

The information technology industry business essay

[Business](#)



In the everchanging business environment, which poses many new challenges for organizations in terms of managing a talented pool of employees, it is inevitable and imperative, that organizations have to change their policies intact with the expectations of its employees and its competitors. When it comes to employee retention, the predominant factor is ensuring them with an environment for a balance between work life and personal life. Gone are the days where employees were focusing on salary and perks for choosing an organization, these are days where employees are looking for organizations which provide quality of work life. They want to have time to take concern about their family and spent some time with their family as well. Also problems which arise out of imbalance between the same will get negatively reflected on the job performance of the employees, which poses a greater challenge for organization to look into. In the Indian context except some market leaders, policies towards quality of work life are seen as a nightmare and are least bothered as well. After assessing the status quo of the three sectors namely IT, Banking and PSU companies, the study was taken with the intention of measuring the effectiveness of policies implemented by these organizations with regard to quality of work life. The sample size which was taken for the study is 225, 75 respondents from each of the three sectors were taken for the study. The study pertained to companies in both tamilnadu and Bangalore states which are called as the IT hubs of south India. It was found that, most organizations need to benchmark with the standards of industry leaders in all the three sectors and their policies are obsolete, which are to be reframed for revival in the mindset of people. For and effective performance, there should be reframing

of policies and also it reveals that quality of work life will be considered as the major factor, that employees would be looking for, before selecting an organization to work for, as well as a brand value. Also it should be taken into consideration, the grievances of the people and also their say, while framing policies regarding quality of work life. The policies towards QWL must be flexible and transparent, so as to align the policies with the expectations of the employees, which in-turn, if met out, would drastically improve the productivity and increase the organizational belongingness and employee morale. KEYWORDS: Quality of work life, compensation, public sector undertakings, motivation, stress.

INTRODUCTION

QUALITY OF WORK LIFE

The basic purpose is to develop work environments that are excellent for people as well as for the economic health of the organization. A better quality of work life for employees leads to a higher productivity for the employer. It is imperative for any organization to maintain a quality of work life, to ensure a balance between work life and personal life, as to ensure a happy and safety work environment. The HR policies have to be very conducive as well as to make the work place a place to feel proud of working. Quality of work life is an important aspect in the organization to get the utmost level of productivity from the employees. It helps in understanding the work culture, level of motivation, benefits, balance of work life, safety and security of the job. It establishes the level of comfort and development the job gives to every level of the employees. The study determines the level of quality of work life in the three sectors and to

determine the parameters which are to be initiated into the hr policies to give and develop a quality of work life.

ABOUT THE SECTORS

Information Technology Industry

The Indian information technology (IT) industry has played a key role in putting India on the global map. Thanks to the success of the IT industry, India is now a power to reckon with. According to the National Association of Software and Service Companies (NASSCOM), the apex body for software services in India, the revenue of the information technology sector has risen from 1.2 per cent of the gross domestic product (GDP) in FY 1997-98 to an estimated 5.8 per cent in FY 2008-09. Further, the industry body expects the sector to grow between 4 per cent and 7 per cent during 2009-10 and return to over 10 per cent growth next year. India's IT growth in the world is primarily dominated by IT software and services such as Custom Application Development and Maintenance (CADM), System Integration, IT Consulting, Application Management, Software testing, and Web services. As per NASSCOM's latest findings: Indian IT-BPO sector grew by 12 per cent in FY 2009 to reach US\$ 71.7 billion in aggregate revenue (including hardware). Of this, the software and services segment accounted for US\$ 59.6 billion. IT-BPO exports (including hardware exports) grew by 16 per cent from US\$ 40.9 billion in FY 2007-08 to US\$ 47.3 billion in FY 2008-09. Moreover, according to a study by Springboard Research, the Indian IT services market is estimated to remain the fastest growing in the Asia-Pacific region with a compound annual growth rate (CAGR) of 18.6 per cent.

BANKING SECTOR

The Banking sector in India has always been one of the most preferred avenues of employment. In the current decade, this has emerged as a resurgent sector in the Indian economy. As per the McKinsey report 'India Banking 2010', the banking sector index has grown at a compounded annual rate of over 51 per cent since the year 2001, as compared to a 27 per cent growth in the market index during the same period. It is projected that the sector has the potential to account for over 7.7 per cent of GDP with over Rs. 7,500 billion in market cap, and to provide over 1.5 million jobs. Today, banks have diversified their activities and are getting into new products and services that include opportunities in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, custodian services, private equity, etc. Further, most of the leading Indian banks are going global, setting up offices in foreign countries, by themselves or through their subsidiaries.

