

Human Resource Development Practices in IT Industry

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This study finds out human resource development (HRD) practices in IT companies in India. Based on the data collected from 82 organizations, covering Indian multinational companies and foreign multinational companies, the study finds that IT companies have strong training and development and performance appraisal systems in place. Organizational development and potential appraisal systems are the least evolved and matured HRD systems in the Indian software organizations. Comparative analysis leads to the conclusion that foreign multinational companies have better HRD practices than Indian multinational companies in terms of training days, linking training, feedback and counseling, career planning and development etc.

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Introduction

An organization's success is determined as much by the skill and motivation of its members as by almost any other factor. While this has always been true, the pace and volume of modern change are focusing attention on ways human resources development (HRD) activities can be used to ensure organizational members have what it takes to successfully meet their challenges (Desimone, Werner & Harris, 2002). Hassan, Arif Hashim, Junaidah and Ahmad Zaki HJIsmael (2006) measured employees' perception of HRD practices and found large inter-organizational differences in HRD practices. In general, however, employees' ratings were moderate. ISO certified companies, compared to others, obtained higher means on some HRD variables. Organizations with better learning, training and development systems, reward and recognition, and information system promoted HRD climate. Quality orientation was predicted by career planning, performance guidance and development, role efficacy and reward and recognition systems. Yonjoo Cho and Gary N. McLean (2009) studied

HRD practices in South Korea's successful IT start-ups to determine whether there are steps that must be taken to maintain their HRD expertise for continued growth. They showed the importance of organizational culture for IT start-ups' continued growth. The research by Peretz, Melissa, McGraw and Peter (2009) charted the evolution of HRD in Australian organizations over a critical 13-year period and analyzed the effect of the company size, industry sector and ownership pattern on HRD practices. The analysis revealed an aggregate decrease in HRD sophistication across all organizational types but divergent movements within the seven sub-indices, with decrease in 'learning' oriented practices and an increase in 'performance' oriented practices. Only limited differences were found between public and private sector organizations. Higher levels of HRD sophistication were found in larger companies and industry sector had a significant effect on a majority of HRD practices. Maura Sheehan, Thomas N. Garavan and Ronan Carbery (2014) found that HRD interventions can positively contribute to organization's innovation activities. HRD is also found to positively influence employee engagement, leadership, manager's motivation to learn, promotion of a learning culture, and social capital development all of which are positively associated with innovation.

In India, the Integrated HRD systems approach of Pareek and Rao (1975) has the following elements: (i) a separate and differentiated HRD department with full

The function seems to be a lot more convenience driven rather than systems driven.

time HRD staff. (ii) six HRD subsystems such as performance appraisal, training and development, career planning and development, potential appraisal, feedback and counseling, and organizational development. (iii) inter-linkages between the various subsystems, (iv) designed with 14 principles in mind, and (v) linked to other subsystems of Human Resource Function. The survey by Rao, Rao and Yadav (2001) covering different types of Indian organizations indicated that the HRD function has not been well structured as envisaged in mid-seventies. The function seems to be a lot more convenience driven rather than systems driven. It does not have all the systems ideally it should have as envisaged in the seventies. The systems are not well integrated. The integration mechanisms are stronger but the specialization does not get the attention it deserves. The structures and competencies are not fully in tune with the integrated HRD systems model offered by Pareek and Rao (1975). The HRD subsystems, however, have evolved and matured to a substantial degree, specially the performance management and training and development. OD and feedback and counseling are in the next level of maturity. Potential appraisal, and career planning and development are the least developed and used subsystems. These subsystems have a lot of potential for giving competitive advantage through the development of employees.

The Present Study

The study aimed at analyzing HRD practices in IT industry. Considering the conceptual framework of HRD proposed by Rao (2007) this study examined the HRD practices such as training and development, performance appraisal, performance feedback and counseling, career planning and development, potential appraisal and organizational development in IT industry. From the list of organizations available in the NASSCOM Directory, a sample of 150 software organizations was selected randomly covering the entire country. The questionnaire was distributed to HR professionals of the organizations with a request to fill them up and return. Out of 150 organizations 41 had responded to the request. This included 27 Indian multinational software companies and 14 foreign multinational companies. The data on HRD practices was collected from the HR professionals of these companies. Content analysis was made of the data so collected using management questionnaire.

