CHAPTER - I

EMPLOYEE PERCEPTION AND SATISFACTION TOWARDS TRAINING AND DEVELOPMENT IN IT SECTOR - WITH REFERENCE TO CHENNAI CITY

INTRODUCTION

Human resource is the essence of development and the development largely lies with the quality of human resources. Quality of human resource depends on so many factors and training is one among the vital factors. With the changing environment, technologies, trend and time Indian companies have started thinking the consequence of corporate training and development of individuals as well as organizational growth. Training has now become important in every field, be it Sales, Marketing, Human Resource, Logistics, Engineering, Production and Manufacturing, Inventory Management etc. Training can be introduced simply as a process of assisting a person for enhancing efficiency and effectiveness to a particular work area by getting more knowledge and practices. Also training is important to establish specific skills, abilities and knowledge to an employee, because the organizational growth and profit are also dependent on the training. But the training is not a core of organizational development. It is a function of the organizational development.

Training helps to remove performance deficiencies in employees. This is particularly true when the deficiency is caused by a lack of ability rather than a lack of motivation to perform, individuals involved have the aptitude and motivation need to learn to do job better, and supervisors and peers are supportive of the desired behaviour. There is greater stability, flexibility and capacity for growth in an organization. Training contributes to employee’s stability in at least two ways. Employees become efficient after undergoing training. Efficient employees contribute to the growth of the organization. Growth renders stability to the workforce. Further, trained employees tend to stay with the organization. Training makes the employees versatile in operations. Growth indicates prosperity, which is reflected in increased profits from year to year. The correlation of employee training to employee retention is nothing to sneeze at; some studies have attributed a retention increased by as much
as 70 percent to employee training. They can have a huge impact on the bottom line, especially when an organization considers the resources that go into establishing a new hire into its organization. And retention isn’t the only benefit of employee training as it relates to smooth operations and financial concerns.

Training and development increases employee efficiency and productivity. It also keeps employees up-to-date with new technology and current best practices, resulting in superior job performance. From enhanced performance and increased job satisfaction, to strengthened problem-solving skills and alleviated stress, and ultimately to customer satisfaction – it’s almost impossible to count the numerous ways that employee training benefits the entire organization. Organization should try to determine training results by conducting systematic evaluations of training activities. Not only should measure participant reactions to individual training sessions, but it should also try to measure changes in learning, job behaviour and organizational performance whenever needed.

Training and Development describes the sequence of activities for enhancing the competency level of an individual for improved performance. Training today is strongly focused on talent management, making a positive change in attitudes and mindsets of people. Training is for the present job and development is to equip for the future roles through training.

The training programs’ success depends on the qualities of the trainer who is to coordinate the program as well as its participants. Some organizations follow the practice of mentoring where the superior acts as a guide, friend, philosopher in shaping the skills of the employee. The organization should provide avenues for employees who have undergone training to put forth theory to practice.

With the burgeoning demand for the skilled workforce, hot skills can be inculcated only through training practices. The organizations should adopt sound training programmes to retain the talent pool as there is robust demand for them in the market. Employees prefer staying in any organization provided they are being compensated on the basis of pay for performance. The passion to grow faster in the
organizational hierarchy through multiple career choices open to the employees adds to their attachment to the organization.

OVERVIEW OF IT COMPANIES IN INDIA

India is one of the world’s fastest growing economies and is becoming a global technology hub. The Information Technology Industry can broadly be categorized as Software and Hardware. IT and related developments have been engines of growth for economies of different nations today. Developments in IT cause paradigm shifts in human existence today. Emergence of global village is the outcome of advances facilitated by IT. It has a crucial role to play in rapidly transforming Indian economy and reaping its benefits. Potential for growth, employment and revenue generation are the reasons behind the government’s intervention in the form of special incentives. The bulk of revenue contribution with respect to India comes from Software side. The Software Industry especially “application software” capturing much of the market locally and internationally is totally knowledge driven and has been in the limelight. Hence, Indian software professionals gain status in the international market for the skill sets and talent. Indian talent is in great demand as there exists a war for talent.

Developing countries like China, Malaysia, Singapore, Philippines and other countries try to compete in the global market to grab their share. Until India possesses competitive edge in cutting-edge technology and faster learning capacity, the IT industry will not see a boon in the years to come. India could generate the maximum number of engineering graduates leading the country to be identified as human capital goldmine. The economy is facing increased globalization giving way to the employees to have wider options to choose their employers. The organization is also facing continuous changes taking place in the external environment. The robust growth pattern with respect to IT industry in India has been encouraging.

