

A STUDY ON HR COMPETENCIES ON ORGANIZATION LEVELS IN IT SECTOR IN CHENNAI

Lavanya Iyengar

Research Scholar, Annamalai University, Chennai, Tamil Nadu, India

Received: 20 Feb 2019

Accepted: 27 Feb 2019

Published: 27 Feb 2019

ABSTRACT

This study investigates the relationship between HR competencies and organizational performance by adapting the Ulrich HR Role Model. The study also examines HR competencies such as strategic positioned, credible activist, culture & change champion, Technology and media integrator, Strategic positioner, Paradox Navigator, Human Capital Curator, Total rewards steward, Analysis designer & interpreter and Compliance Manager. The HR outcomes: turnover, absenteeism and job satisfaction are measured against their relationship with organizational performance. An empirical survey was conducted based on competency and their effect on HR outcomes of organizational performance. The research is based on the survey responded by 200 HR professionals from different IT companies in Chennai. The results will give us the details of HR influence from an HR perspective in relation to organizational performance.

KEYWORDS: *Core Competencies, Improved Organizational Performance, HR Competencies and Organizational*

INTRODUCTION

The terms HRM and HR have largely replaced the term ‘personnel management’ as a description of the processes involved in managing people in organizations. The concept of HRM underpins all the activities described in, and the aim is to provide a framework for what follows by defining the concepts of HRM and an HR system, describing the various models of HRM and discussing its aims and characteristics. This continues with a review of reservations about HRM and the relationship between HRM and personnel management and concludes with a discussion of the impact HRM can make on organizational performance.

HISTORY OF INDIAN IT/ITES INDUSTRY

India’s IT/ITES Services industry was born in Mumbai in 1967 with the establishment of the Tata Group in partnership with Burroughs. The first software export zone, SEEPZ – the precursor to the modern-day IT park – was established in Mumbai in 1973. More than 80 percent of the country’s software exports were from SEEPZ in the 1980s. The Indian economy underwent major economic reforms in 1991, leading to a new era of globalization and international economic integration, and annual economic growth of over 6% from 1993–2002. The new administration under Sri Atal Bihari Vajpayee

(Posthumus) (who was Prime Minister from 1998–2004) placed the development of Information Technology among its top five priorities and formed the Indian National Task Force on Information Technology and Software Development.

COMPETENCE

Competence is the demonstrable characteristics that enable performance of a job, for properly doing the job; the individual requires skills and knowledge essential for the set duties. A competency is a set of defined behaviors that provide a structured guide enabling the identification, evaluation and development of the behaviors in individual employees. Competency has different meanings, and remains one of the most diffuse terms in the management development sector, and the organizational and occupational. Competencies are also what people need to be successful in their jobs. Job competencies are not the same as job task. Competencies include all the related knowledge, skills, abilities, and attributes that form a person's job. This set of context-specific qualities is correlated with superior job performance and can be used as a standard against which to measure job performance as well as to develop, recruit, and hire employees. Competencies and competency models may be applicable to all employees in an organization or they may be position specific. Identifying employee competencies can contribute to improved organizational performance. They are most effective if they meet several critical standards, including linkage to, and leverage within an organization's human resource system.

Core competencies differentiate an organization from its competition and create a company's competitive advantage in the marketplace. An organizational core competency is its strategic strength. Competencies provide organizations with a way to define in behavioral terms what it is that people need to do to produce the results that the organization desires, in a way that is in keep with its culture. By having competencies defined in the organization, it allows employees to know what they need to be productive. When properly defined, competencies, allows organizations to evaluate the extent to which behaviors employees are demonstrating and where they may be lacking. For competencies where employees are lacking, they can learn. This will allow organizations to know potentially what resources they may need to help the employee develop and learn those competencies. Competencies can distinguish and differentiate your organization from your competitors.