Table 1 Organizational Size

Organizational Size	IMNCs (Nos)	FMNCs(Nos)	Total (Nos)
Less Than 5000	10 (37%)	6 (42.86%)	16 (39.02%)
More Than 5000	17 (63%)	8 (57.14%)	25 (60.98%)
N	27	14	41

Source: Primary survey data

HRD Role: 'People' are the most important and valuable resource every organization or institution has in the form of its employees (Rao, 1990). This basic belief will ensure that organizations achieve their goals and are successful. Human resource development as an important function in the organization can

Organizational Information

Nature of Business: The companies under study are into different types of software businesses and different combinations of businesses such as software consulting, software development and maintenance, software services and product development.

Organizational Size: The strength of employees influences the HRD policies and practices of any company. The software companies have employed good number of people. The strength of employees ranged from 500 to 2, 00,000. The average number of employees of the organizations is calculated as 8238. The organizations under study are classified into two types: one, those employing less than 5000 persons and the other, employing more than 5000 persons. As shown in Table 1, a majority (60.97%) of the organizations employed more than 5000 persons for their business activities.

help in realizing its objectives by creating a competent, dynamic and motivated employee force. The success of HRD function depends on the top management's commitment and support. There is a need for the organizations to have a well-articulated HRD philosophy that allows them to have an enabling cul-

Organizations have to structure their HRD departments in such a way that the organizational expectations are met.

ture in which training and development becomes a part of the organizational processes. Based on the philosophy, the organizations have to structure their HRD departments in such a way that the organizational expectations are met. Every software company has some arrangement for structuring HRD function with differ-

ent titles such as HRD, learning and development, talent development, and human capital development. All the functions responsible for developing human resources are considered as HRD department for the purpose of this study. As shown in Table 2, the role of HRD function in 14.63% of the organizations is confined to operational HRD activities, whereas 17.07% of the organizations exclusively perform strategic HRD function. A majority (68.29%) of the organizations were playing both operational and strategic roles of HRD in their respective organizations.

Table 2 HRD Roles

	IMNCs (Nos)	FMNCs (Nos)	Total (Nos)
Strategic	3 (11.11%)	4 (28.57%)	7 (17.07%)
Operational	4 (14.81%)	2 (14.29%)	6 (14.63%)
Both	20 (74.07%)	8 (57.14%)	28 (68.29%)
N	27	14	41

Source: Primary survey data

HRD Size: The size of HRD department has an important bearing on the HRD efforts. Number of employees associated with performing HRD and its related functions in the organizations is considered as HRD size for the purpose of this study. Table 3 indicates the average number of employees working in HRD departments in managerial, supervisory and associate levels. On an average 17 managerial staff were deployed to attend to HRD functions.

These people are professionally qualified and experienced in HR/ HRD areas. To support the managerial staff on an average 39 supervisors and 109 associates are placed in HRD departments.

HRD Practices

HRD Functions: It could be seen from Table 4 that, HRD departments of the sampled organizations looked after

Table 3 HRD Size (Number Employed)

	IMNCs	FMNCs	Average
Managerial	27	6	17
Supervisory	69	8	39
Associates	127	91	109
Others	40	45	43

Source: Primary survey data

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various HRD functions. But there are variations. All organizations look after training and development, and performance appraisal. But feedback and coaching are undertaken in 78.05% of the organizations. Career planning and development is implemented in 58.54% of

them. This is followed by organizational development activities (43.9%) and potential appraisal (34.15%). These findings are by and large consistent with the finding of Rao et al (2007). Performance management and training and development are evolved and matured to a great extent in software organizations. Feedback and coaching and career planning and development are at the next level of maturity. Here there is a difference from the earlier study in which career planning was identified by Rao et al (2007) as the least developed and used system.