SIGNIFICANCE OF THE STUDY

Non-traditional business like IT has shown a significant growth in the last decade and has arrived on the global stage. IT business is purely knowledge-driven and the companies employ a significantly different profile of employees. It has
become imperative for almost all the IT companies to access to world class talent having global demand as compared to traditional businesses. The efficiency of the employees of an organization is reflected in the revenues the organization earns.

Training, Performance Assessment and Career Growth revitalize the diminishing changes in the IT industry. Training kindles the employees to crave for knowledge, to widen their perspective and domain knowledge. The study about performance assessment system becomes imperative as the competitors are willing to pay more and poach the skilled workforce, intensifying the demand for talent in the market. The increasing industry standards with respect to remuneration force IT companies to measure performance correctly. The organizations’ reputation improves with provision of career opportunities which remains as an attractive tool to retain employees. The demand for latest technology skills has become the crux of the problem. Identification, attraction and retention of these smart skills pose the greatest problem to the existing and upcoming IT companies. The global competition and market demands force the companies to quickly adapt to changes. Survival of the fittest is the rule of the day. The ability of the big IT companies to hire and deploy skilled pool of workforce determines their growth and success. Hence, the study is carried out to meet the need of the hour.

CHALLENGES FACED BY IT INDUSTRY

In the Service oriented Industry like IT industry, the key to survival is the workforce with fine tuned skills to deliver the best. Major changes have to be brought about in attracting, motivating and training and a quality workforce. With the advent of technology, the most valued asset of any organization is its trained personnel in the form of Managers, Professional Executives, Technicians and Skilled workers. The major challenge faced by the IT Industry is to implement an effective training system to attract the best talent and assimilate potentials of employees to accomplish organizational objectives. The focus of research concentrates only on Training and Development.
STATEMENT OF THE PROBLEM

This millennium will certainly belong to convergence of IT, organizations have to leverage IT to get advantage in a highly competitive environment. We are having fast moving IT companies in this arena; they have shown their business excellence through optimum utilization of IT. This IT boom has introduced great challenges for these companies. Now the question is how to put in place and processes that should be in tune with IT revolution, how to strategize, compete with globalization. Perhaps this is the prime challenges for HR in the IT industry. The IT industry is a service industry. Here companies have to provide quality service to individuals and organizations. The IT companies have to be creative, innovative and knowledgeable. This can be achieved through human capital.

This will also determine the success of the organization through training and development. To chalk out a suitable strategy for training and development so that employees are well equipped to handle the challenges in advance. The HRD practices and strategies followed by the IT companies are designed to attract and retain the professionals and are formulated to meet the current market conditions.

This study aims at examining the dimensions of employees’ perception and satisfaction towards training and development in selected IT (Software) Companies in Chennai. Hence, this empirical study is directed towards IT companies targeting on the employees perception to trigger thoughts in the minds and find solutions to face the future challenges.

NEED FOR THE STUDY

The equilibrium existing in the labour market as to the demand and supply of skilled workforce makes the study crucial. Even though India is in a better condition as to supply of Engineering graduates who could be turned into IT professionals. The IT companies are finding it difficult to face the challenge posed to convert the fresh graduates to employable and trainable employees. Training the mass to catch up with the market demand places a high pressure on the management
and HR department of the IT organizations. Hence, the study relating to training and the perception of employees about training is considered as a critical issue.

Striking a balance between monetary and non monetary incentives across level is a real challenge to the management. Implementing proper tools to measure performance of employees in the organizations helps to reduce the problem half way. These measurement criteria are to be communicated to the employees once they enter the organization. The hot skilled employees are poached by the competitors adding cost to the company. Differentiating the smart employees from the mass and providing recognition for their hot skills and scope for earlier career growth paves way for developing leadership skills and also to fill vacancies arising in the middle and top level positions.

**OBJECTIVES OF THE STUDY**

The following objectives are taken for this study.

1. To examine the profile of the employees in IT Sector.

2. To study the different training programmes and methods in IT companies.

3. To ascertain the employees perception towards benefits of training programmes.

4. To analyze the effectiveness of training methods on the employees performance.

5. To find out the influence of profile of the employees on their satisfaction towards training methods.

**LIMITATIONS OF THE STUDY**

The study focuses on the perception of employees at all levels working for IT companies located in Chennai city only. The study considers perception and satisfaction towards training and development of employees with respect to IT sector only. The study is based on employees’ perception and these perceptions are subject to change in the days to come. Hence, the employees reflect their current views on the prevailing conditions of HRD practices in their organization. The questionnaire
survey is conducted among employees of Software Companies only. The questionnaires are circulated among all the levels of the software companies. Since it is a perception study, the results cannot be generalized.