REVIEW OF LITERATURE

Anupama Gupta (2010) described the challenges faced by Human resource manager in the context of new economic scenario. This paper emphasized that these challenges should seriously be taken care of. The main challenge is the shortage of skilled manpower. This paper examined the role of human resource department to tackle the problem. It was the duty of the HR department to design a possible career path to retain talent. It was suggested that HR manager should be ready to handle the challenges, but the role of other stakeholders should also be included in order to ensure the healthy survival of the organization.

Saini R.R. (2010) in his article_Human resource development in UCO Bank-A case study of Chandigarh Region evaluates the Human Resources Development policies and practices. This study identified the process and problems in designing and implementing Human Resources Development Systems. This study was analytical in nature and consist a

sample of 100 respondents to analyze their opinion about HR Policies and Practices. The Important findings of this study were, qualification was the most important factor of recruitment at all levels of managers and employees. It also concluded that the problem solving strategy of the organization was very effective because all appropriate method have been used to solve problems. Negotiation and Union involvement was the most prevalent used method to solve the problem. This study also observed that the managers were not aware sufficiently about the functioning of HR Systems. Therefore a proper action plan to improve awareness, Motivation, & serious concern among managers about HR should be implemented.

Kundu. Subhash C., Divya Malhan (2009) in their article on "HRM Practices in Insurance Companies: A Study of Indian and Multinational Companies" opined that Competitive advantage of a company can be generated from human resources (HR) and company performance is influenced by a set of effective HRM practices. The results of this study indicated that both multinational companies and Indian companies have to significantly improve their practices regarding performance appraisal, training and financial benefits, and hr planning and recruitment. The service sector is human resource intensive business. To gain competitive advantage, service organizations should emphasize on human resource management practices, as has been indicated in the results. A well-defined framework of human resource management practices, benefits not only the organization but also the employee. HR policies of an organization benefit the employee by providing better opportunities for growth in terms of better compensation, benefits, training and development opportunities, and career management, in turn leading to job satisfaction and self- fulfillment.

Tripathy (2008) observed that an organization can have competitive advantage by utilizing its human resources. This can be achieved through sound HR Practices. According to him HR includes three C's- Competencies, commitment and culture. An optimum level of progressive climate is essential for facilitating HR in an organization. It was resulted that good HR Practices can influence financial and other performance indicators in the organization.

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 and competence for HR in the IT industry. The IT 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.

OBJECTIVES OF THE STUDY

The study was conducted with the following objectives:

Based on the proposed research model, the objectives of the present study are pinned down to:

- To analyze the association between the demographic variables and the Organizational performance of the employees of the IT organization in Chennai

- To study the impact of HR competency factor on organizational performance

Formulation of Hypothesis

The following hypotheses were framed in connection with the above objectives of this study:

H₁: There is a significant association found between Decision making of HR competency and organizational performance

H₂: There is a significant association found between Leadership of HR competency and organizational performance

SCOPE OF THE STUDY

The scope of this study HR competency in organizational performance on employee competence, cost, and administrative burden of IT/ITES companies, and how it would be helpful in achieving the business strategy, financial growth, and internal stake holder's satisfaction. The anticipated study will end with the conclusion, reference and possibilities for further research which will be a very helpful aspect.

Canonical Discriminant Function

When there are two groups in the study, canonical correlation is the most useful method for the study and it is equivalent to the Pearson's correlation between the discriminant scores and the groups. Wilks' Lambda is used to analyze how the functions separate cases in each group. Smaller values of Wilks lambda indicates the greater discriminatory ability of the function. The details of the canonical correlation and the Wilks' Lambda are given in the underneath table 1

Table 1: Table Showing Canonical Correlation and Wilks' Lambda Values

Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
0.115	0.987	6.094*	7	Significant

*-Significant at 5percent level

The associated Chi-square value test the hypotheses that the means of the functions listed are equal across all groups and the small significant value indicates that the discriminant function does better than chance at separating the groups. From the above table, it is seen that Wilks' Lambda and Chi- square values are 0.987 and 6.094 which revealed that the model is significant at the 5 % level of significance and displays a correlation of 0.115 which explains that there is a moderate level of correlation between the grouping variable and the independent variables. The details of the inter correlation within the groups was shown in Table 2.

