to all the employees to work effectively in their functional areas.

• Looking at the changing circumstances it is time to establish the flexi work system where employees will have freedom to select their working periods.