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Role of HR Professionals in the Indian Information Technology Sector

Mary Mathew*, Tejas Subramanya**, Nivedita Agarwal*** and
Anirudha Dambal****

This qualitative paper aims to understand the activities and strategic role played by Human Resources (HR) professionals in the Indian IT organizations. This paper presents results from an exploratory field study of HR professionals in 28 IT organizations of Bangalore. Data is collected from HR professionals in these organizations to assess career support that HR professionals receive, the size increase of these professionals given the overall manpower size increase (HR density), replication of parent's HR practices, and the HR activities these professionals engage in, in this sector. Results showed that HR played an important role in recruitment, culture building and training and development. However technical personnel seemed to have a greater say in compensation related activities, even though it is traditionally a core HR activity. The strategic contribution of HR to the organization was also analyzed. It was found that in these organizations, the strategic role of HR was understood. The growth in the number of HR professionals with reference to the age of the company was also looked at. It is evident that initially for a young company there is a high need for HR personnel and as the companies grows old the HR processes get standardized and hence the requirement for new HR personnel decreases. The higher HR density has implications on HR activities practices in Indian IT companies. Likewise the more fully parent's HR practice is replicated in Indian IT companies, the more some HR activities are influenced.

Keywords: HR density, strategic HR, Indian IT Industry

Introduction

Human Resource Management (HRM) is an important support function to main business. The type of support it provides is well addressed in studies that investigate Human Resource (HR) activities (Harel and Tzafir, 1999; Huselid and Becker,

1997; Ulrich, 1998; Jackson et al., 2004; Budhwar and Boyne, 2004; Budhwar et al., 2006a; Budhwar et al., 2006b; Lambooj et al., 2006; Jain et al., 2009). The profiles of organizations in multiple sectors vary and so do HR activities. There is however a firm belief irrespective of sector that HRM must play a more strategic role in supporting

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business. This implies that it must rise above just being a support function. Looking across literature it is seen that activities of HR professionals within a sector are much less addressed. A sector that needs close attention is the growing flagship sector of Information Technology in India. This paper communicates the activities that HR professionals play in organizations of the Indian IT sector. We describe their roles and activities with a specific reference to where the role played is strategic.

The Indian IT industry

The success story of Indian IT industry is well described (Sheshabalaya, 2005). Most of this business is characterized as IT outsourcing and software code development. The industry is growing rapidly, and in the year 2008 it registered a growth of about 34%. The growing success of the Indian IT companies has brought with it a great surge of recruitment activities from the HR perspective. The top three Indian IT organizations namely TCS, Infosys and Wipro employ over 240,000 professionals.

Table 1 shows the status of large IT companies in India. The top ten companies compete to be in the top ten ranks. The companies have varying growth percentages and revenues. The fully owned IT companies such as HCL, Cognizant

and Wipro have very high growth percentages. Implying that they are fast growth companies needing care and nurture where the HR function is concerned. The companies at the over all lead revenue-wise are TCS, Wipro and Infosys. These have been in the lead for over a decade.

HRM in the growing IT sector

Goals such as beating competition, meeting demanding customer's deadlines, managing fluctuating currency and the urge for speed, precipitate volatility. Volatility in the IT economy makes the role of HR professionals more complicated. HR professionals have a tight rope to walk in order to help drive performance and productivity in software development and out sourcing. The industry has challenges that HR professionals encounter on a daily basis. HR professionals spend time identifying ways to recruit, retain and right size manpower, pay competitive salaries on time, and maintain a work life balance; else employees leave and quit jobs.

Developing reward (tangible and intangible) packages in IT organizations under such conditions is a challenge. Retaining the knowledge worker when attrition rates in IT organizations range from 10-40% annually is yet another challenge. Attrition rates of the knowledge worker are high in most organizations, with

Table 1. Revenues and growth of top ten Indian IT companies

Company	2007-08		2008-09	
	Revenue (Rs cr)	Revenue (Rs cr)	Growth (%) 2007-08	Growth (%) 2008-09
TCS	21,215	25,894	21	22
Wipro	16,884	23,882	27	41
Infosys Technologies	15,531	20,392	17	31
Hewlett-Packard India	15,454	15,763	30	2
IBM India	10,101	12,048	23	19
Cognizant technology Solutions	6,310	9,410	38	49
Ingram Micro	8,620	9,396	25	9
HCL Technologies	6,200	8,764	26	41
HCL Infosystems	5,058	8,089	44	60
Redington India	6,280	6,576	25	5

Source: Dataquest (2009)

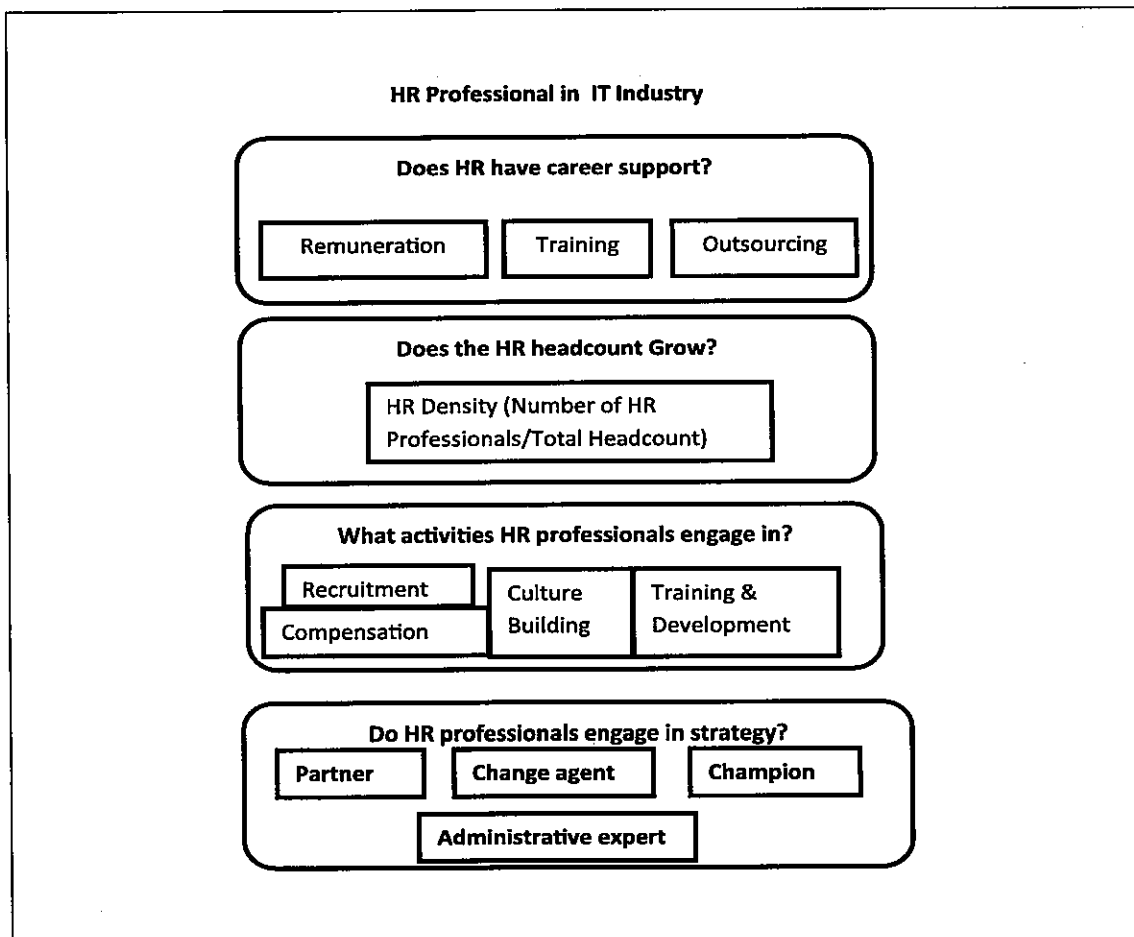
reasons for leaving being: study abroad, job abroad, new job in India, or study in India (Sontakke, 2000). In development teams that are close in terms of geographic proximity, or even far away as in virtual teams, the maintenance of a spirit of win-win and collaboration keeps the HR professional busy with conflict management techniques to resolve interpersonal conflicts. Whilst such managers give themselves for the organization, lobbying for their own image in the organization can become an energy consuming issue. The CEO's philosophy towards people influences the CEO's dependency on the HR function. In turn HR professionals need to educate themselves in the technical business of the organization.

