

H R Practices in Information Technology Sector: A Study

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ABSTRACT: This research article aims to “To measure the impact of human resource practices determinants on employee performance in IT industry”. The paper applies data reduction using Exploratory Factor Analysis (EFA) on a sample of 312 respondents drawn from 6 IT companies in the Bangalore city and condenses a set of 22 statements converted into a five human resource practices determinants. The present study proposes a model of the impact of human resource practices determinants on employee performance. The study found that compensation, recruitment and selection, training & development, performance appraisal and promotion are impacting significantly the employee performance. Therefore, IT companies should focus on the above factors to enrich human resource practices determinants. The study investigated the impact of determinants of HR practices on employee performance in IT industry concluded that compensation had the highest impact on the employee performance followed by recruitment and selection, training & development, performance appraisal and promotion.

KEYWORDS: Human Resource Practices, Employee Performance, Compensation, Recruitment & Selection, Training & Development, Performance Appraisal and Promotion.

I. INTRODUCTION

This study investigates human asset the executives in business banks in Jordan. Business banks offer monetary types of assistance to the overall population and business, guaranteeing financial and social soundness and manageable development of the economy; notwithstanding, business banks are not limited to local financial administrations. The business banking framework has gone through a few changes over the most recent a very long while. There have been sensational administrative changes, impressive advances in data and banking innovations, the broad strength and acknowledgment of the market economy by less open economies, and the increment and combination of worldwide monetary business sectors and markets and foundations have set out new open doors and difficulties for business banking establishments. While these changes have given an extended open door set to banks, they have escalated the cutthroat strain in the worldwide financial field also (Al-Safadi, 2016; Alzoubi et al., 2020).

Business banks in Jordan add to improving the development of capital and venture and assume a huge part in affecting the economy. The business banks in Jordan assume a conclusive part in the development and improvement of the country. They are the mainstay of monetary movement as well as key suppliers to the public economy as they assume a main part in working on financial development in the country. Low-loan fees will support venture and together business banks add to the execution of the monetary strategy that is constrained by the Central Bank of Jordan (CBJ). By expanding the amount of money available for use through the stockpile of credit or by decreasing loan costs, business banks straightforwardly sway financial turn of events. Business banks experience the ill effects of a few difficulties that undermine their abilities and seriousness, especially since the start of the money related emergency that the overall economy was presented to. This has adversely affected a few business banks as far as their financial presentation like powerless portfolio, helpless venture, low liquidity, among others. The lackluster showing of the internal and outer activities of these banks as far as meeting the needs of shoppers The business banks have not had the option to stay away from chances and shield ventures from the clients and investors. Further, functional, credit, and liquidity gambles recommended affecting bank execution in Jordan (AlSafadi, 2016). In this way, business banks have reevaluated the manner in which they are carrying on with work. The first requirement for business banks is to foresee changes and defy these difficulties, foster its inward settings, and adjust to the outer settings (Almaaitah et al., 2020). Consequently, there is an expanding need for HR who have unmistakable abilities and high abilities that contenders can't emulate. Human Resource Management (HRM) has arisen principally in acknowledgment of the way that HR should be overseen decisively for the firm to partake in a maintainable upper hand over the opposition. HRM can be characterized as the strategies and practices expected to play out the schedules of HR in an association, for example, representative staffing,

Staff advancement, execution the board, pay the executives, and empowering worker inclusion in navigation. Henceforth, the banks are expected to actuate the job of HRM through the usage of Human Resource Management Practices (HRMP). HRM assumes a significant part in the making of better HR (who are the fundamental resources of the association), and maintenance of such assets, and give adaptability and the capacity to adjust to accomplish a reasonable upper hand (Khatri, 1999). The worker's exhibition is viewed as one of the elements that have an effect and job on the association's presentation, as it straightforwardly adds to the accomplishment of the association through the conduct of the person notwithstanding the presence of different variables that assistance in its prosperity (Saleh et al., 2020). Representative's conduct is formed through a heap of particularly yet interrelated HRM rehearses. HRMP is utilized to quantify the exhibition of the singular working inside the association and raising the presentation of laborers by inspiring them and making rivalry among them (Ahmad and Schroeder, 2003).