Table 2: Table Showing Canonical Canonical Correlation and Wilks' Lambda Values

		Pooled Within- Groups Matrices						
		F1	F2	F3	F4	F5	F6	F7
Correlation	Communication	1.000	.093	-.003	.230	.155	-.001	.171
	Team Work	.093	1.000	-.094	.194	.048	.073	.058
	Responsibility	-.003	-.094	1.000	.075	-.007	.009	.039
	Career Motivation	.230	.194	.075	1.000	.412	.236	-.031
	Decision Making	.155	.048	-.007	.412	1.000	.216	-.018
	Leadership	-.001	.073	.009	.236	.216	1.000	.001
	Organizational	.171	.058	.039	-.031	-.018	.001	1.000
	Performance							

Table 3: Table Showing Opinion of the Employee Regarding their Reflection of their Knowledge, Skill, Attitude in their Performance as HR

The opinion of the Employee Regarding their Reflection of their Knowledge, Skill, Attitude in their Performance as HR			
	Frequency	Percent	
Valid	Strongly Disagree	5	3.2
	Disagree	39	12.0
	Neither Disagree Nor Agree	47	14.3
	Agree	60	55.7
	Strongly Agree	49	14.8
	Total	200	100

Regarding the opinion about the reflection of the knowledge, skill and attitude in the performance of the HR activities, it is revealed that with 14.8 percent have strongly agreed that their attitude, skill and knowledge were reflected in their HR performance but at the same time, 39 respondents with 12.0 percent disagree with the fact. 60 respondents with 55.7 percent agree, employees have not expressed any views in connection with the version raised through the questionnaire.

Feature Study

Study of specific human resource Organizational performance should be undertaken and analyzed to understand the impact of specific Organizational performance on the overall people attractiveness index of the organization. Second, a cross

national study will help gain a better understanding of the differences in the various markets and the HR Organizational performance and processes that has contributed to the success of Indian IT / ITES companies industry.

CONCLUSIONS

The study of human resource (HR) competencies on organizational performance in IT / ITES companies in segments is not new to academia, however the present day socio-economic factors and role of human resources in building and retaining the competitive advantage of the organization in the IT / ITES companies brings the understanding and identification of these processes and Organizational performance to the forefront. The present study was a systematic exploratory study of the human resource Organizational performance in the IT / ITES industry in India. It explored the various processes and Organizational performance followed in the Indian IT / ITES companies organizations. While the findings from this research may be of significance for the Indian IT / ITES companies in organizations and the researcher, any singular study provides but one step along the evolutionary path of theory and practice in a given field.

REFERENCES

1. Abang Azlan mohamad (2009) in his research article namely —Human resource practices and Organizational performance, incentives as Moderator| *Journal of Academic research in Economics*, Vol 1, no 2, oct 2009 pp 229-244.
2. Abraham, Enthemkuzhy (1989). *A study of human resources development practices in Indian organizations*, Doctoral Dissertation, Ahmadabad: Gujarat University.
3. Anupama Gupta — *Retailing Human Resource Challenges Ahead*, | *'Synthesis'* 5(2), july 2007, pp. 102-107.
4. Armstong, M (2005), —*Strategic Human Resource Management: A guide to Action*||, pearson education.
5. Bae, Johngseok and Lawler, John J.(2000), —*Organizational and HRM Strategies in Korea: Impact on firm performance in an Emerging Economy*||, *The Academy of Management journal*, Vol. 43, No.3(june, 2000), pp 502-517.
6. Barney J.B.(1991), —*Firm resources and sustained competitive Advantage*, *journal of management*, vol. 17, 99-120.