

Employees Perception towards Human Capital Management Practices- A Select Study.

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“The basic resource in any company is the people. The most successful companies and the most successful countries are those that manage human capital in the most effective & efficient manner”.

- Noble Prize Winning Economist Gary S. Becker on Human Capital.

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ABSTRACT: This research is conducted to study the Employees Perception towards Human Capital Management Practices of Select IT Companies such as TCS, Infosys, Wipro, HCL Technologies, Tech Mahindra. For this purpose, primary data has been collected through questionnaire from 406 employees working in Select IT companies of Hyderabad. ANOVA was carried out to find out the perception of employees towards HCM Practices and the study concluded that, the HCM practices of all Select IT companies are significantly different from each other.

Key Words: Talent Acquisition, Employee Engagement, Training & Development, Career Development, Leadership Development, IT Sector, Employees Perception.

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I. INTRODUCTION ABOUT HUMAN CAPITAL.

It is true that, Human Capital is needed for business survival and growth. The people knowledge, skills are the success drivers for every organization. Now-a-days, due to volatile environment, organizations are forced to experience hectic competition, challenges in managing Human Capital. HCM Practices are important for achieving competitive advantage because every company follows or adopts its own policies and practices according to their future business needs and requirements and as such especially, the IT Companies need sound and innovative practices for their betterment and development.

1.1 Concept of Human Capital.

Becker (1964) defined human capital as, the knowledge, information, ideas, skills and health of individuals. HC also refers to knowledge, skills of employees which can be improved through proper learning and experience to derive value in terms of output in the form of higher productivity, profitability and efficiency of the corporate companies.

1.2 Human Capital Management.

Human capital management enables organizations to make more productive use of people with the development of HR policies and practices as well as the business strategies which enables improvement in levels of employee engagement and business performance through better selection, training and leadership.

1.3 Human Capital Management Practices.

A set of practices which are formulated by the management of the organization for the betterment and development of employees and whose contribution in the form of products produced or service rendered in different business areas can be measured properly by means of employee benefit expenses or costs in training and development, recruitment, selection, performance appraisal and compensation etc.

II. REVIEW OF LITERATURE.

1. Arora, Arunachalam, V. S., Asundi, J., & Fernandes, R. (2001), asserted that human capital industry practices are needed for the growth of software agencies industry to create competitive advantage in international division of labour in software.
2. Ashraf Bany Mohammed (2011), stated that, the human capital is widely acknowledged as the most element in the success of software industry through their skills and competencies.

3. Baron, A., & Armstrong, M. (2007), viewed that, human resources will add value to the organization if proper human capital management policies and practices are formulated by management by acquiring information about them in a comprehensive manner.
4. Prof. R. Indradevi, (2011), investigated that, there is a significant difference between the perception of employees on human capital development practices such as recruitment, training, counseling and mentoring, empowerment and performance appraisal of Indian software companies.
5. Leslie A. Weatherly (2003), asserted that, organizations compete for business success through the employees and must believe that people are greatest asset which should be utilized in an optimum manner from time to time.
6. Kannan, G. & Akhilesh, K. B. (2002), observed that, the organization can add value by developing various behavioral tools of employees with regard to perception on organization culture, knowledge management, perceived performance and innovation which add value to the human capital by providing them with greater opportunities in knowledge sharing, learning for improved performance.
7. Huang, G. Z., Roy, M. H. & Ahmed, Z. U. (2002), asserted that, the focus of their study is related with the practices of MNC's in Singapore such as value of human capital, recruitment and selection, training and development, career management, corporate culture etc which is essential for the survival and growth of promising local enterprises.
8. Neenu Wilson et al., (2014), has determined that organizations can benefit from human capital management practices because it leverages the most valuable asset people to improve business performance and help competitive advantage.
9. Nzuve S. and Musyoka A (2012), had conducted HCM practices at NSSF which includes enhancing the organization's capacity through staff training and development and setting of clear performance standards.
10. Nzuve, S and Bundi, E.G. (2012), has conducted a study to determine the relationship between HCM practices and performance of commercial banks in Kenya and further they concluded that, HCM practices have a positive influence on performance as measured by both turnover growth & return on assets.

III. OBJECTIVES OF THE STUDY.

1. To Study the Concept of Human Capital. Human Capital Management and Human Capital Management Practices.
2. To Study the Perception of Employees towards Human Capital Management Practices of Select IT Companies.

IV. RESEARCH HYPOTHESIS.

H0 1: There is no significant difference among the Perception of Employees towards Talent Acquisition Practices of Select IT Companies.

H0 2: There is no significant difference among the Perception of Employees towards Career Development Practices of Select IT Companies.

H0 3: There is no significant difference among the Perception of Employees towards Employee Engagement Practices of Select IT Companies.

H0 4: There is no significant difference among the Perception of Employees towards Training & Development Practices of Select IT Companies.

H0 5: There is no significant difference among the Perception of Employees towards Leadership Development Practices of Select IT Companies.