Often, today the line manager works with the HR professional to make business

results happen. Thus some part of the HR activities becomes a part of the everyday activity and competence of line managers also. In this study, we characterize the roles and activities of HR professionals in such a context. Figure 1 describes a conceptual model characterizing the HR professional. The HR professional's career support is essential for their success. The support they get leads to their successful performance in various HR activities. Once basic HR activities are performed, it is assumed that they have opportunity and time to play a strategic partner's role in their business organization (Ulrich, 1998).

The following sections describe literature in this area, methodology used in this exploratory study and the results we obtained.

Figure 1. Conceptual model showing the role and activities of HR professionals



Literature Review

Many researchers studied the practices and roles of human resource professionals from time to time. Human resource management activities such as training, employee participation, compensation, assignment of workers through a recruiting and selection process, and an internal labor market were frequently studied. These practices were also shown to positively relate to perceived organizational performance (Kaufman, 1992; Terpstra and Rozell, 1993; Bartel, 1994 in Harel and Tzafrir 1999). Tzafrir (2006) identified six practices relevant to HR. These are also considered to be strategic and universal HR practices. They are recruitment, selection, compensation, employee participation, internal labor market and training.

Tzafrir (2006) used longitudinal methods, implying that these activities are not independent of time. Authors, who have looked at what HR professionals do, have shown that the HR function adds value to the organization. According to Becker and Huselid (1998), HR *“Creates tangible value in organizations by focusing primarily on delivery of HR practices (staffing, development, compensation, labor relations, etc.), that are based on professional and often research-based principles. These practices are important, and research indicates that when they are done well they add tangible value to the organization”*. Huselid and Becker had surveyed 702 firms and focused on the delivery of HR practices namely, staffing, development, compensation, labor relations.

Kaufman (1992), Terpstra and Rozell (1993), Bartel (1994) in their individual studies found “strategic and universalistic” HR practices such as recruitment, selection, compensation, employee participation, internal labor market and training important in adding value to the organization.

Boudreau and Ramstad (2005) show the importance of a HR scorecard. They highlight that it is important to connect HR, talent and strategic success via what they call a HR bridge.

Those that look at the strategic role HR professionals must play and can play, discuss roles they must address within an organization to be called strategic professionals (Ulrich, 1998). Operating this strategic role is difficult in organizations. Researchers studying strategic HRM empirically included a set of regular activities and functions like HR planning, recruitment, training and development, performance appraisal, compensation, rewards and organization exit (Khandekar and Sharma, 2005) to define strategic HRM. Ulrich (1998) emphasized the role of HR professionals as “employee champions” who facilitate change, work as strategic partners, yet be administrative agents. Specifically, these roles are becoming a partner in strategic execution, becoming an administrative expert, becoming an employee champion and becoming a change agent (Ulrich, 1998).

Global literature reveals the activities that HR professionals engage in and must engage in for them to be strategic players in an organization. These practices are clearly HR planning, recruitment, training and development, performance appraisal, compensation, rewards and bridging.

Most studies mentioned above are insights drawn from western samples. The urgency of HR studies using Indian samples is high, considering that India is an emerging IT giant. In recent times the focus on Indian IT industry and HR practices is seen in a few studies (Budhwar, Varma, Singh and Dhar, 2006; Budhwar, Luthar and Bhatnagar, 2006; Mathew and Jain, 2006; Pio, 2007). However the focus of these papers was varied. Budhwar et al. (2006) compared 11 Indian call centers to study the importance given to HRM function. Budhwar et al.

(2006) study business process outsourcing centers to describe the strategic role of HRM. Mathew and Jain (2006) compare Indian and foreign MNCs using the Global HRM survey measurement to assess how HRM happens in Indian IT companies and the degree to which parental organizations force HRM onto these subsidiaries. A substantive review of papers written in the context of India, and HRM is given by Pio (2007). She highlights the transitions of HRM in Indian industry, although the focus is not so much on the IT industry. Pio refers to HR practices implemented during HR strategy as “systemic HR”. The note worthy HR practices mentioned by her are: recruitment and selection, performance and career management, training and development, compensation, retention and down sizing.

Keeping the above literature review in mind the HR practices to be studied in a survey on HR in IT industry appears to be clearer and our methodology section that follows describes the way we went about our survey.

Methodology

With the aim of identifying the career, support, activities and strategic roles HR professionals played in the Indian IT sector, this exploratory study used the survey research design. The reason we use the term “exploratory study” is because a survey of what HR professionals do in the IT industry, and how they align with line managers in achieving this is something that is not studied before. According to Babbie (2010), “*much of social research is done to explore a topic, i.e. to familiarize the researcher to a topic.*” Babbie also adds that “*exploration is the attempt to develop an initial, rough understanding of phenomena...*” Although exploratory research may not be entirely conclusive, it paves the way for new researchers to start

a line of thought, in this case for example, “what do HR professionals actually do on the job in IT industry and how dependent are they on line managers to achieve their tasks, or what is HR density”? Hence, exploratory studies are often initiators of new research topics.

Measurement

The data was collected using a structured questionnaire and was administered to HR professionals in IT organizations. The questionnaire consisted of two parts. The first part consisted of open ended demographic questions about the organization. Besides many demographic questions asked two used in this paper for analysis were that of whether certain practices were predominant. Items used for analysis in this paper are:

- i) whether replication of HR practices of the parent company happened;
- ii) whether HR functions were outsourced;
- iii) number of HR professionals present compared to the total number of employees as asked. Later the percentage of number of HR professionals per number of employees was calculated for each company and the result was then plotted with the number of employees on the X – axis and the number of HR professionals on the Y – axis. The ratio thus obtained was called HR Density and was calculated using the following expression:

$$\text{HR Density} = \frac{\text{No. HR}}{\text{Total Employees}} * 100$$

With the intent to understand if HR professionals had career support in their function two specific items were asked. They were as follows:

- iv) the comparative remuneration of HR employees with other technical

employees was verified. The items was assessed in terms of they were *at par* meaning that both the groups of employees get the same remuneration. *Better than* meaning that the HR employees get a higher remuneration than the other group, while *could be better* meant that the HR employees get a remuneration less than that obtained by the other group.

