HUMAN CAPITAL MANAGEMENT IN CHENNAI CITY - IN PERSPECTIVE OF WOMEN EMPLOYEES WORKING IN IT INDUSTRIES

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Abstract

This empirical research paper deals with study of the human capital management in workplace of women employee working in the selected IT industries in Chennai city. Human capital has a major impact on organization has they have to deal human as individual. This study aims to focus on the managing the human capital in selected IT industries in Chennai city and its impact on women employees. To measure the impact of cultural diversity on women employees working in IT sector a set of questionnaire were farmed. The data were collected by using convenience sampling from 100 women employees working in the different parts of the Chennai City. Using the SPSS, some of the relevant tests were carried out like reliability test, ANOVA and regression. Based on the analysis made, various findings were derived that will be useful, relevant and significant to find the impact of cultural diversity on women employees working in the selected IT companies in Chennai city.

Keywords: Human Capital Management, Human Resource Strategy, Human Asset, Performance.

I. INTRODUCTION

Human Capital Management is the key factor for the organizational performance. The organization should emphasis more on human capital so that goals of the organization can be achieved easily. Recruiting and retaining the knowledgeable employee is a tough task for any organization, but still then organization has to train and develop the skills of each employee by motivating them and providing them a supportive environment.

The concept of human capital is that there is no substitute for knowledge and learning, creativity and innovation, competencies and capabilities and they need to be insistently pursued and focused on organization growth. The above consideration leads to a critical point hence, the growth of exceptionally talented individuals is not only enough for the organization, but they must have a desire on their part to invest their skills and knowledge for the growth of organization. Human Capital decisions are guided by data-driven; result oriented planning and accountability system. The key to a successful human capital management strategy are process efficiencies and effective use of information technology and business metrics.

II. REVIEW OF LITERATURE

The term 'HC' was first used by Nobel Laureate, Theodore W. Schultz, in the 1961 American Economic Review Article, 'Investment in HC.' The term is now most frequently used to refer to a combination of skills, experience and knowledge.

HC is an all-encompassing term for "the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances. *Westphalen, Sven-Age "Reporting on HC; Objectives and Trends" (1994)*

This article sheds light on the difference between human capital (HC) and human resources (HR), highlighting that HC is a value-adding strategic business function that drives organisational performance. Included is a simple questionnaire that will help you determine where you are in the evolution from HR to HC. *In the article Human Capital Vs Human resource: What is in a Name? Marius Meyer, Pharny Chrysler-Fox and Gert Roodt*

Human capital is arguably the most valuable asset held by an organization today. It is also the most elusive asset to manage for a variety of reasons. The primary purpose of this article is to describe the terminology associated with human capital and its

context within an organization. Its secondary purpose is to discuss the implications for he HR professional. HR practice leaders who are serious about making a difference must be able to "measure" the business impact HR-driven programs have on their organizations in order to demonstrate the merit and worth of these programs. Only by ensuring that HR metrics are recognized and valued on an equal footing with other business metrics routinely used by the CEO and management can the HR practice leader be assured an equitable position as a key member of the senior management team. These metrics must, of course, measure the value and return on investment in human capital to the organization. This is both a challenge and a strategic imperative for today's HR professional. *Human capital—the elusive asset; measuring and managing human capital: a strategic imperative for HR-HR Magazine, March, 2003 by Leslie A. Weatherly.*

This study adopts a stakeholder perspective, which 'would give some emphasis to performance outcomes of concern to the range of stakeholders'. These outcomes, Guest argues, 'should reflect employee attitudes and behaviour, internal performance, such as productivity and quality of goods and services; and external indicators, such as sales and financial performance. In other words, if the research is to guide policy and practice, we need to collect a number of potentially related outcomes that extend beyond a narrow definition of *business performance based on just financial indicators'. Guest, D.E., Michie, J, Sheehan, M, Conway, N. & Metochi, M. 2000. Effective people management.*

Emphasizing the human capital is the staff's technological ability, it is the result that the organization makes the investment sedulously hence, only on the premise of improving productivity thus the capital investment of manpower is worthy.