V. RESEARCH METHOD.

5.1 HCM Practices.

The present study is undertaken to investigate 5 major common HCM Practices followed by IT Companies such as TCS, Infosys, Wipro, HCL Technologies, Tech Mahindra. The HCM Practices selected are: Talent Acquisition, Career Development, Leadership Development, Training & Development and Employee Engagement.

5.2 Reliability and Internal Consistency of Data.

Since HCM Practices have been measured by 5 point Likert Type scale, Coefficient of Cronbach's Alpha has been used to test the accuracy, reliability and internal consistency of data collected from the employees of select IT companies. Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale, it is expressed as a number between 0 and 1.

5.3 Measurement Scale.

In this survey, five point likert rating scale (Strongly Disagree for 1, Disagree for 2, Neutral for 3, Agree for 4, Strongly Agree for 5) was used to measure the responses. The Overall value for Cronbach’s Alpha of variables is 0.923.

5.4 Sample and Data Collection.

The present study is carried out by taking 5 sample IT Companies located at Hyderabad such as TCS, Infosys, Wipro, HCL Technologies and Tech Mahindra were selected based on their Market Capitalization. Hence, to study the employees perception, a sample of 406 employees responses are collected based on Convenience sampling method by using Questionnaire. To derive the minimum sample size, Krajicic & Morgan Formula was adopted.

VI. ANALYSIS OF DATA.

The study adopted the SPSS Package for analyzing the data and moreover, to find out the significant difference among employees Perception towards HCM Practices of select IT companies, the analysis involved the use of statistical tool such as ANOVA.

ANOVA

TA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	42.727	4	10.682	36.783	.000
Within Groups	116.449	401	.290		
Total	159.176	405			

Interpretation: From the above analysis, it is observed that, F-ratio value is 36.78 for given degrees of freedom of 4, 401 whereas, table value for said degrees of freedom is 2.39 this indicates, F calculated value is greater than critical value. Therefore, it falls into rejection region. Thus, we may reject hypothesis i.e. there is significant difference among employees perception towards talent management practices of select IT companies.

ANOVA

EE

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	51.847	4	12.962	42.520	.000
Within Groups	122.242	401	.305		
Total	174.089	405			

Interpretation: From the above analysis, it is observed that, F-ratio value is 42.52 for given degrees of freedom of 4, 401 whereas, table value for said degrees of freedom is 2.39. This indicates, F calculated value is greater than critical value. Therefore, it falls into rejection region. Thus, we may reject hypothesis ie there is significant difference among employees perception towards employee engagement practices of select IT companies.

ANOVA

CD

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	32.851	4	8.213	27.297	.000
Within Groups	120.646	401	.301		
Total	153.497	405			

Interpretation: From the above analysis, it is observed that, F-ratio value is 27.29 for given degrees of freedom of 4, 401 whereas, table value for said degrees of freedom is 2.39. This indicates, F calculated value is greater than critical value. Therefore, it falls into rejection region. Thus, we may reject hypothesis ie there is significant difference among employees perception towards career development practices of select IT companies.

ANOVA

TD

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	61.533	4	15.383	77.050	.000
Within Groups	80.061	401	.200		
Total	141.594	405			

Interpretation: From the above analysis, it is observed that, F-ratio value is 77.05 for given degrees of freedom of 4, 401 whereas, table value for said degrees of freedom is 2.39. This indicates, F calculated value is greater than critical value. Therefore, it falls into rejection region. Thus, we may reject hypothesis i.e. there is significant difference among employees perception towards training & development practices of select IT companies.

ANOVA

LD

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	33.906	4	8.477	31.314	.000
Within Groups	108.549	401	.271		
Total	142.455	405			

Interpretation: From the above analysis, it is observed that, F-ratio value is 31.31 for given degrees of freedom of 4, 401 whereas, table value for said degrees of freedom is 2.39. This indicates, F calculated value is greater than critical value. Therefore, it falls into rejection region. Thus, we may reject hypothesis i.e. there is significant difference among employees perception towards leadership development practices of select IT companies.

VII. FINDINGS.

1. It was observed from the analysis that, talent acquisition practices of select IT companies are found significantly different from each other.
2. It was noticed that, employee engagement practices of select IT companies are found significantly different from each other.
3. It was found that, career development practices of select IT companies are found significantly different from each other.
4. It was noticed that, training & development practices of select IT companies are found significantly different from each other.
5. It was found that, leadership development practices of select IT companies are found significantly different from each other.

VIII. CONCLUSION.

The HCM practices are adopted by different industries, but IT industry especially IT companies success to a large extent depends on the HCM practices they follow. The present study adopted common HCM practices of select IT companies and find out that the practices are significantly different from each other.

Limitations of the Study.

1. The present study focused or limited to 5 IT companies only.
2. The study has covered only one IT Hub i.e. Hyderabad.

Scope for further research.

The study focused only on IT companies and further research can be studied in new dimension such as manufacturing and other industries of service sector and moreover, other IT hubs in India can also be studied which brings new insights.

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