CHAPTER 1

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

The Information Technology industry in India has gained a brand identity as a knowledge economy due to its IT and ITES sector. India is one of the most preferred outsourcing destinations. India’s IT industry can be divided into five main components, viz. software products, IT services, engineering and R&D services, ITES (IT-enabled services) and hardware. Export revenues primarily on project based services continue to drive growth. Multi-year annuity based outsourcing agreements are expected to increase. However, the majority share of the project based revenues is going to continue on the back of custom application development and application management. Indian IT/ITES industry has been increasingly contributing to the domestic economy over the years. The growth in the service sector in India has been led by the IT–ITES sector, contributing substantially to increase in GDP, employment, and exports. Today IT and ITES sectors lead the economic growth in terms of employment, export promotion, revenue generation and standards of living. This industry has played a major role in placing India on the international map. The cost reduction and availability of skilled English-speaking employees have been the key growth drivers in the industry, and other factors such as access to talent, service quality, and productivity have kept the Indian IT/ITES industry competitive in the global market (Vanishree 2012).
The growth of this industry in India is impressive and companies are providing services in low-end as well as in high-end services for domestic and foreign countries. The software industry is with heterogeneous people. The industry has people from various different states with different cultures. The working style of the industry is mostly a replication of western work style. But for most of the people the work style will be new to them when they enter software Industry because of the cultural differences. In IT industry, workplaces include people of different socio-economic backgrounds, diverse goals, various skill levels and multiple personalities. The software industry fully works on the knowledge base. It is the attitude of a person which plays an important role in delivering results no matter how skilled the person may be. So, it is important not to undermine a person’s dignity and respect the context which will be affecting their analysing skills, thoughts, attitude etc. People management is the most challenging part of a business and succeeding in it can become the company’s source of competitive advantage. If a company can have its people implement plans with unity, skill and effectiveness, they are already ahead of the pack because most companies are incapable of making it happen. Hence the companies start building their capability to manage their human capital.

Managers need to completely understand how their roles connect with the HR department. A partnership should be built between all the company’s managers and HR because that is the only way for them to attract, manage and retain desirable talents. The most important initial investment in people management is building a HR team that can lead or facilitate the implementation of a strategic HR plan. It is sad to note that many HR departments in the country are still glorified personnel administration departments whose main focus is keeping administrative transactions accurate and efficient. Even those who are actively involved in training treat a training
event as a transaction measured as done or not done rather than as a means to an end measured by its effectiveness to deliver the desired result. Without a capable HR department, it is difficult to make people management strategy work. Managers in IT/ITES industry are responsible for creating a suitable climate to make the best use of the skills and talents of employees. Human Resource Management is the key to success in any project. A team can make or break the project. Low team morale is a hindrance to success in any project and it is the Manager’s responsibility not only to ensure that the project is successful, but also see that the team is satisfied. The leadership skills of managers are the greatest source of employee fulfilment at work, according to research. The question is how far the managers have managerial skills? As the Gallup survey in US shows that manager lack managerial skills they should improve their skills in people management. People management skill is required for all professionals because they need to deal with all kinds of heterogeneous people.

1.2 STATEMENT OF THE PROBLEM

Information Technology industries have attempted to apply many different techniques in their efforts to move toward strategic human capital management. They combine downsizing with restructuring, apply reengineering or process improvement, clearly communicate the organization’s mission, improve information sharing, institute employee involvement programs, establish formal complaint-resolution procedures, institute gain-sharing or other incentive plans, emphasize the importance of training the workforce, formalize performance management and feedback processes, perform job or work analysis and design, support job rotation, begin to establish team-based work designs, retrain employees to meet changing demands, provide flexible work arrangements, address diversity
issues, conduct formal mentoring programs, and align business and human resource strategies. The leadership roles in IT industry are demanding positions, in part because one is leading very bright, opinionated, and independent professionals. Similarly, difficulty exists because the managers must execute a number of different leadership roles, based upon the stage of the project, the nature of the current problem, and the sophistication of the people involved. And the managers must be comfortable moving from one role to another very quickly, or must find a way to discharge a number of roles at the same time, in the same project. Further, the technical and software professionals must achieve the triple constraint of bringing projects to completion according to budget, schedule and technical specifications. Unfortunately, project completion often relies too strongly on technical tools and methodologies, often at the expense of a consideration of the people issues that are always involved. Projects always have technical problems with significant human dimensions. As projects increase in complexity due to virtual teams, involving cross cultural variables and the need to achieve more with less, increasing emphasis is being placed upon the need for the technical professional to develop competencies in specific, tangible "people skills." Importantly, people skills are also crucial for career advancement. These people skills can be defined, practiced, and continually improved, and are best learned experientially. Hence it is needed to analyse the managers skills in terms of leadership skills, interpersonal skills and people management skills. Further, it is necessary to analyse the effectiveness of training provided to managers for effective people management in information technology sector. The present study is an attempt to analyse the effectiveness of people management training given to software managers for handling software professionals in the IT sector.
1.3 OBJECTIVES OF THE STUDY