- v) the number of days HR employees gets *trained* in activities like organizational architecture and the way the organization does its business was verified. This item was assessed in terms of whether training for HR was given. The item asked whether the HR employee was already from technical divisions and thus needed no formal training, or whether they were non-technical and thus trained for *less than a month, more than a month or on – line or continuously*.

The second part of the questionnaire was close ended and consisted of questions on the universalistic activities and some strategic roles chosen for this study. We asked the HR professional to indicate whether *Only Technical* personnel are involved or whether *Only HR* is involved or *both Technical personnel and HR professionals* are involved or whether the activity was out sourced. We also asked them to give the time spent on each activity, and how much time is spent by other technical personnel on the same activities. However data with reference to time spent was often missed out and thus not analyzed.

The activities were:

- i) **Recruitment:** Recruitment is defined as the process of selecting candidates best suited for a particular job. This included recruiting fresh people, experienced personnel, and orienting fresh candidates to the organization.

- ii) **Training and Development:** Training and Development is defined as providing avenues for employees to enhance their knowledge base either by attending workshops, or conferences or other education related activities. The following activities were included in training and development, diagnosing the training needs of employees, designing the training schedule, imparting the necessary training and development programme, and mentoring and counseling.
- iii) **Compensation:** Compensation is defined as the process of providing proper remuneration to the employees. Included in compensation were: designing the compensation system, administering payroll, designing the performance appraisal system, and resolving compensation related issues.
- iv) **Culture Building:** Culture Building is an important function of HR. The HR professional is required to communicate the mission and vision statements of the organization, communicate the organization's core values, build a retention culture, inculcate a culture of quality, and develop a culture of learning organization and knowledge management practice.

The second part of the questionnaire also asked the HR professional to respond to items related to the strategic role they played. The questions related to four strategic roles:

- v) **becoming an Administrative Expert:** This included activities like reducing paperwork by introducing new technology and making all policy decisions and rules.
- vi) **becoming an Employee Champion:** The activities included here included how the HR professional helped employees feel valued, feel fully engaged, provided workshops and

tools for boosting employee morale, designed profit sharing programs, empowered project teams over project outcomes, designed internal mobility programs for employees. Internal mobility programs include job rotation, job sharing for example.

- vii) becoming a Change Agent: Most organizations are operating in very uncertain environments. In such a scenario, HR has the following strategic roles to perform, namely: developed high performing teams, reduce cycle times for innovations, implement new technologies, replace resistance with resolve and planning results, and creating excitement amongst employees about results of change.
- viii) participation in Business Strategy: The extent to which HR participates in business strategy was assessed in terms of whether HR participates in making the mission and vision statements, in organizational architecture (structure and design), market acquisitions, internal mobility opportunities, and intellectual property strategy.

Appendix 1 has a specimen questionnaire.

Data collection and sample

Data was collected by administering the questionnaire to the HR professionals in IT organizations. The addresses of the organizations were obtained from NASSCOM (National Association of Software and Services Companies) website, www.nasscom.org, www.bangaloreit.com, and the ITLeads directory. The organizations were chosen at random and the person who headed HR department in the organization was contacted through phone. The professional was briefed about the survey and requested to fill up the questionnaire as part of the survey. An appointment for

the same was sought. Some of the HR professionals said that they were very busy and requested that the questionnaire be sent in electronic form to them. There were others who willingly obliged and fixed appointments to fill in the questionnaire. Most of the HR professionals answered the questionnaire immediately while some took time to answer the questionnaire and returned it after some days by post. Those companies to which the questionnaire was sent by mail also took some time before sending in their responses back to us. Some of the companies responded by answering all the questions in the questionnaire. There were a few companies that did not answer all the questions. Questions that were not answered were from areas of HR professionals, personnel who are involved in the HR activities, and time spent on each activity. In fact, of the 28 companies surveyed only six companies managed to mention the time spent on the activities that too not on all the activities. This was the major setback of this study as we intended to see how much time HR professionals spent on various activities and we could not get good responses to this part from the companies surveyed.

Qualitative analysis was performed and results discussed in the following section.

Result and Discussion

The results of the survey are discussed below. First, the career support that HR professional receives is discussed. This followed by a discussion on HR density. This index shows how HR professional grow in headcount in comparison to growing manpower and age of the organization. Lastly, the HR activities shared by HR and technical managers are discussed. The strategic role of HR professionals as described by Ulrich (1998) is also addressed.

Career Support

(i) HR's remuneration

Interestingly it is clear that the HR professionals do not feel left out where salary is concerned, they get treated at par with the technical and business development employees (Figure 2).

(ii) Training for HR professionals in technical aspects

Interestingly HR professionals are not necessarily technical people unless rotated from line functions into HR (Figure 3). None of the HR professionals in this sample were technical people earlier. They all were given technical training on-line intranet based and continuously, or in the class room.

Age size relationship for HR

The 28 companies were categorized into six levels according to their age, the youngest being at level 1 and the oldest being 6. The growth of HR professionals in terms of number of HR personnel was understood in relation to age of the company. It appears that initially for a young company there are more number of HR professionals present. As the companies age, the HR processes get standardized and hence the requirement for new HR personnel decreases. In the graph shown in Figure 4 the median of HR

professionals initially grows till a plateau and then declines.

Further the ratio of HR personnel to total manpower in the IT organizations was understood using a ratio called "HR density", i.e. ratio of HR professional to the total headcount of the company. Figure 5 plots the HR density on the Y axis with the different age levels to verify if the decline in number of HR professionals is due to the overall decrease in headcount or otherwise. From the data it is seen that the headcount of IT companies is growing with age but due to the decline in number of HR professionals, as the HR professionals do not grow as a proportion to the total head count, the HR density graph also shows a decline after the plateau period.

HR does not grow in comparison to manpower growth, and this shows that optimum numbers of HR professionals are required given a growing manpower count. Identifying this number is an interesting challenge for Indian IT industry considering that it is a rapidly growing one. Arriving at standards towards this optimal number of HR to total headcount, or optimal HR density, is necessary for the IT sector. The density of HR professionals will vary based on the technology intensity of the organization. In IT companies where global internet based technologies are depended upon, some HR activities are taken care