PUBLIC SECTOR UNDERTAKINGS

Currently, 277 Central PSUs are in India. The first public sector undertaking was the Railways. Following independence, the sovereign government took up the setting of a strong national economic infrastructure. The iron and steel industries, power generation, mining and oil refining activities were developed at this stage. A lot of PSUs in India under the aegis of the Government of India regularly provide for employment opportunities in various areas. Job seekers can apply to these undertakings, according to their required job profile and area of interest. The mostly sought for PSUs are

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given below, with headquarters of each of them: The Central PSUs employ a large workforce in different disciplines and the successful operation of these enterprises very much depends on the skills and capabilities of the workforce. Of around 16 lakhs manpower (as on 31. 03. 2007) deployed in the CPSUs, about 3. 65 lakh are in the supervisory and managerial cadres which represent 22. 12% of total manpower. In 2005-06, the aggregate amount paid towards salaries and wages and other benefits including bonus was to the tune of Rs. 45, 625 crores. Overall, PSUs in India offer a stable and secure employment front, which is definitely welcomed by many in the current recession scenario.

LITERATURE REVIEW:

The purpose of literature review is to document a comprehensive review of the published and unpublished work from secondary sources of data. QWL has been well recognized as a multi-dimensional construct and it may not be universal or eternal. The key concepts captured and discussed in the existing literature include job security, better reward system, higher pay and opportunity for growth, participative groups, and increased organizational productivity among others. The quality of work life (QWL) is a wide term covering an immense variety of programmes, techniques, theories and management styles through which organizations and jobs are designed so as to grant employees more autonomy, responsibility and authority than is usually done. It is a comprehensive, department- wide program designated to improve employee satisfaction, strengthening workplace learning and helping employees (Anonymous, 2005). A high quality of work life is essential for organizations to continue, to attract and retain employees (Sandrick, <https://assignbuster.com/the-information-technology-industry-business-essay/>

2003). Many factors contribute to QWL which includes adequate and fair remuneration, safe and healthy working conditions and social integration in the work organization that enables an individual to develop and use all his or her capacities; it holds that people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect. (Straw, R. J. and C. C. Heckscher, 1984). The rationale for providing work-life balance provisions is varied. Osterman (1995) identified three main reasons why organizations provide family-friendly practices: practical responses, links to internal labor markets, and high commitment work systems. Wood et al (2003) found that adoption of family-friendly practices was best explained by organizational adaptation, a combination of institutional pressures as well as competitive forces, local and technological factors, situational conditions, and managerial values, knowledge, and perceptions regarding work and family programs. The benefits of work-life balance initiatives, for employers, are better talent attraction, enhanced productivity, better talent engagement, reduced work stress, reduced absenteeism, reduced costs, better motivation, employer branding, talent retention and efficient work practices (Department of Labor, New Zealand, 2003, Byrne, 2005; Pocock, 2005; and McPherson, 2007). Kirchmeyer (1995) has succinctly encapsulated the organizational responses to non-work concerns of employees based on organizations' orientation towards work and non-work relationship and employer and employee relationship. These include 'separation', 'integration' and 'respect' models. As per the separation model, employers act as if workers' non-work worlds do not exist. The focus is on fulfilling

work responsibilities and such employers construe the employees' non-work lives as solely the concern of the employees themselves. There is not only boundary impermeability between work and non-work domains, but also total disregard for non-work concern on the part of the employer. However, under the integration model, employers treat work and non-work worlds of employees to be related worlds that affect one another, and act to reduce the gap between them in an effort to help employees manage their multiple domains. The employer takes control and assumes responsibility for aspects of employees' non-work lives in addition to their work lives resulting in total boundary permeability between work and non-work domains. The respect model on the other hand implies that the employer acknowledges and values the non-work participation of employees and is committed to supporting it. Employers provide resources to employees to fulfill non-work responsibilities and do not essentially take charge their responsibilities resulting in boundary flexibility between work and non-work domains and mutuality of interests. Thornpson (2002) has classified the work-life initiatives as time-based strategies, information-based strategies, money-based strategies, direct services and culture change services. Time-based strategies include programs or policies like flexitime, compressed work weeks, compulsory power-offs, job sharing, part-time work, leave for new parents, phased return to work following childbirth, telecommuting, compulsory vacations and breaks and so on. Information-based strategies refer to programs or policies on Intranet resources on work-life balance, resource and referral service, relocation assistance, dependent care resources, work-life brochure and so on. Examples of money-based strategies are vouchers or subsidy for

childcare, flexible spending accounts, adoption assistance, discounts for childcare tuition, leave with pay and soon. Direct services are those programs or policies like on-site or near-site dependent care, emergency back-up care, lactation rooms and support, help line, concierge services, after-school and school holiday activities and so on. Culture-change services include programs or policies like training for managers and supervisors to help employees deal with work-life conflicts. Pro-work-life balance culture initiatives include family-friendly policies, inclusive atmosphere, supervisor support, work-life education inputs like workshops or seminars on work-life issues, counseling, Wellness programs, fitness initiatives and so on. Thus, a work-life balance friendly culture is a productive work culture where the potential for tensions between work and other parts of employees' lives is minimized. This means having appropriate employment provisions in place, and organizational systems and supportive management underpinning them.