The main objective of this study is to analyze the effectiveness of training on managers for effective people management in information technology industry with special reference to Chennai district. The following are the specific objectives of the study:

1. To analyse the opinion of software engineers on managers’ leadership qualities.
2. To examine the opinion of software engineers on managers’ interpersonal skills.
3. To assess the opinion of software engineers on managers’ people management skills.
4. To study the managers opinion on their soft skills.
5. To investigate the managers’ satisfaction level on effective People Management Training.
6. To analyse the managers opinion on overall training effectiveness.
7. To offer suitable suggestions for improving the people management skills among the managers.

1.4 SCOPE OF THE STUDY

The present study is mainly focused on analysing the software engineer’s opinion on their manager’s skills regarding effective people management in information technology industry in terms of leadership skills, interpersonal skills and people management skills. Further, it also aims to study the opinion of managers on their soft skills, need for training, method of
training, satisfaction on training programme and overall effectiveness of training programme. The present study does not cover the other challenges faced by the software engineers and managers in information technology industry.

1.5 PROFILE OF THE STUDY AREA

Chennai has witnessed a tremendous growth in its manufacturing, retail, health care and IT sector in the last 10 years. It is regarded as India's fourth largest city after Delhi, Mumbai and Kolkata. Being a major business hub of the state, the population of Chennai has witnessed a rapid growth in its population. Chennai has become an important destination for trade and tourism in recent years. It has evolved as a city with tremendous potential for industrial growth because of its economic viability and available infrastructure. The state government departments are geared towards increasing trade and commerce links with other countries and developing greater industrial growth. This entire boom in the trade and business of Chennai city accounts largely for its rapidly growing population. More business and job opportunities in the city lure people from in and around Chennai to come and settle here. Major multinationals have already set up their branch offices in Chennai leading to more people being hired by these companies. So Population of Chennai has grown rapidly in the last 20 years due to its major industrialization. Tamil Nadu constitutes the south-eastern extreme of Indian peninsula. Chennai is the capital city of the state, besides being an important district. The city is one of the metropolises of India and serves as the gateway of the culture of South India. In spite of being the capital of a Tamil speaking state, it has emerged as a cosmopolitan city playing an important role in the historical, cultural and intellectual development of India, representing still the distinct components of the
highest form of Dravidian civilisation. Chennai is situated on the north-east end of Tamil Nadu on the coast of Bay of Bengal. It lies between 12° 9' and 13° 9' of the northern latitude and 80° 12' and 80° 19' of the southern longitude on a ‘sandy shelving breaker swept beach’. It stretches nearly 25.60 km along the coast from Thiruvanmiyur in the south to Thiruvottiyur in the north and runs inland in a rugged semi-circular fashion. It is bounded on the east by the Bay of Bengal and on the remaining three sides by Chengalpattu and Thiruvallur districts.