Table 4 HRD Functions

HRD Function	IMNCs (Nos)	FMNCs(Nos)	Total (Nos)	%
Training & Development	27	14	41	100
Performance Appraisal	27	14	41	100
Feedback & Coaching	21	11	32	78.05
Career planning & Development	17	7	24	58.54
Organizational Development	11	7	18	43.90
Potential Appraisal	8	6	14	34.15
N	27	14	41	

Source: Primary survey data

New Employee Orientation Training: To get the new employee off to a good start, organizations generally offer a formal orientation program (Bohlander & Snell, 2004). As shown in Table 5, the overall number of days of orientation training in the companies is found to be 13.85 days.

However, the IMNCs had 18 days of orientation training for new employees whereas FMNCs had 9 days of orientation. Category wise, team members get more number of days of orientation and the middle level professionals get relatively less number of orientation training.

Table 5 Average Length of Orientation Program (Days)

S.N	Level	IMNCs	FMNCs	Average
1	Account In charge	14.72	6.75	10.74
2	Delivery Lead	12.32	6.75	9.54
3	Program Manager	13.24	5.67	9.45
4	Project Manager	16.92	9.64	13.28
5	Project Lead	21.44	9.79	15.61
6	Team Member	32.16	16.86	24.51
	Average	18.47	9.24	13.85

Source: Primary survey data

A great majority (83.60%) of the organizations under study use the inputs from performance appraisal to assess the training needs.

Training Needs Assessment: The needs assessment and analysis process is the first step in the training and development process. Training departments in respective organizations undertake needs assessment periodically using different methods. Table 6 depicts information about the training needs identification procedure in the 41 software companies. The organizations all together use 15 methods to identify training of employees. It is found that organizations use more than one method to identify training needs. However, a great majority (83.60%) of the organizations under study use the inputs from performance appraisal to assess the training needs. This

is followed by business goals and needs (81.75%). They decide training needs keeping in view the new products/processes to be launched, technology to be introduced and new projects to be undertaken. Self-assessment of employees and their personal interest are also considered in the needs assessment process in 45.50% of the organizations. Needs assessment surveys were undertaken by 32.80% of the organizations with the help of questionnaires. Competency matrix is another source to assess training needs in case of 12.70% of the organizations. In addition to the above methods, a few organizations also take client and project requirements into consideration in identifying training needs. Customer satisfaction index is another source of information to identify training needs for a few organizations. Employee role and gap analysis, personal interviews and observation of employee performance are

Table 6 Methods of Training Needs Assessment

S. No	Methods	IMNCs		FMNCs		Average
		No	%	No	%	%
1	Performance appraisal	22	81.48	12	85.71	83.60
2	Business goals/needs	21	77.78	12	85.71	81.75
3	Self-assessment and personal requests	13	48.15	6	42.86	45.50
4	Questionnaire surveys	10	37.04	4	28.57	32.80
5	Competency matrix	3	11.11	2	14.29	12.70
6	Client/customer satisfaction index	2	7.41	1	7.14	7.28
7	Client/project requirements	2	7.41	1	7.14	7.28
8	Employee role and gap analysis	2	7.41	1	7.14	7.28
9	Personal interviews	2	7.41	1	7.14	7.28
10	Observation of performance by superiors	2	7.41	1	7.14	7.28
11	Peer feedback	1	3.70	1	7.14	5.42
12	Work sample	1	3.70	1	7.14	5.42
13	Floor work, dashboards and error charts	1	3.70	1	7.14	5.42
14	360 degree feedback	1	3.70	1	7.14	5.42
15	Knowledge & skills required by the team	1	3.70	1	7.14	5.42

Source: Primary survey data

some of the ways to assess training needs adopted by a few companies. A few organizations consider peer feedback in needs assessment, work sample test scores, floor work, dashboards and error charts, 360 degree feedback while assessing training needs of the employees.

Nominations to Training Programs: 41.46% of the organizations consider personal requests of the employees for nomination for programs (Table 7). Training needs are the basis for nominations in the case of 36.59% of the organizations. 21.95% of the organizations have mentioned that they nominate employees based on the training programs attended/not attended by the employees. They try to nominate employees who did not attend the training programs in the recent past. The other criteria for nominations

include relevance to the job (21.95%), suitable to qualifications (17.07%), whom the supervisor can spare at that point of time (14.63%), particularly in case of internal programs, and favor by the supervisors (12.20%) in case of external training programs. Thus, information collected on this aspect does not indicate any particular pattern or procedure for nomination. The criteria for nominations range from personal request to nominating employees whom the supervisors can spare. This is inconsistent with the earlier study on this aspect (Srimannarayana, 2010).