Figure 2. Remuneration and HR in IT industry

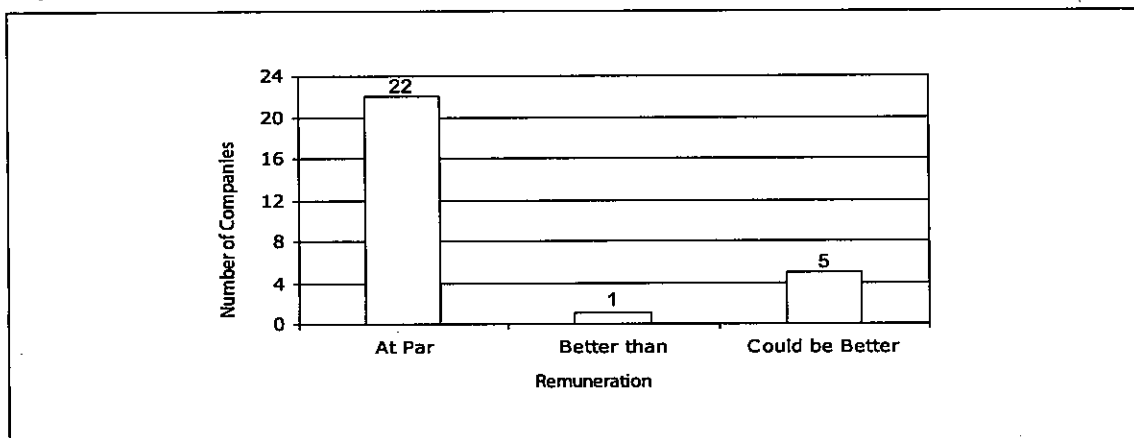


Figure 3. Training for HR professionals in IT industry

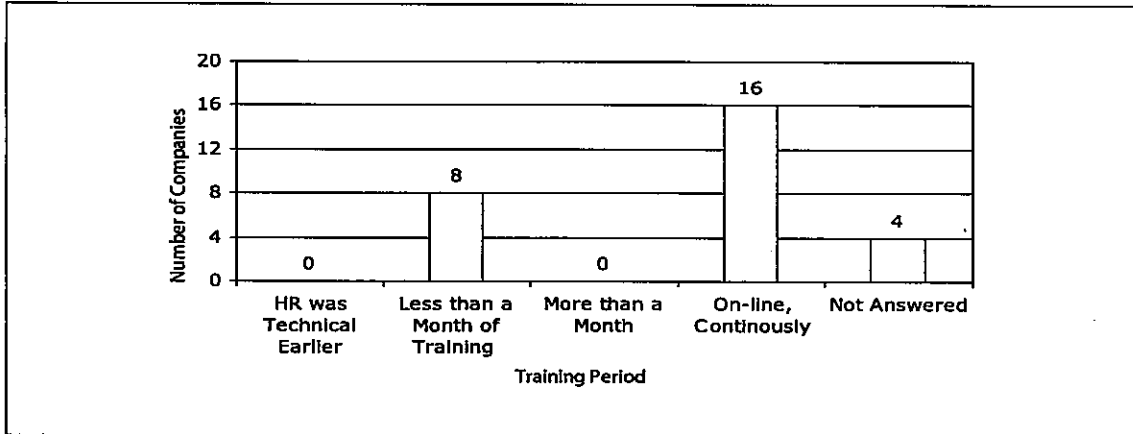


Figure 4. Age of company by HR professional count (medians plotted)

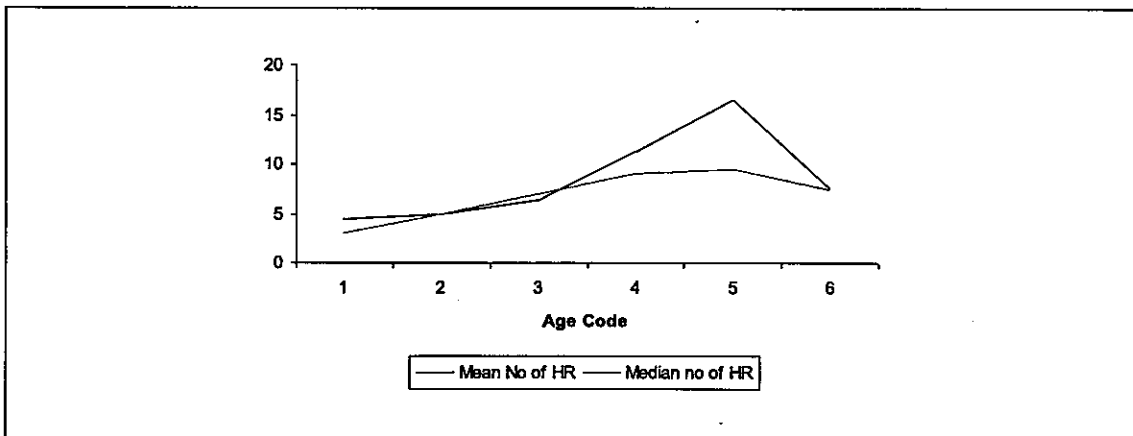
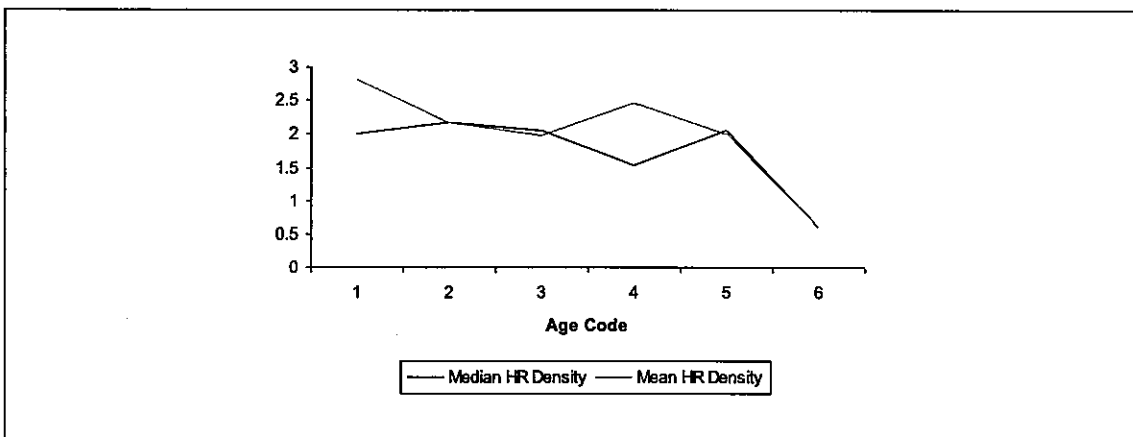


Figure 5. HR density



off by an HR portal. For example, leave applications can be done on-line, with minimum roles for HR professionals. In organizations where internet technologies are not a core support technology HR

would play a more dominant role than the portal even for leave applications.

The HR density score was later used to classify companies into low and high HR density. This classification is used to assess

statistical differences in HR activity and strategic roles for low and high HR density.

The replication of HR practice from parent company

About nine of the companies state that they replicate the practices of the parent company. This classification was used later to divide the companies into fully replicate and partially replicate. This classification was used to assess statistical differences in HR activity and strategic roles for low and high HR density.

HR activities of IT industry

As mentioned in the methodology, HR professionals were asked about the activities

they perform in this industry. They were also asked if the activities were outsourced, or whether the line manager also contributed to perform the activity. Results show that HR and technical personnel worked together in the four main activities namely recruitment, culture building, compensation system, training and development. Figures 7, 8, 9, 10 show the results for these four activities. And the extent of the role played by technical personnel is verified.