A large number of institutions which are known in India and abroad are located in the city, of which mention may be made of the Theosophical Society, the Kalakshetra and colleges of Arts and Crafts. The establishment of professional colleges like medical, veterinary, law and teaching, the location of the Indian Institute of Technology and the establishment of Central Leather Research Institute have added to the development of the city. Chennai is one of the leading cities in India today from the point of view of trade and commerce, with the fourth largest port in the country and the first to have developed a full-fledged container terminal to international standards. Total area of the district is 178.20 sq. km. The software development and business process outsourcing and more recently electronics manufacturing have emerged as major drivers of the city's economic growth. Chennai has been rated as the most attractive Indian city for offshoring services according to A T Kearney's Indian City Services Attractiveness Index 2005. Major software and software services companies like Accenture, Cognizant Technology Solutions, Capgemini, CSC, EDS, SAP AG, Oracle Corporation, CiscoSystems, HCL, HP, IBM, Infosys, Satyam, Sun Microsystems, Symantec, TCS, Verizon, Wipro, CSS Corp and US Technology Resources, Dassault Systèmes, eBay, Honeywell, VMware, Intel, Amazon, Tech Mahindra, IGATE, Patni, Adobe Systems, AT&T, MindTree, FordSync, RamcoSystems, Bosch, Deloitte, CA
Technologies, Microsoft have development centres in the city. The city is now the second largest exporter of IT and IT Enabled Services in the country behind Bangalore.

The IT Corridor, on Old Mahabalipuram Road in the southeast of the city houses several technology parks, and, when completed, will provide employment to close to 3,00,000 people. Besides the existing Tidel Park, two more Tidel Parks are on the anvil in the IT corridor. One is under construction at the Siruseri IT Special Economic Zone ("SEZ") and the other one is being planned at the current location of MGR Film City which is just before the existing Tidel Park, in Taramani on the IT Corridor. A number of SEZ have emerged in and around Chennai. The Mahindra World City, New Chennai, a Special Economic Zone (SEZ) with one of the world's largest high technology business zones, is currently under construction in the outskirts of Chennai. It also includes the world's largest IT Park by Infosys.

1.6  RESEARCH METHODOLOGY

1.6.1  Research Design

In the present study, both Exploratory Research and Descriptive Research design have been used in accomplishing the objectives of the study. Exploratory Research has been used to gain insight into the opinion of software engineers on their managers’ people management skills. Descriptive research has been used to analyze the overall effectiveness of training given to managers regarding effective people management.

1.6.2  Sampling Design

In Tamil Nadu, Chennai district has been selected for the purpose of collecting primary data. In TamilNadu, most of the IT/ITES companies are located in Chennai only. Hence, it is decided to collect the primary data from
the IT and ITES companies located in Chennai district. Due to high employee turnover in the IT/ITES industry in India, it is difficult to define the exact number of software engineers and managers working in the industry. Hence, it was decided to adopt the convenience sampling technique for selection of the sample respondents. The sample size was fixed as 500 for software engineers and 100 for managers.

1.6.3 Data Collection

In the present study, both primary data and secondary have been used. The primary data were collected from software engineers and managers working in IT/ITES industries in Chennai district through a structured interview schedule. Before undertaking the complete survey, a pre-test was conducted and then the interview schedule was modified and restructured suitably. The secondary data were collected from various websites, journals and NASSCOM reports.

1.6.4 Period of Study

The sample respondents were contacted from January 2012 to September 2012 through a structured interview schedule to obtain data.

1.7 FRAMEWORK OF ANALYSIS

To analyse the primary data, statistical tools such as Descriptive Analysis, Chi-square test, ANOVA, Garret ranking technique and Factor Analysis were used. Arithmetic mean and percentage analysis were also used to describe the data.
1.8 LIMITATIONS OF THE STUDY

The present study is subjected to the following constraints and limitations:

1. The study has been conducted only among software engineers and managers working in IT/ITES industries in Chennai district only.

2. The main objective of this study is to carry out a detailed analysis of training effectiveness of managers regarding people management skill in Chennai district only. Hence, state wide or nationwide coverage has not been included.

3. The results presented are based on the information provided and discussion held with the sample software professional and managers in the study area. Hence, the accuracy of the consequent findings is subjected to the extent and reliability of memory recall of these respondents.

4. The study findings and suggestions given are limited to IT/ITES industry in Chennai district only and the present study does not cover the engineers and managers working in other industries in the study area.

1.9 CHAPTERIZATION SCHEME

Chapter 1 – The first chapter includes introduction, statement of the problem, objectives of the study, scope of the study, hypotheses, research methodology, and concept of the working definitions, limitations of the study and chapter scheme.

Chapter 2 – The second chapter deals with review of related literature.
Chapter 3 – The third chapter discusses the overview of IT/ITES industry and training on people management skills.

Chapter 4 – The fourth chapter deals with data analysis and interpretation.

Chapter 5 – The last chapter includes summary of the findings, suggestions and conclusion.