The Work-Related Quality of Life (WRQoL) Factors

Our research indicates that there are six factors that interact to explain and predict quality of working life. They are: Job and Career Satisfaction (JCS) Working Conditions (WCS) General Well-Being (GWB) Home-Work Interface (HWI) Stress at Work (SAW) Control at Work (CAW) Our WRQoL psychometric scale contains, which includes 24 questions, provides the data that enables us to provide you with benchmarked feedback on the six factors.

Job and Career Satisfaction (JCS)

The extent to which you are content with your job and your prospects at work Job and Career Satisfaction is a very important factor in overall quality of working life. How you score on the Job and Career Satisfaction (JCS) factor relates to whether you feel the workplace provides you with the best things at work - the things that make you feel good, such as: a sense of achievement, high self esteem, fulfilment of potential, etc. Within the Work-Related Quality of Life (QoWL) measure, JCS is reflected by questions asking how satisfied people feel about their work. The Positive Job Satisfaction factor as measured within the QoWL model is influenced by clarity of goals and role ambiguity, appraisal, recognition and reward, personal development career benefits and enhancement and training needs.

Working Conditions (WCS)

The extent to which you are satisfied with the conditions in which you work. Your score for the WCS factor indicates the extent to which you are satisfied with the fundamental resources, working conditions and security necessary to do your job effectively. This includes aspects of the work environment such as noise and temperature, shift patterns and working hours, pay, tools and equipment, safety and security. Dissatisfaction can have a significantly adverse effect on your overall WRQoL score. The WCS factor is related to JCS, in that JCS reflects the degree to which the workplace provides you with the best things at work, whilst the WCS factor by contrast, reflects the degree to which the workplace meets your basic requirements.

General Well-Being (GWB)

How much you feel psychologically and physically healthy. General Well-Being (GWB) assesses the extent to which you feel good within yourself. As such, that sense of GWB may be more or less independent of your work situation. General well-being both influences, and is influenced by work. GWB reflects psychological well-being and general physical health aspects.

Home-Work Interface (HWI)

How much you think the organization understands and tries to help you with pressures outside of work. Home-work interface is related to work life balance and is about having a measure of control over when, where and how you work. It is achieved when you feel you have a fulfilled life inside and outside paid work, to the mutual benefit of you and your work. A poor work-life balance can have negative effects on your well-being.

Stress at Work (SAW)

The extent to which you see work pressures and demands as acceptable and not excessive or 'stressful'. The UK Health & Safety Executive (HSE) define stress as: "the adverse reaction people have to excessive pressure or other types of demand placed on them". Work pressures and demands can be a positive aspect of our work experience, providing challenge and stimulation, but where we see them as excessive and beyond our ability to cope, we are likely to feel overloaded and stressed.

Control at Work (CAW)

How far you feel you are involved in decisions that affect you at work.

Control at Work (CAW) reflects the level to which you feel you can exercise

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what you consider to be an appropriate level of control within your work environment. That perception of control might be linked to various aspects of work, including the opportunity to contribute to the process of decision making that affects you. Leading authors in the field suggest that perception of personal control can strongly affect both an individuals' experience of stress and their health. Research also suggests that there is a strong link between personal control and job satisfaction. HR practices can be defined as any practice that deals with enhancing competencies, commitment and culture building. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things. Good HR practices do indeed make a difference in terms of business effectiveness. Good HR practices are those that contribute to one or more of the three C's: Competencies, Commitment and Culture. They need to be identified and implemented cost-effectively, reviewing and revising them from time to time to enhance their effectiveness and appropriateness (Rao, 1999). HR practices include: HR planning, recruitment and selection, induction, training and development, performance appraisal, career planning, fringe benefits, reward and recognition, welfare activities as per statutory requirement, welfare activities beyond statutory requirement, safety, health and environment policy, suggestions scheme, promotion and transfers and exit policy. Sharan (1980) observed that the accumulative effect of conditions like low wages, less leave, longer work duration and unfriendly work environment makes the work unpleasant. By improving all the above-mentioned conditions, satisfaction level can be achieved. Bhushan (1968) also supported them by stating that high wages are responsible for higher job