(i) Recruitment as an activity

In the case of recruitment, HR professionals play most of the roles (Figure 7). However there are times in which only the technical personnel engage in recruitment, though this is a smaller

Figure 6. Replicate the HR practices of the parent company

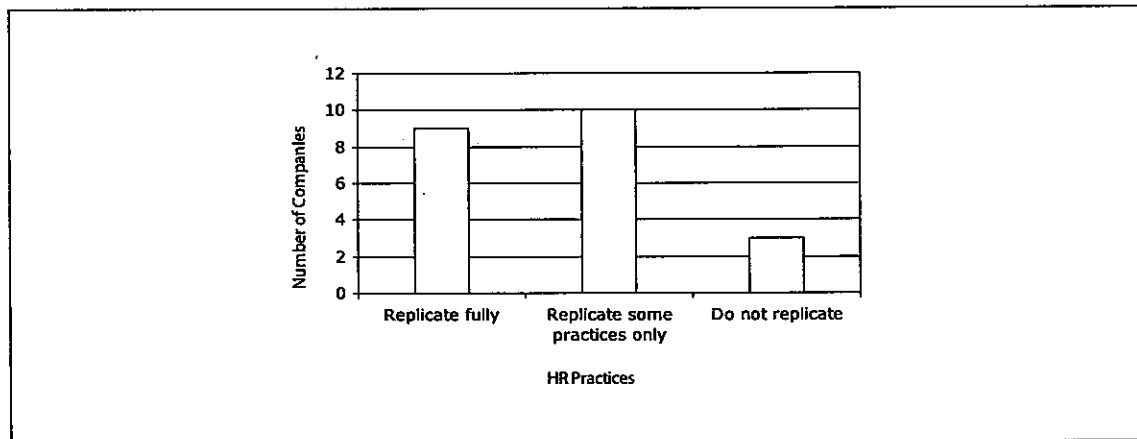
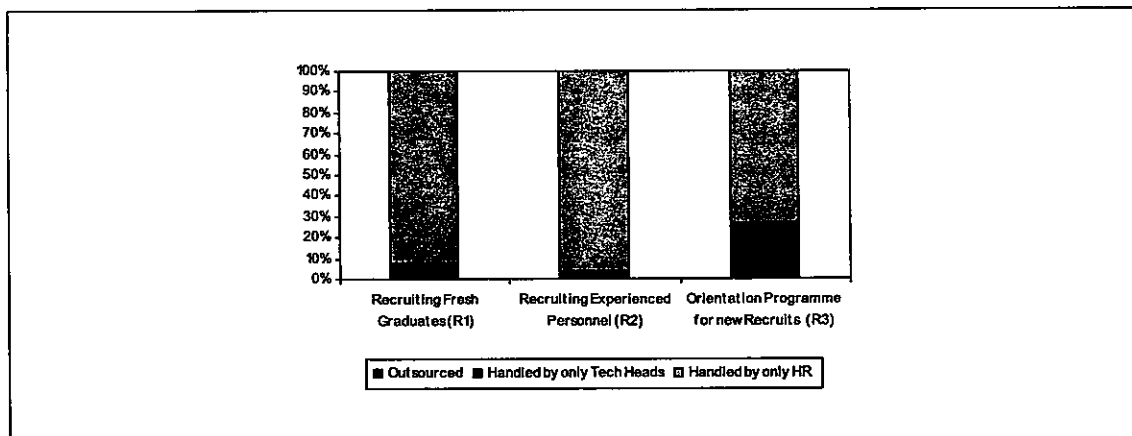


Figure 7. HR activities: recruitment



frequency of occurrence. This is the case for both freshers and experienced recruits. The technical personnel also play a bigger role in the orientation program as compared to what they do in recruitment and selection.

or boss is the one who will communicate these aspects of culture to employees and there HR plays a facilitating role. Outsourcing is also noticed here, implying that outside experts are used to inculcate culture enhancing training.

(ii) Culture building as an activity

In the case of culture building, HR professionals again play a more dominant role, with technical personnel also contributing to it (Figure 8). However, there are times that some samples state that only technical personnel play a role and not HR. This is seen more for communicating the mission and vision to employees, promoting the core values, and helping in the employee retention culture. This is most true as the immediate senior colleague

(iii) Training and Development (T&D) as an activity

Five areas of T&D were considered in this study (Figure 9). The technical personnel appear to play a more dominating role in designing the training schedule and mentoring. Some of this is also outsourced. Diagnosing training needs appears to be a HR activity, and again with a trace of outsourcing.

Figure 8. HR activities: culture building

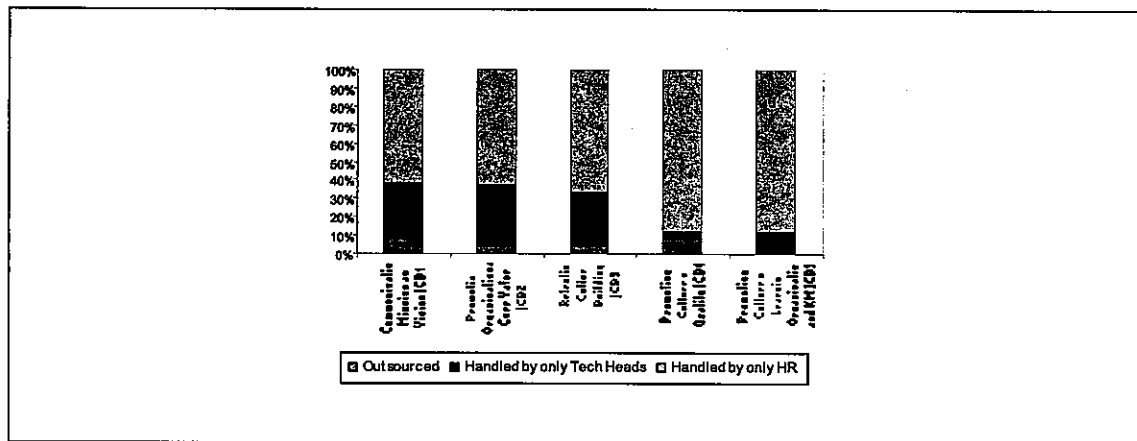
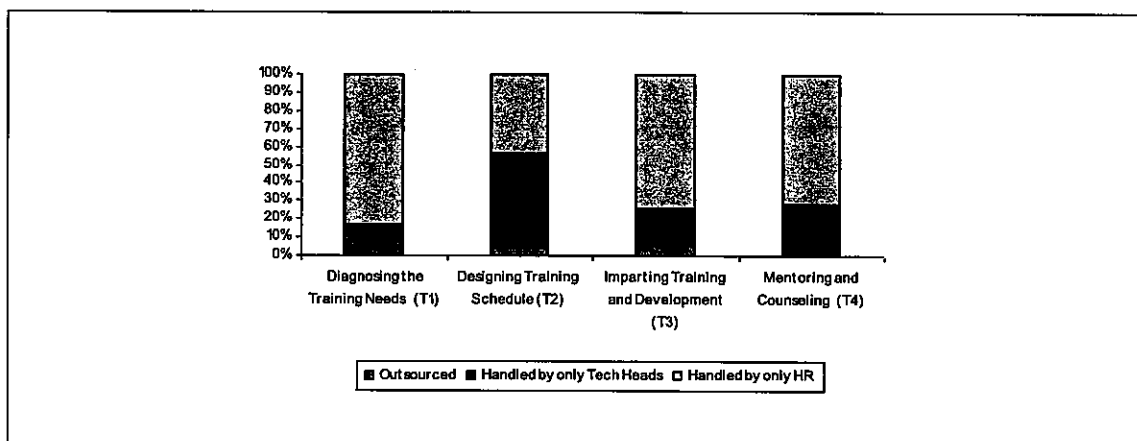


Figure 9. HR activities: training and development



(iv) Compensation as an HR activity

In the context of compensation four different aspects were studied (Figure 10). It appears to be an activity that is more dominated by the technical personnel. HR plays an active but a lesser role. In designing the compensation and performance appraisal technical personnel play a bigger role. Administration may have been an activity of HR in the past and may still be for other sectors, however for IT industry, it appears this is handled by IT systems people, or finance, and less by HR. In the area of settling disputes also, technical personnel appear to play a more dominating role. This maybe the case because of the

intensity and speed with which a team delivers the software to a client keeping the team manager (the technical personnel) in full control of his or her team members. HR professionals are outsiders in this situation, even in matrix organization structures.