One of the most important functions in an organization is manpower resource management; its importance is perceived in the development of organization. This is because the change in the fast management environment faced by an organization makes the human resource become an important asset. *(Dessler 2001)*

Human resource management as a policy, practice and system which influence the behavior, attitude and performance of staff, thus all human resource practices must proceed on the basis of the strengthening tactics of the entire organization's performance. *(Noe, Hollenback, Gerhart and Wright 2003)*

Human resource practices have a great influence on the establishment and application of human capital and an organization obtains human capital through activities of recruiting, selecting and training. This says the measure of human resource management posses the meaning of human capital investment respectably and the human resource practice has the most direct influence on the construction of human capital in the organization. *(Huang 2002)*

First it is difficult to grasp the precise mechanism by which the interplay of human resource practice and policies generate value, second these HR system are path dependant. They consist of policies that are developed over time and cannot be simply purchased. *(Becker & Gerhart 1996)*

Smith, Adam, "Wealth of Nations", 1973, p.103 (originally published in 1776): Adam Smith said, in the Wealth of Nations, that "When any expensive machine is erected, the extraordinary work to be performed by it before it is worn out, it must be expected, will replace the capital laid out upon it, with at least the ordinary profits. A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, may be compared to one of those expensive machines."

III. METHODOLOGY

A well planned research design was prepared before conducting the study. To identify and know the research problem in specific way, descriptive research design was adopted for the study. IT employees are taken as respondents for the study. The study was carried out to reach the objective of identifying the factors influencing human capital management in IT industry at Chennai. For that purpose employees working in IT companies such as WIPRO, HCL, and TCS were met and their responses were taken into analysis. The sample size of the study was fixed as one hundred. Before going into the study, to measure the effectiveness and accuracy of questionnaire was tested. The value of the cronbach alpha is 0.79 shows adequacy and accuracy. The data for the study were collected by using both primary data and secondary data. The primary data are collected through questionnaire and secondary data are collected journals, magazines and websites. The collected data

are compiled and analyzed to derive the results. For analysis purpose appropriate tools were applied on collected data.

IV. ANALYSIS AND INTERPRETATION

The data are collected from the employees of IT industry in Chennai city. The respondents are approached personally with the questionnaire. After collecting all the data statistical tools were applied. Both descriptive statistical analysis and inferential statistical tools are used. In descriptive statistics, percentage analysis is used and in inferential statistics, ranking, chi square and weighted average methods are applied.

Tabe 1. Number of Years in Current Position

Factors	No. of. Respondents	% of respondents
0-5 Years	74	74
> 5 years	26	26
Total	100	100

Source: Primary Data

To know the profile for respondents, the number of years they are in their current career position was taken into account. From above table it shows that 74% of the respondents are 0-5 years in current position and 26% of the respondents are >5 years in their current position. The above table gave the impression that most of the employees are not sticking up their position for more than five years.

Table 1. Level of Employee Motivation

S. No	Options	No. of Respondents	% Of Respondents
1	Strongly Disagree	0	0
2	Disagree	10	10
3	Neutral	10	10
4	Associated	56	56
5	Highly Associated	24	24
	Total	100	100

Source: Primary Data

Motivation is the factor that tunes the employees in the organization to work more and with involvement. Further motivation also makes the employees more loyal to the organization. From the collected data it was observed that most of the employees felt they are motivated by their employers. 10% of the respondents are feeling neutral and the 24% for the respondents are feeling that they are highly motivated in their organization.

Table 2. Employee Competency Level

S. No	Options	No.of Respondents	% Of Respondents
1	Highly Incompetency	0	0
2	Incompetency	12	6
3	Neutral	40	20
4	Proficiency	88	44
5	Highly Proficiency	60	30
	Total	100	100

Source: Primary Data

To know the competency level of the employees the question was asked in the questionnaire with statements. The employee competency shows the potential of employees in understanding or accomplishing a task assigned to them. From the above table it's observed that 70 of the respondents are having proficiency in the task oriented to them and 30% of them are highly proficiency.