II. REVIEW OF LITERATURE

An association that performs HRMP like turn of events, preparing, determination, arrangement, and pay framework can accomplish objectives and foster procedures really and deftly and is likewise ready to execute approaches inside the association, HRMP is predictable with inward strategies and techniques laid out and applied to guarantee the association's HR add to accomplishing the association's objectives, concocting answers for creating human to assist with working on the capacity, opportunity, and inspiration of representatives (Nguyen et al., 2020). HRMP and their execution are among the main factors that add to expanding representative fulfillment and accomplishing position responsibility, which adds to raising efficiency (Khan, 2010; Quresh et al., 2010). HRMP is a significant indicator of hierarchical execution and can possibly advance authoritative development. Viable HRMP, for example, including refined techniques to enlistment and determination, direction, examination, and preparing conceive authoritative development in items and administrations (Shipton et al., 2005).

In accordance with the changing industry climate and the rising requests and wants of the representatives, organizations need to continually change their HRM rehearses. Representative commitment will be encouraged by this, which thus prompts further developed execution for the association and furthermore further developed prosperity and improvement for workers to impact representative conduct and consequently advance business objectives. Organizations should make a heap of inside reliable HRM rehearses (Jiménez and Valle, 2005). Preparing and advancement in associations emphatically influence the representative and works on his/her exhibition and improvement. Concerning assessment, it provides the individual the capacity to work better to arrive at the most significant levels. (Abdullah et al., 2009).

Dr. S. Mohana et al. (2021). this article expects to investigate the piece of "Occupation Performance" for workers in IT industry of Chennai city. The paper applies information decrease utilizing Confirmatory Factor Analysis (CFA) on an example of 222 respondents and diminishes a bunch of 13 factors into a rundown of three understandable ability the executives determinants. The current review proposes a model of the effect of ability the board determinants on the representative work execution. The investigation discovered that ability maintenance, initiative and prizes are affecting fundamentally on the worker work execution. Thusly, IT organizations can further develop representative work execution by concentrating above factors. This will assist with working on the efficiency in the association.

Mohana, S., et al. (2021) the study found that talent acquisition & retention, performance management, learning & motivating, compensation, career development and succession planning are impacting significantly the organizational performance. Therefore, Cement companies should focus on the above factors to provide better talent management practices. Alqudah, I. H., Carballo-Penela, A., & Ruzo-Sanmartín, E. (2022), provides a theoretical framework to link HRM practices to affective commitment and employees' readiness for change. SET assumes that discretionary benefits from an exchange partner will be returned back by the other party in a discretionary way in the longer term (Travis, D. J., & Mor Barak, M. E. (2010), holding the notion that individuals seek favorable outcomes relative to their inputs. Thus, in a relationship like the employment relationship, SET implies that individuals become bound to return benefits or services to their partners in the exchange. When employees understand HRM practices as expressing investment, appreciation, and recognition, they will start to perceive themselves in a social exchange, rather than a purely mercantile relationship (Shore & Shore, 1995).

The Ability, Motivation and Opportunity (AMO) model (Appelbaum, Bailey, Berg, Kalleberg and Bailey, 2000) is valuable to clarify the connection between availability for change and representatives' singular presentation.

AMO system suggests that to guarantee the representative's optional exertion, three components should be set up: 1. workers should have the vital abilities, 2. they need the proper inspiration, and 3. businesses should offer them the chance to take an interest (Appelbaum et al., 2000). Capacities allude to information and abilities that workers have. (Bos-Nehles, Van Riemsdijk and Kees Looise, 2013) stress the significance of the capacity aspect asserting that without capacity neither inspiration nor opportunity will add a lot to execution, despite the fact that the two aspects are critical. Capacity improving practices plan to purchase abilities and additionally upgrade the current workers' abilities (Ma Prieto and Pérez-Santana, 2014).

III. RESEARCH PROBLEM

Human Resource is the most significant and significant resources in the associations for its tasks and consistent development. The scholarly capital administration is key in the accomplishment of the organizations in IT industry. The striking element of IT area is cut edged rivalry and innovation up-degree every now and then. The superb obligation of the HR division is to distinguish the future necessities and to get the talented workers and to prepare them to meet the prerequisites and to have supportable improvement now and again. All the while, Human assets arranging, preparing, arrangement, execution assessment ability maintenance and review of the representative administration rehearses are significant. The achievement of the firm is relying upon the accomplishment of HR the executives. This is conceivable through successful preparation and assessment of its exercises. The HR review is the most common way of doing such fragile capacity in the association. Thus, the survey of writing is acted toward this path and observed that, there is no substantial review estimating the effect of HR Audit on the presentation of individual representatives and the association. Consequently, the current review is applicable and contemporary to the subject. The study has been focused on ***“Human Resources Practices on Employee Performance in IT industry of Bangalore City”***.