A grid (see Figure 11) showing the different activities dominated by technical personnel vs. HR professionals is given below. The study revealed that recruitment was handled by the HR professionals to a great extent. The technical heads participate only during the orientation stage of new recruits (R1). Technical professionals contributed at par with HR professionals in the process of organizational culture building. However, participation of HR

Figure 10. HR activities: compensation system

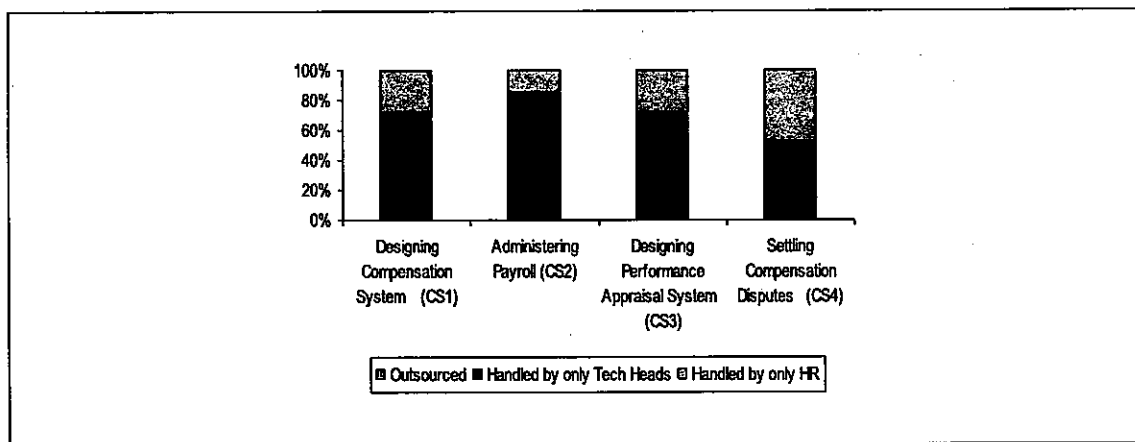
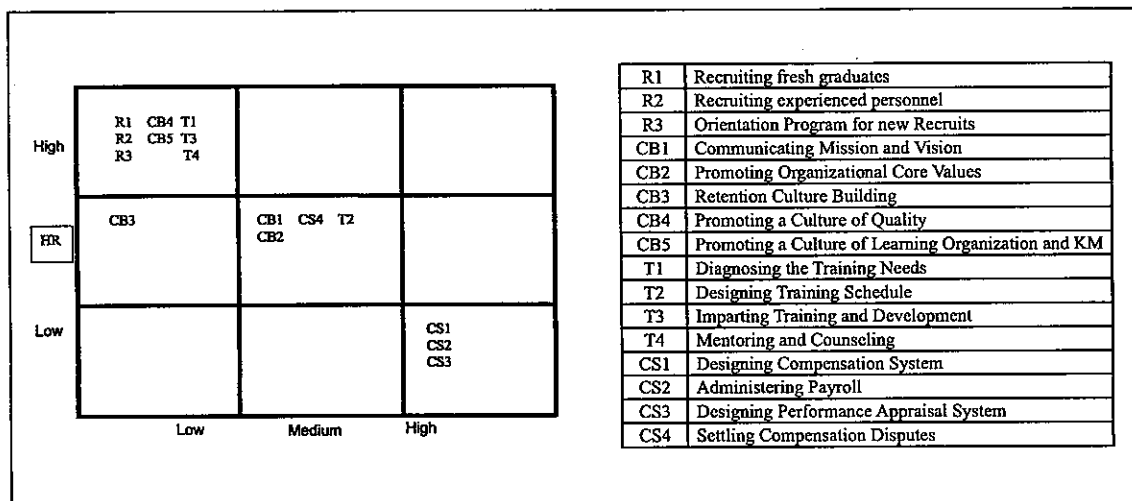


Figure 11. Grid of activities shared by HR and technical personnel



heads are more in promoting culture of quality and culture for KM (CB5) while technical heads contribute to a large extent in communicating the vision, mission, in promoting organizational core values and in retention culture building (CB1, CB2). In training and development, technical professionals played a significant role during designing of the training schedule. Diagnosing the training needs, imparting training and mentoring and counseling were handled primarily by the HR professionals. The major contribution to designing and administering compensation and performance appraisal systems came from the technical heads. HR's role assumed importance only during settlement of compensation systems.

Strategic role of HR professionals

The strategic contribution of HR to the organization as described by Ulrich (1998) was also analyzed. Most of the organizations responded saying that they understood the strategic role of HR. As seen from Figures 12-15, HR's contribution was significant in facilitating organizational change in the capacity of a change agent. HR professionals also played an important role as administrative agent. As a strategic partner, HR professionals play an important role in various strategic decisions like M&As, organizational architecture, intellectual property strategy, internal labor market, and also participated to be an employee champion in an organization. HR professionals