Table 3. Employee Association with Management

S. No	Options	No.of Respondents	% Of Respondents
1	Strongly Disagree	0	0
2	Disagree	4	4
3	Neutral	22	22
4	Associated	42	42
5	Highly Associated	32	32
	Total	100	100

Source: Primary Data

For any form of business or organization it is absolutely mandatory as their good association of relationship in between different levels of employees in an organization. The employees are asked to reveal their association and relationship with their management. They were asked about with the options of strongly disagree, disagree, Associated, Highly associated and highly associated. The above table reveals that 32% of the employees are highly associated with the management followed by 21% of the respondents are felt as they are associated with their management.

$$\Sigma\ \xi = 50/5 = 10 \quad \Sigma\ yi = 50/5 = 10$$

$$r = \frac{\Sigma\ (x - xi)\ (y - yi)}{\sqrt{\Sigma\ (x - xi)^2}\ \sqrt{\Sigma\ (x - xi)^2}}$$

$$r = \frac{524}{533.9}$$

$$r = 0.981$$

To find the nature of correlation between two variables, co-efficient of co-relation study was made with the collected data. The two variables are identified to study their nature of correlation. Team work and Goals were taken as two variables for the analysis purpose. Team work is acknowledged as Variable X and Goals are taken as Variable Y. To find the nature of relationship the question was asked with the options of highly disagrees, disagree, undecided, agree and highly agree. Appropriate formula was used and the result was derived. The 'r' value arrived as 0.981. It shows the positive relation between team work and Goals.

Table 5. Attributes for Turnover of Employees Observed Count

Opinions \ Factors	1	2	3	4	5	Total
Career opportunity	48	28	20	0	4	100
Pay package	32	34	10	2	2	100
Work place culture	36	24	8	22	0	100
Personal reasons	44	20	18	18	0	100

Employees may leave the organization due to many reasons. The questionnaire was framed in such a way by analyzing four important attrinubtes which retains the employee and then the attributes were ranked according to collected data. Personal reasons is ranked as 1, Work place cultureis ranked as 2, career opportunity is ranked as 3, pay package is ranked as 4.

Table 6: Attributes for Managing Human Capital Observed Count

Opinions \ Factors	1	2	3	4	5	Total
Manpower planning	0	2	20	66	12	100
Conflict resolution	0	22	10	72	14	100
Quality of work life	0	2	12	64	22	100
Work place culture	0	4	12	68	16	100
Employee development	0	2	12	60	26	100

Table 4. Coefficient of Co-relation between Teamwork and Goals

Factors	X	y	$x - \xi$	$y - yi$	$(x - xi)\ (y - yi)$	$(x - xi)^2$	$(y - yi)^2$
Highly disagree	0	0	10	10	100	100	100
Disagree	2	1	−8	−9	72	64	81
Undecided	3	4	−7	−6	42	49	36
Agree	22	25	12	15	180	144	225
Highly agree	23	20	13	10	130	169	100
Total	50	50	0	0	524	526	542

Source: Primary Data

Managing human capital management is an hectic work of any organization. They have to consider many factors for managing and maintaining a good relationship. From the collected data analysis were done and ranked such as conflicit resolution is ranked 1, Employee development is ranked 2, Quality of work life is ranked 3, Work place culture is ranked 4, and man power planning is ranked as 5.

V. SUGGESTIONS

- Training received by the employee should be based upon their needs and the level of motivation should be more as it increases employees' commitment towards organization, so that it is easy to reach the organization goals.

- High morale should be maintained which directly leads to high productivity in the organization.

- Organization should emphasize on the importance of team work by giving proper reward and recognition.

- Organization should induce the employee to participate in decision making.

- Transparency of information will improve the loyalty, trust and belongingness of the employees.

- To reduce the employee turnover proper performance evaluation, standard pay scale, enough motivation, adequate training and development program and career growth are to be given.

VI. CONCLUSION

In any organisation Human asset need to be managed with much precision as they are the pillars of the organisation. We have understood from the study that HR professionals should contribute more to human capital management. Hence they can create, customize and implement strategic human capital measures for

this purpose the Hr professionals should have indepth knoweledge of human capital. The progress of human capital management system enables an organisation to meaure and manage the performance of the employees.

ACKNOWLEDGEMENT

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