IV. RESEARCH OBJECTIVES

1. To identify the human resource practices determinants in IT industry.
2. To measure the impact of human resource practices determinants on employee performance in IT industry.

Research Hypothesis

Ho1: There is no significant relationship between human resource practices determinants and employee performance in IT industry.

- **Ho_{1.1}:** There is no significant relationship between recruitment and selection and employee performance in IT industry.
- **Ho_{1.2}:** There is no significant relationship between compensation and employee performance in IT industry.
- **Ho_{1.3}:** There is no significant relationship between training and development and employee performance in IT industry.
- **Ho_{1.4}:** There is no significant relationship between performance appraisal and employee performance in IT industry.
- **Ho_{1.5}:** There is no significant relationship between promotion and employee performance in IT industry.

Statistical Tools

- Reliability test
- Exploratory Factor Analysis
- Multiple Linear Regression

V. RESEARCH METHODOLOGY SAMPLE

The sampling unit for the study includes employees of selected IT Companies engaged in software development in the Bangalore city. Multistage sampling procedure is adopted. In the first Stage six, IT Companies of Bangalore city are selected using purposive Sampling. As many as 25 companies have been approached for the gathering of the primary data. But support was extended by the employees of the following 6 companies only. The companies thus selected are Cognizant, Infosys, Mahaveer Infosys Limited, IBM, Tata Consultancy Services and Wipro.

In the Second stage 52 employees from each company are selected using convenience sampling which forms 312 employees as the sample size. A sample size of 52 employees from each company was felt to be substantial to provide sufficient inputs into the study. The researchers' convenience and the access to the respondents' time

and availability also is another parameter constraining the sample size.

Data Analysis & Results Reliability Test

Table. 1: Case Processing Summary of all Variables

Cases	N			Percentage		
	Valid	312		100.0		
	Excluded ^a	0		0.0		
	Total	312		100.0		

Table. 2: Reliability Statistics

Cronbach's Alpha	N of Items
0.903	22

The table 1, 2 states that internal consistency of the questionnaire of 19 questions with a value of the Cronbach's Alpha is 0.903, which shows that data is 90.3 per cent reliable.

Exploratory Factor Analysis

Table 3. : KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.892
Approx. Chi-Square	2973.400
Bartlett's Test of Sphericity	df
	231
	Sig.
	.000

The table 3 denotes before proceeding for factor analysis the eligibility of the data has to be tested by conducting KMO- Bartlett's test. This test is a measure of sampling adequacy and multivariate normality among variables. The KMO value in this study is 0.892 > 0.5 which says that the sample taken is adequate. Bartlett's Test of Sphericity value is 0.000 < 0.05, indicate multi normality among variables. Hence Factor Analysis is considered as an appropriate technique for further analysis of the data.

Eigen Values : The initial components are the numbers of the variables used in the Factor Analysis. However, not all the 27 variables will be retained. In the present research, only the 8 factors will be extracted by combining the relevant variables. The Eigen values are the variances of the factors. The total column contains the Eigen value. The first factor will always account for the most variance and hence have the highest Eigen values. The next factor will account for as much of the leftover variance as it can and the same will continue till the last factor. The percentage of variance represents the per cent of total variance accounted for by each factor and the cumulative percentage gives the cumulative percentage of variance account by the present and the preceding factors. In the present research, the first 5 factors explain 61.861 per cent of the variance. The rotation sums of the squared loading represent the distribution of the variance after the varimax rotation with Kaiser Normalization. The varimax rotation tries to maximize the variance of each of the factor.

Table. 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.414	33.698	33.698	7.414	33.698	33.698	4.032	18.327	18.327
2	2.393	10.876	44.574	2.393	10.876	44.574	3.250	14.772	33.100
3	1.486	6.755	51.329	1.486	6.755	51.329	2.510	11.409	44.509
4	1.187	5.397	56.725	1.187	5.397	56.725	2.050	9.319	53.828
5	1.130	5.136	61.861	1.130	5.136	61.861	1.767	8.033	61.861
6	.893	4.059	65.920						

7	.852	3.871	69.791						
8	.780	3.545	73.336						
9	.703	3.195	76.531						
10	.603	2.741	79.272						
11	.513	2.331	81.603						
12	.489	2.224	83.827						
13	.474	2.153	85.980						
14	.454	2.063	88.043						
15	.429	1.949	89.992						
16	.405	1.839	91.831						
17	.369	1.679	93.510						
18	.359	1.631	95.141						
19	.324	1.471	96.613						
20	.293	1.332	97.945						
21	.253	1.152	99.096						
22	.199	.904	100.000						

Extraction Method: Principal Component Analysis.

On the basis of Varimax Rotation with Kaiser Normalization, 5 factors have been extracted. Each factor is constituted of all those variables that have factor loadings greater than 0.5. 22 variables were clubbed into 5 factors. 5 factors were extracted from the 22 variables used in the study. These 5 extracted factors explained 61.861 per cent of the variability in human resource practices determinants in the table 4.

Rotated Component Matrix : Table 5 represents Rotated Component Matrix represents the rotated factor loadings, which are the correlations between the variables and the factors. The factor column represents the rotated factors that have been extracted out of the total factor. These are the core factors, which have been used as the final factor after data reduction.

Table. 5: Rotated Component Matrix^a

Statements	Component				
	1	2	3	4	5
Presence of equitable external salary	.803				
Presence of clearly written and operational training policy	.772				
Presence of equitable internal salary	.761				
My performance is better than that of my colleagues with similar qualifications	.669				
Presence of continuous training needs assessment	.628				
My performance is better than that of employees with similar qualifications in other organizations	.618				
The performance of my organization is better than that of other organizations	.521				
Presence of written and operational recruitment and selection policy		.770			
Presence of clear job description and specification		.759			
High role of merit in recruitment and selection exercise		.748			

Presence of attractive salary scales that can attract qualified applicants		.704			
Presence of attractive compensation system		.621			
While shopping I try to find just the items that I am looking for			.721		
Presence of written & operational trainee-selection procedure			.642		
Presence of written and operational EPE			.602		
I go to shopping mall to buy things for my family, friends and special ones			.549		
A good store visit is when it is over very quickly					
EPE results has a lot to do with personnel decisions				.790	
EPE results has a lot to do with salary				.742	
Presence of written and operational promotion policy				.630	
Provision of priority to merit in promotion decision					.748
Provision of priority to seniority in promotion decision					.606
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 22 iterations.					

The above matrix gives the correlation of the variables with each of the extracted factors. Usually, each of the variables is highly loaded in one factor and less loaded towards the other factors. To identify the variables, included in each factor, the variable with the maximum value in each row is selected to be part of the respective factor. The values have been highlighted in each of the rows to group the 22 variables into 5 core factors excluding low loading variables.

Multiple Linear Regression : In order to assess the impact of independent variables (Human Resource Practices determinants) on employee performance as a dependent variable, a method of multiple linear regressions was applied.

Table. 6: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.699 ^a	.589	.480	.670	1.090

- a. **Predictors:** (Constant), Promotion, Recruitment and Selection, Performance Appraisal, Compensation, Training and Development.
- b. **Dependent Variable:** Employee Performance
The regression table 6: summarizes the model performance through the following statistics.
 - **R:** R represents the multiple correlations co-efficient with the range lies between -1 and +1. Since the R-value is 0.699 means that there is a high positive relationship between the human resource practices determinants and employee performance in IT industry.
 - **R Square:** R² represents the coefficient of determination which lies between 0 and 1. Since the R square value is 0.589 i.e. 58.9 per cent of the explained variation is there in the employee performance in IT industry.
 - **Durbin-Watson statistic:** From the above table 6 the Durbin-Watson statistic value is 1.090. It is closer to the standard value 2. So, that the assumption has almost certainly been met.

ANOVA

Table. 7: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	131.026	5	26.205	58.299	.000 ^b
Residual	137.096	303	.449		
Total	268.122	310			

Dependent Variable: Employee Performance

- a. **Predictors:** (Constant), Promotion, Recruitment and Selection, Performance Appraisal, Compensation, Training and Development
 The ANOVA (Table 7) reveals that the F statistics of the regression model is statically significant at 0.05 levels implying the goodness of fit of the regression equation. (Model is statistically significant).

VI. CONCLUSION

The study investigated the impact of determinants of HR practices on employee performance in IT industry concluded that compensation had the highest impact on the employee performance followed by recruitment and selection, training & development, performance appraisal and promotion.

Scope for further research : This research study has substantial scope for extension in terms of depth as well as breadth. Hence such areas are presented below:

- The present study confines to IT Industry only and does not cover other industries. Thus the further study may be undertaken on other industries to identify relevant human resource practices.

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