Figure 12. HR the strategic partner in IT industry

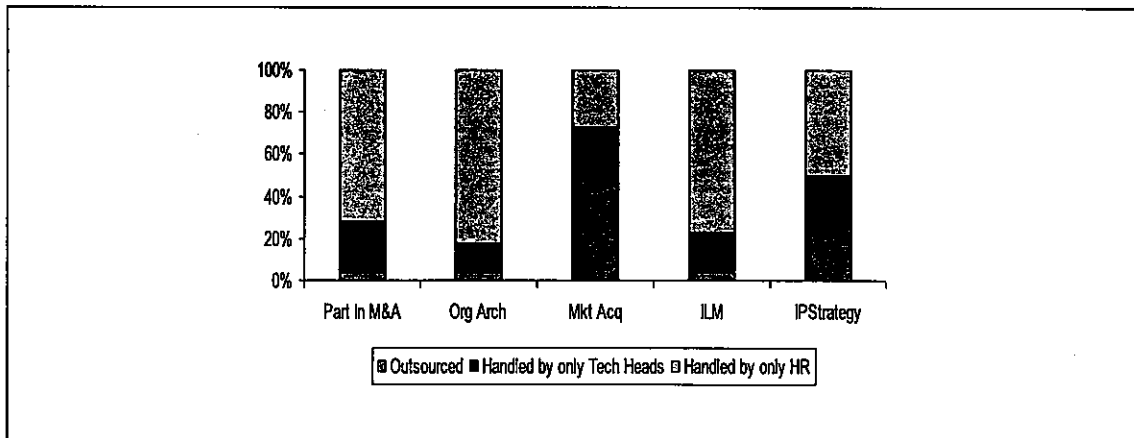


Figure 13. HR the change agent in IT industry

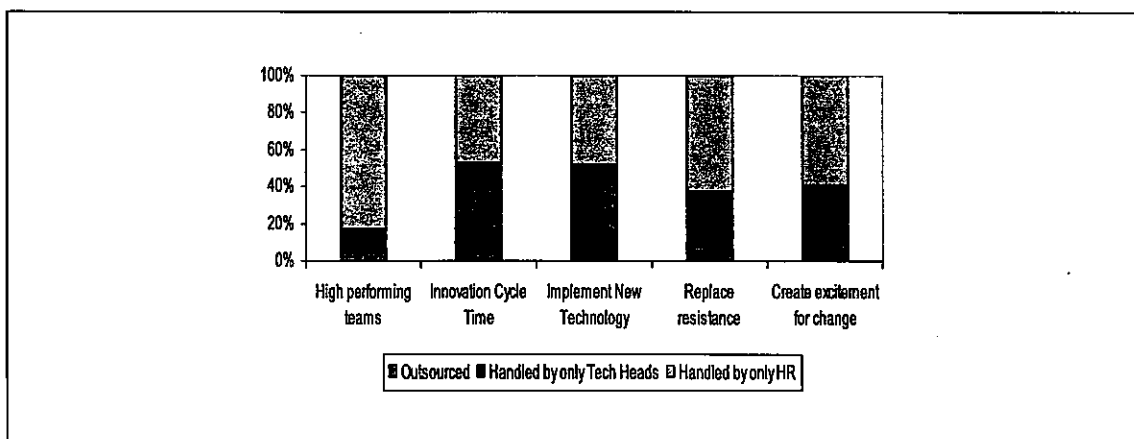


Figure 14. HR the employee champion in IT industry

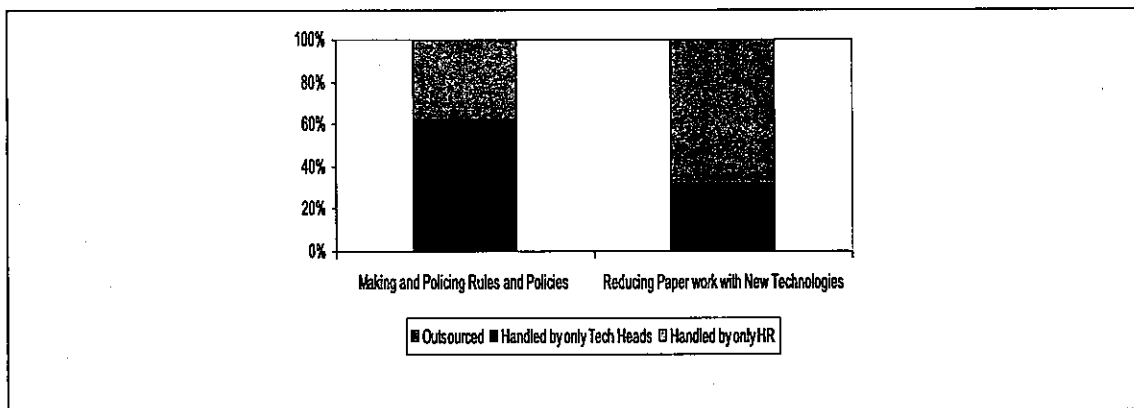
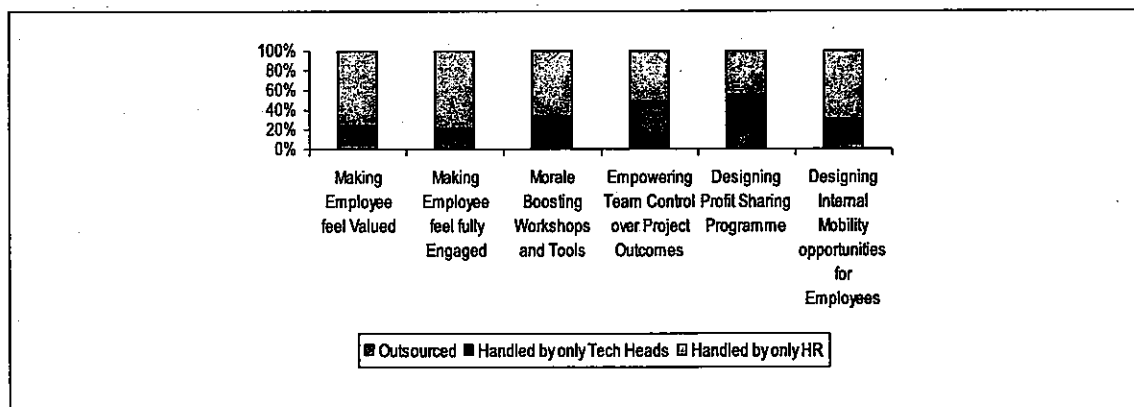


Figure 15. HR the administrative expert in IT industry



were also involved in designing internal mobility opportunities for employees and making them fully engaged and valued.

These are activities that line managers play a role in, traditionally, nevertheless, HR does play a role in strategy from our analysis. HR plays a strategic role in facilitating mission and vision statements, contributing to organizational structural design (architecture), and understanding the internal labor market in the IT industry. The acquisition of markets, which possibly is a marketing and sales intensive strategy, is where maximum number of respondents avoided an answer. However, during mergers and acquisitions, HR professionals played a special role in integrating tasks and people. Another area that is scarcely addressed is their role in intellectual property (IP) management. However few

respondents state that they facilitate IP strategy and this is good to see as HR professionals do have a positive role to facilitate patent cultures in technology intensive companies. At this juncture the need is not high in Indian IT companies since the emphasis is more on software outsourcing and less on IT R&D or product development.

Differences in HR activities and strategic roles based on low and high HR density

The companies were classified into low and high on HR density and chi square tests were used (for small samples) to assess if:

H_0 : HR density had no marginal influence on HR activities.

H_a : $\neg H_0$. Low p-value, reject H_0 .

Table 2. Implications of low and high HR density

<i>HR Activity, strategic roles and Low vs High HR Density</i>	Chi Square	Significance
Orientation programme for new recruits	7.672	0.053
Diagnosing the training needs	8.724	0.033
Reducing cycle time for innovation	8.277	0.041
Making the mission and vision statement	5.341	0.069
Organizational Intellectual Property	6.975	0.073

Table 3. Implications of replicating parent HR practices

<i>HR activity, strategic roles and fully replicating vs partially replicating HR practices</i>	Chi Square	Significance
Promoting a culture of the learning organization and knowledge management	10.993	0.012
Replacing resistance with resolve and planning results	8.058	0.045
Creating excitement about results of change	10.733	0.013

Amongst the HR activities it was found that three activities showed statistically significant differences. Amongst the strategic roles, two roles showed statistical differences (although just above the 0.05 level). Table 2 reports these activities and strategic roles. Those activities showing statistical differences are orienting new recruits, diagnosing training needs, reducing the cycle time for innovation, making a mission and vision statement and, organizational intellectual property. All these activities and roles appear more prevalent when the HR density is higher. There appears to be a strong need for HR personnel to grow with a growing size of employees to facilitate these activities successfully.

Differences in HR activities and strategic roles based on replicating parent's HR practice

We verified if the HR practices of the parent organization had any influence on the HR activities and strategic role of HR. The companies were classified into replicating and partially replicating and chi square tests were used (for small samples) to assess if:

H_0 : Replicating Parent HR Practices has no marginal influence on HR Activities.

H_a : $\neg H_0$. Low p-value, reject H_0 .