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Table 7 Criteria for Nominations

S. No	Criteria for Nomination	IMNCs		FMNCs		Average
		No	%	No	%	
1	Personal request of employee	11	40.74	6	42.86	41.46
2	Training needs	10	37.04	5	35.71	36.59
3	Training programmes attended/not attended	6	22.22	3	21.43	21.95
4	Relevant to job	4	14.81	5	35.71	21.95
5	Business Requirement	3	11.11	5	35.71	19.51
6	Suitable to qualifications	3	11.11	4	28.57	17.07
7	To whom the manager can spare	4	14.81	2	14.29	14.63
8	By way of favor by superior	3	11.11	2	14.29	12.20
9	Mandatory	3	11.11	1	7.14	9.76

Source: Primary survey data

Employee and his/her supervisor are involved in 30.82% of the organizations in the process of nominations (Table 8). 23.68% of the organizations mentioned that employee, supervisor and manager are involved in the nomination process. Another 21.83% of the organizations have

asserted that supervisor and head, in consultation with human resource/training department nominate people for training programs. In the case of 10.85% of the organizations, supervisor nominates people for programs in consultation with human resource/training department. Supervisor

and head nominate employees for training programs in consultation with HR/training department in the remaining 10.85% of the organizations.

Table 8 Who are Involved in Nominations?

Who are involved in Nomination	IMNCs (Nos)	FMNCs(Nos)	Total %
Employee & Supervisor	7 (25.93%)	5 (35.71%)	30.82
Employee, supervisor and head	7 (25.93%)	3 (21.43%)	23.68
Supervisor and head	6 (22.22%)	3 (21.43%)	21.83
Supervisor in consultation with HR/training department	5 (18.52%)	1 (7.41%)	12.83
Supervisor & head in consultation with HR/training department	2 (7.41%)	2 (14.29%)	10.85

Source: Primary survey data

Training facilities: It is observed that in all the companies, there are in-built training halls with all the audio-visual aids that help in better facilitation of training. All the software companies have the latest audio-visual technology. All the companies have well-developed libraries with all the latest books and journals in various functional areas. The training halls in the organizations can accommodate up to 90 persons.

Training days: Organizations have their training policy in which they prescribe

training days for different cadres of employees per year. From the data presented in Table 9, it could be seen that the number of training days range from 13 to 34 days on an average, putting together both type of organizations. It can be further observed that number of training days for team members is found to be more than that of other professionals. Comparatively speaking, average number of training days in FMNCs is found to be more. Overall, the average training days in software companies is calculated as 18.5 days

Table 9 Average Training Days for Different Carders of Employees

S.N	Level	IMNCs	FMNCs	Overall
1	Account In charge	16.9	19.29	18.1
2	Delivery Lead	16.9	19.29	18.1
3	Program Manager	10.9	16.00	13.5
4	Project Manager	10.9	16.00	13.5
5	Project Lead	10.9	16.00	13.5
6	Team Member	39.5	29.00	34.3
	Total	17.7	19.26	18.5

Source: Primary survey data

Training Evaluation

Kirkpatrick (1959) has proposed four levels of evaluation such as reac-

tion, learning, behavior and results. Phillips (1997) added the fifth level to the evaluation namely return on investment. It has been observed that (Table

10) all the organizations under study collect feedback from the participants of the programs for the purpose of evaluation. 26.83% of the organizations collect action plans of participants of the programs that contain the ideas they have planned to implement when they go back to work. With regard to learning level evaluation, 48.78% of the organizations collect information using various methods such as written tests, presentations, demonstration of what the participants have learned during training, role plays, action plan reviews, feedback from the trainer, and administration of before and after training questionnaire. As far as changes in the behavior (job application) is concerned, 48.78% of the organizations attempt to assess the job applications the partici-

Only 4.88% of the organizations measure return on investment on training.

pants have made, using inputs they have learned during training by adopting the methods such as action plan implementation, performance appraisal, observations, action research projects, follow-up interviews, supervisors' feedback, employee engagement survey and client satisfaction index. With respect to business results level evaluation, 9.76% of the organizations collect information for this purpose using client satisfaction scores. It is significant to note that only 4.88% of the organizations measure return on investment on training.

Table 10 Training Evaluation

Levels of Evaluation	IMNCs (Nos)	FMNCs (Nos)	Total (%)
Level 1: Measuring reactions			
Yes	27 (100%)	14 (100%)	100.00
No	0 (0.00)	0 (0.00)	0.00
Level 2: Action plans			
Yes	7 (25.93%)	4 (28.57%)	26.83
No	20 (74.07%)	10 (71.43%)	73.17
Level 3: Measuring learning			
Yes	13 (48.15%)	7 (50.00%)	48.78
No	14 (51.85%)	7 (50.00%)	51.22
Level 4: Measuring Job application			
Yes	7 (25.93%)	3 (21.43%)	24.39
No	20 (74.07%)	11 (78.57%)	75.61
Level 5: Measuring business results			
Yes	2 (7.41%)	2 (14.29%)	9.76
No	25 (92.59%)	12 (85.71%)	90.24
Level 6: Measuring ROI			
Yes	2 (7.41%)	0 (0.00)	4.88
No	25 (92.59%)	14 (100%)	95.12

Source: Primary survey data

Career Planning & Development

As presented in Table 11, a majority (70.73%) of the organizations create career planning opportunities for their employees. Employees are informed broadly about various career

opportunities available in the organization for the right candidates and the qualities required for taking up the superior positions. In comparison, it is found that more of the FMNCs do career planning for their employees than of the IMNCs.

Table 11 Does the Organization Have a Career Planning for Its Employees?

	IMNCs (Nos)	FMNCs (Nos)	Total (Nos)
YES	18 (66.67%)	11 (78.57%)	29(70.73%)
NO	2 (7.41%)	1 (7.14%)	3 (7.32%)
NO Data / Not Disclosed	7 (25.93%)	2 (14.29%)	9 (21.95%)
Total	27	14	41

Source: Primary survey data

Performance Appraisal

It could be seen from Table 12 that periodicity of performance appraisal is time bound and project based. All organizations do performance evaluation based on time. Associates are evaluated based on their project performance after completion of the project and they are also evaluated for a specific time period.

The performance appraisal for managerial personnel is time bound. In 51.23% of the organizations, the periodicity of the appraisal is three months. This time period is for probationers. 43.90% of organizations do appraisal for every six months. Probationers and associates are covered in this category. In addition to this, annual appraisal takes place in all organizations covering all employees

Table 12 Periodicity of Performance Appraisal

	IMNCs	FMNCs	Total
Project Based	8 (29.63%)	4 (28.57%)	12 (29.27%)
Time Bound	27 (100%)	14 (100%)	41 (100%)
Once in 3 months	11 (40.74%)	10 (71.43)	21 (51.23%)
Twice a Year	11 (40.74%)	7 (50%)	18 (43.90%)
Once a Year	24 (44.44%)	13 (42.86%)	37 (90.24%)
N	27	14	41

Source: Primary survey data

Table 13 presents the authorities responsible for evaluating the performance of the employees. Reporting manager (immediate boss) and reviewing manager

are responsible for assessment in 51.22% of the organizations. Performance assessment is carried out by immediate boss and head of the department in the remaining organizations.

Table 13 Who Does the Appraisal?

	IMNCs (Nos)	FMNCs(Nos)	Total (Nos)
Reporting manager and Immediate boss	14 (51.85%)	7 (50%)	21 (51.22%)
Immediate boss & head of the department	13 (25.93%)	7 (14.29%)	20 (48.78%)
N	27	14	41

Source: Primary survey data

Organizations use performance appraisal results for different purposes (Table 14). All organizations use the outcome of the process to decide monetary benefit to be given to the employees. About 80.49% of the organizations identify training needs of employees based on the performance appraisal. 68.29% of the organizations use this data for taking promotional decisions. The basis of employee counseling is the performance

appraisal for 36.59% of the organizations. This is used to take transfer decisions by 24.39% of the organizations. A few organizations use this appraisal for taking disciplinary actions.

All organizations use the outcome of the process to decide monetary benefit to be given to the employees.

Table 14 Applications of Performance Appraisal

	IMNCs (Nos)	FMNCs (Nos)	Total (Nos)
a) Promotions Decision	23 (85.19%)	5 (35.71%)	28 (68.29%)
b) Transfers Decision	7 (25.93%)	3 (21.43%)	10 (24.39%)
c) Training needs	21 (77.77%)	12 (85.71%)	33 (80.49%)
d) Pay Decision	27 (100%)	14 (100%)	41 (100%)
e) Discipline	4 (14.81%)	0	4 (9.76%)
f) Employee Counseling	10 (37.04%)	5 (35.71%)	15 (36.59%)
N	27	14	41

Source: Primary survey data

Feedback & Counseling: As indicated in Table 15, a majority (70.73% %) of the organizations have created formal feedback sessions to the employees. The feedback is given by the reporting officers. Sometime HR representatives are also present during the feedback sessions. However, it is significant to note that timeliness of the feedback is an issue of concern. 48.78% of the organizations only give timely feedback to the employees. With respect to performance counseling, it is observed that 78.05% of

the organizations extend performance counseling to the employees. Here also timeliness is the concern. When it comes to personal counseling, it is found that 29.27% of the organizations only extend this provision for the employees

Potential Appraisal

As presented in Table 16, 36.59% of the organizations developed a formal potential appraisal system to assess the potential of employees and sharpen their

Table 15 Feedback and Counseling

	IMNCs (Nos)	FMNCs (NOS)	Total (Nos)
Formal feedback	17 (62.96%)	12 (85.71%)	29 (70.73%)
Performance Counseling	21 (77.77%)	11 (78.57%)	32 (78.05%)
Personal Counseling	8 (29.63%)	4 (28.57%)	12 (29.27%)
Timely Counseling	14 (51.85%)	7 (50%)	21 (51.22%)
Timely Feedback	14 (51.85%)	6 (42.86%)	20 (48.78%)
N	27	14	41

Source: Primary survey data

potentiality to make them ready to take superior positions in the organizations. However the methods of assessing the potential of the employees are not so scientific. Predominately, the organizations assess the potential as a part of their performance appraisal system (80%), and periodical tests (30.33%), which are not comprehensive methods to assess potentialities of the employees. 26.67% of the

organizations use assessment center approach, which is a comprehensive method of assessing the potentiality of the employees.

The methods of assessing the potential of the employees are not so scientific.

Table 16 Potential Appraisal

Potential Appraisal	IMNCs (Nos)	FMNCs(Nos)	Total(Nos)
Existence of Potential Appraisal	10 (24.39%)	5 (12.20%)	15 (36.59%)
Methods of Potential Appraisal			
A. Part of performance appraisal	8 (80%)	4 (80%)	12 (80%)
B. Periodical Test	3 (30%)	2 (40%)	5 (33.33%)
C. Assessment Centre	2 (20%)	2 (40%)	4 (26.67%)

Source: Primary survey data

Organizational Development

The present study has two questions relating to organizational development practices in software companies. As presented in Table 17, almost every alternative company mentioned that they introduced OD interventions such as goal set-

ting and planning, leadership development, process consultations, and survey feedback. However, an overwhelming majority (82.93%) of the companies conduct organizational diagnosis studies periodically to find out the index of organizational wellness and to take appropriate actions based on the results of these studies

Table 17 Organizational Development

	IMNCs(Nos)	FMNCs(Nos)	Total (Nos)
Existence of OD Intervention	13 (48.15%)	8 (57.14%)	21 (51.22%)
Conduct of Organizational diagnosis studies	23 (85.19%)	11 (78.57%)	34 (82.93%)

Source: Primary survey data

Conclusion

It is observed that that a majority of the HR departments performed a strategic role. On an average 17 managerial staff are deployed to look after HRD function. These people were professionally qualified and experienced in HR/HRD areas. To support the managerial staff on an average 39 supervisors and 109 associates were placed in HRD departments. The average number of employees of the organizations is calculated as 8238. This leads to the conclusion that there are two HRD professionals for every 100 employees in the IT organizations.

Performance appraisal and alignment of organizational/business goals were major sources of identifying training needs of employees.

The analysis presented above leads to the conclusion that every IT company had strong training and development and performance appraisal systems in place. The analysis relating to new employee orientation leads to the conclusion that the overall number of days of orientation training in the companies is found to be 13.85 days. However, the IMNCs had 18 days orientation training for new employees, whereas FMNCs had 9 days of orientation. Category wise, team members had more number of days of orientation and the middle level professionals had relatively less number of orientation training. With regard to training needs assessment, it may be concluded that the

software organizations followed more than one method to assess the training needs of their employees. However, performance appraisal and alignment of organizational/business goals were major sources of identifying training needs of employees. As far as nominations for training programs are concerned, it may be concluded that there is no particular pattern or procedure. There are several factors which were considered for nominating employees for training programs. They include training needs, personal requests of employees, training days met/not met, relevance to the job, business requirements, and whom the manager can spare. The average training days in software companies were 18.5 days. Coming to training evaluation, it may be concluded that measuring reactions of the participants at the end of the training program was common in all organizations. About half of the organizations measured learning of participants from the training programs they attended.

The analysis with regard to performance appraisal leads to the conclusion that periodicity of performance appraisal was time bound and project based. All organizations did performance evaluation based on time. Associates were evaluated based on their project performance after completion of the project and they were also evaluated for a specific time period. The performance appraisal for managerial personnel was time bound. Generally it was once in a year. The organizations used performance appraisal results for different purposes. All organizations used the outcome of the process to decide on monetary benefit to be

given to the employees. A majority of them identified training needs of employees through performance appraisal. The scores of performance appraisal were used for taking promotion decisions. The basis of employee counseling was the performance appraisal in some of the organizations. This was used to take transfer decisions by nearly one-fourth of the organizations. A few organizations used this appraisal for taking disciplinary actions

The feedback was given by the reporting officers. Sometime HR representatives were also present during the feedback sessions. However, it is significant to note that timeliness of the feedback was an issue of concern for some of the organizations. About three-fourths of the organizations extended performance counseling to the employees. Here also timeliness was the concern. With regard to personal counseling, it is found that a few of the organizations only extended this provision for the employees.

It may be concluded that majority of the organizations created career planning opportunities for their employees.

It may be concluded that majority of the organizations created career planning opportunities for their employees. Employees were informed broadly about various career opportunities available in the organization for the right candidates and the qualities required taking up the superior positions. In comparison, it is found that more FMNCs did career plan-

ning for their employees than the IMNCs. It is found that a majority of the companies linked career planning of the employees with the overall business strategy. The career advancement opportunities depended on the projects the companies get, their plans for expansion and diversification.

It may be concluded that potential appraisal was not a common practice in IT organizations. Nearly two-fifths of the organizations developed a formal appraisal system to assess the potential of employees and sharpen their potentiality to make them ready to take superior positions in the organizations. However the methods of assessing the potential of the employees were not so scientific. Predominately, the organizations assessed the potential as a part of their performance appraisal system. Some organizations conduct periodical tests to assess employee potential, which are not comprehensive methods to assess potentialities of the employees. About one-fourth of the organizations use assessment center approach, which is a comprehensive method of assessing the potentiality of the employees.

It is found that about every alternative company introduced OD interventions such as goal setting, leadership development, process consultations, and survey feedback. However, an overwhelming majority of the companies conducted organizational diagnosis studies periodically to find out the index of organizational wellness and to take appropriate actions based on the results of these studies.

This study finally confirms the earlier findings (Rao et. al, 2007) which identified that training and development and performance management systems are evolved and matured to a substantial level in India. Feedback and career planning and development are in the next level of maturity. Organizational development and potential appraisal systems are the least evolved and matured HRD systems in Indian software organizations. Comparative analysis of IMNCs and FMNCs leads to the conclusion that FMNCs had better HRD practices than IMNCs in terms of training days, linking training, feedback and counseling, career planning and development, potential appraisal systems and organizational development. This might be because of the fact that FMNCs predominantly emulate their HRD polices evolved at their corporate headquarters with some changes that are required at the local level based on the local needs and requirements.

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