ISSN: 2230-9926

Available online at http://www.journalijdr.com

IJDR

International Journal of Development Research
Vol. 07, Issue, 07, pp.13876-13878, July, 2017

ORIGINAL RESEARCH ARTICLE

Open Access

PERCEPTION OF EMPLOYEE'S ON HCD PRACTICES IN THE INDIAN INFORMATION TECHNOLOGY INDUSTRY

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ARTICLE INFO

Article History:

Received 09th April, 2017
Received in revised form
24th May, 2017
Accepted 16th June, 2017
Published online 22nd July, 2017

Key Words:

HCD Practices,
Information Technology,
Employee Perception.

ABSTRACT

Technologies promoting essential economic activities are likely to be mobilized by highly skilled and human capital intensive companies. The present scenario as seen from the 2016-2017 annual report of the Ministry of Electronics and Information Technology (MeitY) indicates that the net addition to employment in the IT-ITES sector in India has been declining since 2013 although direct employment into the sector has been ascending since 2011. This study examines the contemporary employment scenario in the Indian IT-ITES sector and goes further to investigate the perception of employees on HCD Practices in the Indian IT industry specifically, the software, hardware and IT-ITES sectors as a point of reference to re-train and re-purpose employees in the fast changing technological milieu. Primary data was collected from (526) employees in IT corporations belonging to the Software, Hardware and IT-ITES sector in India. This served as a sample size from (34) IT companies in five major IT hubs in India. Secondary data on the employment scenario in the IT sector for the past six years from 2011 to 2017(estimated) was obtained from the office of the Ministry of Electronics and Information Technology (MeitY) in Delhi. Tukey HSD test was used to determine perception level of employees for HCD Practices in the selected IT sectors. The study revealed a high level of perception for HCD Practices amongst employees in the Software and Hardware sector of the Indian IT Industry. However there was a low perception level of HCD Practices in the IT-ITES sector. Also, there was a significant difference in the level of perception for HCD Practices for the different age categories of employees in the Indian Software, Hardware and IT-ITES sectors as per this study. To serve as a precursor for retraining employees in the face of automation further studies can be conducted to ascertain the particular age categories that have low level of perception for HCD Practices.

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Citation: Boohene David and Maxwell Amita. 2017. "Perception of employee's on HCD Practices in the Indian Information Technology industry.", *International Journal of Development Research*, 7, (07), 13876-13878.

INTRODUCTION

The IT-ITES sector is one of the key sectors for the Indian economy because of its economic impact. Being one of the organized private sector employers in the country, this sector plays a key role in enabling higher levels of employment in adjacent verticals like, transportation, real estate and hospitability, security services, housekeeping etc (MeitY, 2015-16 annual report). The IT-ITES industry provides employment to people with various skill levels ranging from teachers, lawyers, architects, engineers, and graduate pass outs.

The Indian IT industry is a power house for both domestic and off shore economies. The industry has grown six fold in the last decade in revenue terms, and relative share to India's Gross Domestic Product is >7.7%. In terms of geographic market share, the USA followed by UK has relatively large shares of Indian's IT-ITES exports; with estimations of FY-16 (62%) and FY16 (17%) according to a report by NASSSCOM. IT firms globally are currently facing the challenge of retraining their workforce to meet up of the fast changing technology. Thus in the face of rapid technological evolution, the ability to learn and change faster than the competitor is the key to continued existence Fajana, (2002).

Presently in India, IT firms are setting up learning and experience zones o their premises; some companies have even gone to the extent of partnering with universities to fund specialty programs that are directly relevant to today's dynamic IT enterprise. This wakeup call is very necessary now in the face of automation as the essence of human capital cannot be entirely relegated to the background in the technology industry, hence the need to retrain employees to develop skills that will make them competent in the era of machines. According to (Bohlander, 2007), Human Capital Development refers to an action plan for enhancing an employee's level of performance to excel in the current job or prepare for new responsibilities

PROBLEM STATEMENT

The performance of the Indian IT-ITES over the past three years reveals a consistent growth (Meit, 2016-17 annual report). According to NASSCOMS 2016 report, the annual net addition of employment in the Indian IT-ITES sector from 2011 to 2017(expected) shows twin mixtures of plateau and steady decline. This paper examines the current employment scenario in the Indian IT Sector and goes further to explore the perception of employees on HCD Practices in the Indian IT industry specifically, the software, Hardware and IT-ITES sectors as a point of reference to re-train and re-purpose employees in the fast changing technological milieu.

OBJECTIVES OF STUDY

- To analyze the perception of employees on HCD Practices in the Indian IT Industry.
- To study the Indian IT-ITES employment scenario.

H_0: There is no significant difference in the level of perception for HCD Practices amongst different age categories of employees in the Indian Software, Hardware and IT-ITES sectors.

H_1: There is a significant difference in the level of perception for HCD Practices amongst different age categories of employees in the Indian Software, Hardware and IT-ITES sectors.

REVIEW OF LITERATURE

McNamara, (1999) in his article making human capital productive, featured the application of principles of human capital investment in leading international multinational corporations like Microsoft, Southwest Airlines as an avenue for maximizing human asset within such firms. LeBlanc et al., (2000) supports the use of human capital approach to indicate the improvement of the return on human capital. According to LeBlanc, by adopting such approach, it implies that firms will have to view their employees as an investment to be optimized rather than a cost to be minimized. He goes further to suggest that when human capital is optimized there is significant knowledge, motivation and opportunity to perform. Bassi, et al., (2005) focused on Human Capital as a source of competitive advantage. The study identified five human capital indices like leadership effectiveness, workforce optimization, learning capacity, knowledge optimization and talent retention as leading indicators of business results.

Indradevi (2010) revealed that there is significant difference in the perception of employees in the software sector of the Indian IT Industry. Below is a tabular representation of the IT-ITES Employment Scenario and the IT-ITES Industry trend in India.

Table 1 IT-ITES Employment Scenario

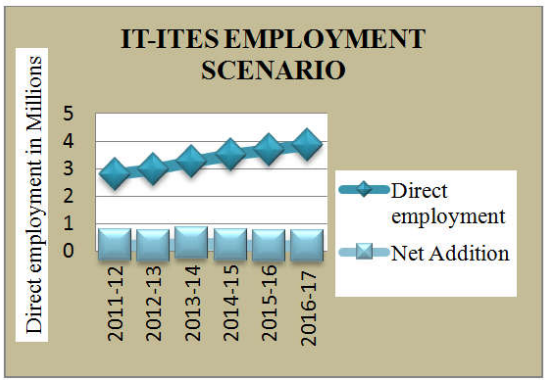
Direct employment in the it-ites segment (in millions)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (E)
Direct Employment	2.77	2.96	3.26	3.48	3..68	3.86
Net Addition	0.23	0.19	0.30	0.21	0.20	0.17

Source: MeitY 2016-17 annual report

Table 2. IT-ITES Exports Trend in Rupee Terms (Value in Rs. Crores)

	2014-15	2015-16	2016-17 (Ex)
Total in INR Crores	6,00,492	7,00,000	784000
YoY Growth %	13.88	16.51	12.5

Source: NASSCOM



Source: Deduced from NASSCOM'S DATA by Researcher

Figure 1. IT-ITES employment scenario (2011-2017)

METHODOLOGY

Primary data and secondary data were used in analyzing data for this study. With reference to the level of perception of employees on HCD Practices primary data was collected from (526) employees in IT corporations belonging to the Software, Hardware and IT-ITES sector in India. This served as a sample unit from (34) IT companies in five major IT hubs in India. Stratified sampling technique was adopted in taking primary data from the selected IT components for this study. Secondary Data on the employment scenario in the IT sector for the past six years was obtained from the office of the Ministry of Electronics and Information Technology (MeitY) in Delhi. Tukey HSD test was used to determine perception level of employees for HCD Practices. The levene test for homogeneity of variances is ($P = .106 > 0.05$) which suggests that the homogeneity assumption has not been violated

RESULTS AND DISCUSSION

The levene test for homogeneity of variances is ($P > 0.05$). This suggests that the homogeneity assumption has not been violated and therefore the interpretation of the ANOVA can proceed as the test for homogeneity of variances is not significant.

Table 3. Test of Homogeneity of Variances

level of perception for HCD Practices			
Levene Statistic	df1	df2	Sig.
2.254	2	524	.106

Table 4. Multiple Comparisons Level of perception for HCD Practices (Tukey HSD test)

(I) IT Component	(J) IT Component	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Software	Hardware	-.21483*	.08639	.035	-.4179	-.0118
	IT-ITES	-.05566	.08554	.792	-.2567	.1454
Hardware	Software	.21483*	.08639	.035	.0118	.4179
	IT-ITES	.15917	.08969	.179	-.0516	.3700
IT-ITES	Software	.05566	.08554	.792	-.1454	.2567
	Hardware	-.15917	.08969	.179	-.3700	.0516

Table 5. ANOVA Level of perception for HCD Practices

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.506	4	1.876	2.844	.024
Within Groups	344.464	522	.660		
Total	351.970	526			

Source: NASSCOM

In Table 4 above, the Tukey HSD test reveals where the significance lies with regards to the level of perception for HCD Practices across the different elements of the IT Industry. The results indicates that the Software and Hardware Industry have mean value of (P =0.035) which is significant at (0.05) confidence level. Also from Table 5, the F-ratio is significant at (F-Probability < 0.05) indicating that the various age categories have different levels of perception for HCD Practices in their organization. Thus we reject the null hypothesis and accept the alternative hypothesis which states that there is a significant difference in the level of perception on HCD Practices across the different age categories of employees in the Indian Software, Hardware and IT-ITES sectors as per this study. From the IT-ITES employment scenario as seen in Figure 1, whereas direct employment in the IT-ITES Industry shows a steady increase from 2011 to 2017(expected), the net addition of employment declined from 2011 to 2012 year ending; it rose in 2013, somewhat stabilized in 2014 and has since been waning. There are a couple of reasons that could account for this scenario such as over reliance on unstable global market in terms of export by the IT Industry in India accompanied by high level of automation in the sector, limited opportunities to switch career paths in the Industry among others.

Conclusion

The study revealed that, generally there is a high level of perception for HCD Practices amongst employees in the Software and Hardware Sector of the Indian IT Industry. Also, there is a significant difference in the level of perception for HCD Practices across the different age categories of employees in the Indian Software, Hardware and IT-ITES sectors as per this study. Last but not the least; although there has been a study increase in the direct employment in IT-ITES sector from 2011 to 2017(expected), the industry has been experiencing a decline in net addition to employment from 2013.

Recommendations for Future Research

Further studies can be conducted to ascertain the particular age categories that have low level of perception for HCD. Practices in the Indian IT Industry to serve as a precursor for retraining and repurposing of employees in the face of automation in the IT Industry. Similarly, investigations into perception level and the extent of incorporation of HCD Practices in company policies in the sector can be done in the future to bridge the gap between direct employment and net employment in the IT-ITES sector.

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