Table 3 shows some activities that were influenced by replicating parents HR activity. They are promoting a culture of the learning organization and knowledge management, replacing resistance with resolve and planning results, and creating excitement about results of change. It was found that companies that replicated fully the HR practices of their parent organizations were higher on these activities.

Conclusion

This paper focused on the various HR activities done by the HR professionals, the relevance of strategic HR roles, and the career support that HR professionals receive in the Indian IT industry. It motivates a deeper need to study the human resource function in the IT industry. When compared to technical personnel, HR professionals seem to get an equal career support in terms of remuneration and training. They appear to get remunerated at par with their technical counterparts. In this study we have also introduced the term HR density which measures the ratio of the number of HR professionals to the total manpower. It appears that in the growing stage of the organization there is an increase in the need for HR professionals whilst as the organization ages this need reduces in growth. This decline in the need to recruit new HR professionals into the organization

can be due to standardization of HR processes, e-HR practices or outsourcing of HR activities. Finding the optimal HR density is important to help Indian IT industry meet its competitive challenges. A higher HR density also shows a higher prevalence of activities and strategic roles like orientation program for new recruits, diagnosing the training needs, reducing cycle time for innovation, participation in making the mission and vision statement, and participation in organizational intellectual property activity.

Replication of parent's HR practice is common in some companies. Fully replicating also adds to an increase in promoting a culture of the learning organization and knowledge management, replacing resistance with resolve and planning results, and creating excitement about results of change.

The increasing trend towards outsourcing of HR activities can enhance the

strategic partnership of HR in business by deploying more time of HR professionals in strategic thinking than in the voluminous administrative roles which can be handled by outsourced experts. Currently HR is playing a crucial role in all the traditional HR processes of recruitment, training and development and culture building except compensation. In the case of compensation, technical personnel play the main role in designing and administering it. In Indian IT Industry HR professionals have potential to play a more strategic because of the role of the technology intensive nature of their companies, thus substituting their manual tasks. Outsourcing some HR activities also contributes to these phenomena. However, this also has potential to cause role under load in HR professionals. This means that task analysis and role analysis of HR professionals in technology intensive sectors needs further research.

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Appendix

Questionnaire

A SURVEY OF HR PRACTICES IN THE INDIAN IT INDUSTRY – BANGALORE

This is an empirical study of HR practices in your organization with reference to your operations in India. This survey covers HR professionals in IT organizations. This survey will help us arrive at a model of HR practices for the Indian IT Industry and its facilitating role in business. Information that you will provide us will be strictly held confidential, as this is an academic exercise. Names will be avoided when the scores are aggregated and the final results are presented. We are also keen to share the results with you and will communicate to you through e – mail. We are looking forward for your cooperation.

Please answer the following questions about your organization with reference to your unit / units in Bangalore.

- 1) *Please mention the business area/s in which you operate (in Bangalore only). (For e.g. Networking Technologies)*
- 2) *Please mention the year of establishment. (For e.g. 1989.)*
- 3) *Is the parent company geographically located in India? ___Yes ___No. If No, please mention the parent country.*
- 4) *How many units of your organization are there in:*
 - i) *Other parts India:*
 - ii) *Bangalore:*
- 5) *Please mention the number of employees in your organization.*

<i>Permanent:</i>	
<i>Temporary:</i>	
<i>Total:</i>	

- 6) *Do you use flexi hour method in your organization? (For e.g. employees working from home.)*
 ___ Yes ___ No
If Yes, are these included in Question 5. ___ Yes ___ No.
- 7) *Please mention the number of employees in the following functions in your organization.*

<i>Human Resources Management:</i>	
<i>Marketing Management:</i>	
<i>Financial Management:</i>	
<i>Business / Development and R&D groups</i>	
<i>Others please mention.</i>	

- 8) *Please mention the designations of the HR professionals: (For e.g. GM-HR, HR Executive)*

9) Please enlist the qualifications of HR Professionals in your organization. (For e.g. Masters in PM, PGDBM, etc.)

10) Please enlist the institutions from which HR professionals have graduated. (For e.g. IIM, XLRI, Universities, etc.)

11) Have you replicated the HR practices of the parent company in your organization?

_____ Yes Fully. _____ Some Practices Only. _____ None.

12) What HR functions have you outsourced? If HR is completely outsourced, the please return the form and thank you for your cooperation.

_____ None _____ Some _____ All

a) If Some, mention the activities outsourced: for e.g. payroll.

- i) _____
- ii) _____
- iii) _____
- iv) _____
- v) _____
- vi) _____

13) To what extent does HR have a say in the strategic execution of the organization?

1. Does not participate.
2. Facilitates
3. Fully participates.

Please mention 1, 2 or 3 for the following statements:

Mission and Vision Statements	
Organizational Architecture (Structure Design)	
Market Acquisitions	
Internal Labour Market	
Intellectual Property Strategy	

14) Do you promote innovative HR practices in your organization (i.e. practices that competitors in your business area do not engage in)?

_____ Yes. _____ No.

a) If Yes, name a few: _____

15) Does the remuneration paid to HR professionals compare with the business and developmental groups of employees?

_____ At par. _____ Better than. _____ Could be better.

16) How many days of training does HR employees obtain in organizational architecture (structural design, task design, culture and technology) and the way it does its business?

_____ All of HR was technical earlier. _____ Less than a month of training. _____ More than a month. _____ On – line, continuously.

Amount of time spent by HR on the following activities:

The following have been identified as the various activities HR professionals perform in the IT organizations. If any function is outsourced, then please tick Outsourced. Please mention the activities handled by Only Tech Heads (Only Tech), or Only HR or by Both. Also mention the time spent in days accordingly. Finally please mention the designation of the person who performs the activity (Only HR).

Activity	Outsourced	Handled by			Time spent in days		Done by Whom in HR i.e. Designation
		Only Tech	Only HR	Both	Only Tech	Only HR	
A. Recruitment							
Recruiting Fresh Graduates							
Recruiting Experienced Personnel							
Orientation programme for new recruits							
B. Training and Development							
Diagnosing the Training Needs							
Designing Training Schedule							
Imparting Training and Development							
Mentoring and Counselling							
C. Compensation System							
Designing Compensation System							
Administering Payroll							
Designing Performance Appraisal System							
Settling Compensation Disputes							
D. Culture Building							
Communicating Mission and Vision							
Promoting Organizational Core Values							
Retention Culture Building							
Promoting a Culture of Quality							
Promoting a culture of Learning Organization and Knowledge Management							
E. Lobbying and Facilitator Role							
Facilitating employee negotiations with top mgmt							
Participating on client negotiations							
Lobbying for HR's Importance							
Resolving Internal Team Conflicts							
F. Being an Administrative Expert							
Making and Policing Rules and Policies							
Reducing Paper work with New Technologies							
G. Being Employee Champion							
Making Employee Feel Valued							
Making Employee Feel Fully Engaged							
Morale Boosting workshops and tools							
Empowering team control over project outcomes							
Designing Profit Sharing Programmes							
Designing Internal Mobility opportunities for employees							
H. Becoming Change Agent							
Focus on Developing High Performing Teams							
Reducing Cycle time for Innovations							
Implementing New Technologies							
Replacing resistance with resolve and planning results							
Creating excitement about results of change							

E – mail:

Name: