ABSTRACT

Audit is a process of systematic check on the various aspects of intellectual capital management in an organization. The role of intellectual capital in Information technology firms is very high due to foreign clients and the service quality expectations of the delicate institutional clients. In addition, the costs associated with the projects are huge and irreversible in software projects. A product designed by a firm should be in a position to satisfy many clients in the world in terms of simplicity, compatibility, change, up gradation and flexibility to shift the operating system. All these imbedding in a single product requires multiple skills and all those are supported by the different teams. Co-operation, co-ordination, communication and control are the pillars on which a project runs among the intellectuals of different domains.

The use of Human Resource auditing has increased in recent years with the commitment to move HR from a support to a strategic function. HR auditing is vital to the importance of the HR function, but there is little correlation between the information in the audit and the overall effectiveness of the organization. The role of HR function has changed dynamically. However, there is always room for improvement which can’t be ignored. For Human Resources, the diagnosis of improvement areas can be done through one essential tool: the Human Resource Audit. Auditing, in simple terms, is described as a diagnostic tool to gauge the current status of operations and to identify the gaps between what is intended and what is actually being delivered.

The specific objectives of the study are:

1. To Study the Human Resource Audit Practices Climate and Environment and factors influencing the same in Information Technology sector.
2. To find out the relationship between Human Resource Audit Practice and Performance of the Information Technology Professionals in the sample. Sample area.

The present study is perceptional and qualitative in nature. The present study is described the profile of the IT firms and its environment prevailing and explore some of the facts relating to HR Audit climate and Practice and employees perceptions on the same. This study also deals about the relevance and relationship with the performance of employees and the firm. Among the different IT hubs in Tamil Nadu, the Chennai city has been selected for the present study. Initially a pilot study was conducted with 125 questionnaires and the reliability for the same was calculated by using Corn Bach’s Alpha Score and found at 0.896 (89.6 Percent) as reliable.

The Results of the descriptive statistics shows that 57.9 percent of the respondents in the sample are male and the remaining 42.1 percent are female indicates that the IT firms are providing equal opportunities to the young talents in the industry. The age group of 442 employees working in IT sector and participated in the HRA survey in the sample. Education stream of the employees working in the IT firms is the sample represents that 25.1 percent (1/4th) is from undergraduate technical stream, 14 percent is from undergraduate non-technical stream, 18.3 percent is from postgraduate technical stream, 7.7 percent is from postgraduate non-technical stream, and 34.8 percent are from professional stream of education.

The awareness on human resources audit among the employees is found at 8.1 percent of the employees are highly aware of the concept, 36 percent of the employees in the sample are aware of the HR audit concept, 29.2 percent of the employee are somewhat aware of the HR audit, 21.7 percent are not aware of it and finally 5 percent of the employees are not at all aware of the concept of HR audit among the sample. Training sessions and learning from peers are the highly influencing channels of learning and getting information among the youth and employees working in IT firms.
Employees in the sample survey perceived that the human resources audit influences the performance of the employees is strongly agreed, 47.5 percent are agreed for the same, 13.8 percent are somewhat agreed on the perception, 7 percent of the employees are not agreed the impact of HR audit on individual performance and 15.8 percent of the employees are not at all agreed for the perception of influence of HR audit on the individual performance among the employees in IT firms in the sample. The perception on the impact of HR audit practices on the performance of the firm is indicated as excellent impact by 67 respondents (14.7%) of the sample, 43.4 percent indicate very good impact, 19.5 percent perceived that a fair impact, 8.8 percent of the employees represent moderate level of impact and 13.6 percent perceived that no impact of the Human Resources Audit (HRA) practices on the performance of the firm.

The primary factors influencing the HR audit practices among the IT firms in Chennai are Executive Leadership/ leadership co-operation (middle level), Employee Engagement and preparedness, Technology and company culture, Competitiveness and future planning attitude of management, Productivity of the employees and service quality, Economic/ financial irregularities-scams, Political interference and involvement, Social factors and media pressure on the Human Resource Audit (HRA), Stakeholder initiatives- transparency. Indicates the influence of organization control variables like leadership, attitude of the management, stakeholders’ protection policy and practice etc. Hence, it is inferred that organizational factors are the prime factors influencing the Human Resource audit practices among the IT firms in the sample area. With the practice of Human Resource audit, highly influencing dimensions of performance of the employees are Self evaluation and change in attitude towards organization and its importance among the employees, Practicing the skill development exercises, Improvement in the efficiency through Training and development, Developing communication skills, and Focus on interpersonal skills and team building.
The primary benefits perceived from the HR audit is represented in the sample survey are Recognition of strengths in terms of human capital, Reveal problem areas of business and intellectual capital, Confirms compliance with latest regulations, Builds confidence in HR function, Work culture and ethics adoption and inculcation, Transparency in talent recognition and rewards, Team building and communication effectiveness across the verticals, indicates the important human aspects of work like work culture, recognition, transparency, motivation, team building and confidence at work. Hence, it is quoted that, without human capital there is no IT firms and without HR audit, there is no sustainable IT firms.

Findings of Inferential statistics shows that, there is a highly significant relationship existing between the HR Audit practices with performance of an employee at 1% level of significance the hypothesis is rejected. There is a highly significant relationship existing between the HR Audit practices with performance of the firm and the hypothesis is rejected at 1% level of significance. It is empirically proven in this study that, HR Audit practices are indispensable for the sustainable growth and development of the business in long run. Hence, a systematic planning and adoption of development schemes, effective implementation and follow up, revision of the schemes and plans from time to time can help in growing much faster, better and sustainable.