**Methodology**

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data.

**Study Area**

The Survey is conducted in IT sector under software companies located in Chennai city. Chennai hosts a number of IT companies making the study realistic and meaningful. Chennai is referred to as a crucial metropolitan city which has entered the economic arena due to industrialization. The IT sector which offers high level of pay has raised the economic status of young and educated professionals. Chennai, the cosmopolitan city, truly represents employees belonging to various strata of the society.

The perception of Chennai has changed and remains the destination of choice for investments. The attractive parameters include training programme concern, trainer concern, company concern, training benefit concern and satisfaction concern and overall training and development justifies the study area. For the purpose of this study five of the top software companies in India have been selected.

The following is the list of top five software companies forming part of the sample unit in this study.

<table>
<thead>
<tr>
<th>Software company</th>
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<tbody>
<tr>
<td>Tata consultancy service</td>
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<tr>
<td>Cognizant Technology solutions corporation</td>
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<tr>
<td>Wipro limited</td>
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<tr>
<td>Infosys</td>
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<tr>
<td>HCL technologies</td>
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Source: Mbaskool(2012)
Sampling Size and Design

The primary data has been collected through survey method. Survey has been conducted using well formulated Questionnaire. Multi Stage Random Sampling is applied for generating data. Samples for the purpose of this study have been selected systematically. Totally 1000 Questionnaires were distributed and 619 collected out of which 500 completed questionnaires were found usable. Among the completed questionnaires 107 from TCS, 93 from Cognizant, 103 from Wipro, 96 from Infosys and 101 from HCL Technologies have been found for primary data analysis. Hence the exact sample size is 500.

Sample Selection

The multi stage random sampling method is applied to collect the primary data. This sampling method is justified as follows.

The whole IT industry in software companies in a conveniently random method in the first stage of sampling. The second stage is concerned with selecting the employees working in the top five software companies at random. After these two stages, the random sampling method is applied to obtain the responses from the employees. Hence, the multi stage convenient and random sampling method is justified in collecting the samples from the selected software companies.

Questionnaire Design

The primary data has been collected through questionnaire survey. The respondents are asked to give their opinion relating to the various organizational factors of training and development. The first part of the Questionnaire comprises personal and organizational profile with optional questions. The second part includes statements relating to training programme concern, trainer concern, company concern, training benefit concern and satisfaction concern with Likert’s 5 point scale. The Third part consists of relationship between training and development factors and Organizational Development questions with one open ended question.
Scaling Technique in the Questionnaire

The questionnaire comprises of both optional type and statements in Likert’s 5 point scale. The responses of these sections are obtained from the employees of top five software companies with training programme concern, trainer concern, company concern, training benefit concern and satisfaction concern in the 5 point scale, which ranges as follows:

5 – Strongly agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree

Secondary Data

The Secondary data has been collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets.

Pilot Study and Pre-testing

A preliminary investigation was done to check the reliability as well as validity of research instrument. The researcher initially collected 100 respondents from employee of IT sector to ascertain their perception as well as satisfaction level towards training and development.

The researcher mainly focuses on liquired 5.scale in the questionnaire to check the reliability statistics. The cronbach alfa method is appropriately used on the aspects of training programmes, feedback on trainers, feedback on the organization, attributes due to the training benefits and satisfaction concern. The researcher separately applied cronbach alfa method for the 4 aspects of training programme (0.899), feedback on trainers (0.756), feedback on organization (0.811) and attributes of training benefits (0.699) and satisfaction (0.821). This shows that the statement pertaining to aspects of training, feedback on trainers, feedback on organization, feedback on satisfaction can be taken without any changes and attributes of training benefit concerned the researcher is increased the number of attributes regarding training benefits more appropriate for IT companies. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.
During the pilot study it is ascertain that the position of the employees are to be clearly mentioned by the researcher also ascertain by the IT Company whether the top level executives go for training. Similarly, in the case of training methods and training practices identify the options more appropriate for IT employees.

150-Junior level employees

135- Middle level employees

115- Senior level employees opinion about training and development programmes in their company.

**Data Analysis**

The Primary data collected have been analyzed using the SPSS (Statistical Package for Social Sciences) computer packages.

**Statistical Tools Used**

The Statistical tools used for obtaining results are as follows:

1. Percentage analysis
2. T- Test
3. Factor analysis
4. Cluster analysis
5. One-Way analysis of Variance
6. Non – Parametric Chi-square analysis of association
7. Correlation analysis
8. Multiple regression analysis

**CHAPTERISATION**

The entire study is discussed in six chapters. The contents of each chapter are given below.