satisfaction. Fringe benefits and growth dimensions also have positive correlation with job satisfaction. Higher pay, more freedom and job security along with less dominance and control will create job satisfaction. Chen (1995) examined the difference in organizational climate and HR practices between American and Chinese companies in Taiwan and found that the climate in American companies is more open than in Chinese companies. There are also significant differences in job satisfaction and fairness issues. There is no significant difference in leadership styles and motivational forces. Alina and Rob (2008) investigate the relationship between Human Resource Management (HRM) practices and workers' overall job satisfaction and their satisfaction with pay. They found that several HRM practices raise workers' overall job satisfaction and their satisfaction with pay. However, these effects are only significant for nonunion members. Satisfaction with pay is higher where performance-related pay and seniority-based reward systems are in place. A pay structure that is perceived to be unequal is associated with a substantial reduction in both nonunion members' overall job satisfaction and their satisfaction with pay. Although HRM practices can raise workers' job satisfaction, if workplace pay inequality widens as a consequence, then nonunion members may experience reduced job satisfaction.

RESEARCH METHODOLOGY

The methodology of the research here is a descriptive study for the quality of the work life among the IT, BANKING AND PSU SECTORS. The sampling technique used here is Probability Simple random Sampling. The Primary Data has been collected using the self administered questionnaire with a <https://assignbuster.com/the-information-technology-industry-business-essay/>

simple size of 225. The data has been collected in tamilnadu and Karnataka. The instrument has been framed by using 8 parameters of the quality work life namely Motivation, Culture, Team participation, Compensation, Job security, Comfort and satisfaction and Performance based pay. Five point Likert scale has been adopted here. The Cronbach alpha value determines the reliability statistics ($C = 0.837$, for 22 items). The demographic profile has been analyzed using the descriptive analysis. The exploratory factor analysis is used here to group the individual variables. The multiple regression analysis is used here to find out the relationship between the overall dependent variable and independent variables. The weighted average method helps to rank the sectors based on certain parameters considered for the study.

ANALYSIS AND INTERPRETATIONS:

Demographic variables

Categories

No. of respondents

Percentage

GENDER

Male 13560.0 Female 9040.0

AGE

18-25 years 3013.3 26-35 years 5624.8 36-45 years 7131.6 above 45 years 6830.3

SECTOR

Information7533. 3Banking7533. 3Public sector7533. 3

EXPERIENCE

Below 5 years8035. 55-10 years7533. 3Above 10 years7032. 2

Table 1: Demographic characteristics

The profile of the respondents was captured in terms of their demographic characteristics such as gender, age, sector, and experience. It can be seen from Table 1 that 60 % of the respondents were male, the remaining 40% being female. 13. 3% of the respondents were between 18 and 25 years of age, 24. 8% of the respondents were between 26 and 35. A majority(31. 6%) were between 36 and 45 years of age. The remaining percentage of respondents was within the age group of above 45 years (30. 3). A majority 35. 5% of the respondents had a work experience of below 5 years, while 33. 3% had experience of between 5 to 10 years, while remaining respondents had above 10 years of experience. Equal no of respondents represented each of three sectors (33. 3%).

FACTOR ANALYSIS:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.

Bartlett's Test of Sphericity Approx. Chi-Squared df Sig.

INFERENCE:

From the above table, Bartlett's test of sphericity indicates whether the correlation matrix is an identity matrix, which indicates that the variables are

unrelated and the significance level (0. 000) indicate that there is significant relationship among the variables. The KMO value of 0. 809 states that, the factor analysis is valid and can be performed in this study.

Rotated Component Matrix

Component12345Motivating environment

. 862

Satisfaction with work conditions

. 867

Co-operation among Dept

. 784

Feel Free to offer suggestions

. 783

Responsiveness to suggestions

. 433

Harmonious relationship

. 720

Team participationTraining program skills development

. 638

Training helps in improving relationship

. 947

Encouragement of skill development

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. 516

Adequate training and compensation

. 575

. 344 Salary for work i do

. 633

Rewards to performance

. 711

Comfort and satisfied with job

. 474

Job security

. 686

Empowerment

. 328

Can cope family and job

. 943

Neglecting home matters

. 930

Less enjoyable

. 901

More enjoyable

.959

Level of stress in cope able

.587

Table 2 : Factor loading analysis

INFERENCE:

From Table 2, each factor loading values represent the partial co-relation between the variables and the rotated factor by inferring a common thread among the variables that have large loadings above 0.3 values for a particular factor. Factor analysis is able to extract Six factors namely, Factor 1: Training helps in improving relationship, easy to cope family and job, Neglecting home matters, Less enjoyable factors, More enjoyable Factors. Factor 2: Harmonious relationship, adequate training and Compensation, Salary for work they do, Rewards linked to Performance, Job security, Empowerment. Factor3: Co-operation among Departments, FeelFree to offer suggestions, Management's Responsiveness to employee's suggestions, Encouragement for skill development, Comfortable and satisfied with job. Factor 4: Motivating environment, Satisfied working conditions. Factor 5: Training program skills development, Level of stress is manageable. Factor 6: Team participation.

MULTIPLE REGRESSION ANALYSIS:

The step-wise method of regression analysis is used to regress the independent variables with the dependent variable overall quality of work life balance.

MODEL SUMMARY

Model

R

R Square

Adjusted R Square

Std. Error of the Estimate

4.938d. 879. 877. 501
 Predictors: (Constant), training helps in improving relationship, less enjoyable, neglecting home matters, more enjoyable

Coefficients

Model Unstandardized Coefficients Standardized Coefficients t B Std.

Error Beta (Constant) .053 .068 .771 training helps in improving relationship.

590.073 .5938 .134 less enjoyable. 308.059 .3055 .241 neglecting home

matters. 342.076 .3424 .515 more enjoyable-. 264.113-. 263-2. 341

Table 3 Multiple regression analysis

Dependent variable: Overall quality of work life. Multiple R= 0.938, F-Value = 399.643, d. f (4, 224), p-value <0.01, R Square= 0.879

$$Y = 0.53 + 0.590X_1 + 0.308X_2 + 0.342X_3 - 0.264X_4$$

Where "Y" Refers to overall quality of work life. The above equation shows that variables like Training helps in improving relationship (0.590 X₁), Less Enjoyable (0.308 X₂), Neglecting Home matters (0.342 X₃), More Enjoyable (-0.264 X₄) are highly influencing variables to the overall quality of work life.

On an average if the variable namely Training helps in improving relationship change by 1 unit there will be increase of 0.590 units in the overall quality

of work life when other variables are kept constant. More over the result of t-test confirms that the calculated partial regression co-efficient such (0. 308), (0. 342), (-0. 264) are highly significant at 1 percent level and 5 percent level. Similarly the multiple R of 0. 938 shows there is a existing relationship of 93. 8 percent between the variables of quality of work life. The R-square value of 0. 879 exhibits that the variables of quality work life explained a variation of 87. 9 percent on the overall quality of work life. From Table 3 , it is inferred that the variables namely Training helps in improving relationship, level of motivation, low stress level , factors like shift time which makes work more Enjoyable and working conditions are highly influencing variables to the overall quality of work life.

SECTOR WISE WEIGHTED AVERAGE CALCULATION OF PARAMETERS:

Motivation

SAANDSDRankSECTORInformation Technology30194157

1

Banking Industry261041817

3

PSU companies271381710

2

Total8342165034

Working conditions:

SAANDSDRankSECTORInformation Technology31203156

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1

Banking Industry29194158

2

PSU companies27194169

3

Total8758114623

Culture:

SAANDSDRankSECTORInformation Technology40114137

1

Banking Industry271971210

2

PSU companies251681511

3

Total9246194028

Training:

SAANDSDRankSECTORInformation Technology271531614

2

Banking Industry261251517

3

PSU companies281771310

1

Total8144154441

Team Participation:

SAANDSDRankSECTORInformation Technology33220155

1

Banking Industry31211157

2

PSU companies291271413

3

Total935584425

Compensation:

SAANDSDRankSECTORInformation Technology30164196

1

Banking Industry251491611

3

PSU companies28187157

2

Total8348205024

Job security:

SAANDSDRankSECTORInformation Technology2220101310

3

Banking Industry27217146

2

PSU companies30164187

1

Total7957214523

Balance between Work and Family:

SAANDSDRankSECTORInformation Technology2119101213

3

Banking Industry29146233

2

PSU companies321531510

1

Total8248195026

Table 4: weighted average calculation of Parameters.**Inference:**

From Table 4 it is inferred that, in many aspects like motivation, working conditions, work culture, team work and participation and providing compensation, Information technology sector stands above the mark, compared to the other two sectors. Their policies with respect to above said variables, sets benchmark for others to follow. On the other hand, the same sector should look into ways to improve other factors in which they have a

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bit negative reflection from its employees. Banking sector companies need to look into their policies for setting high standards. They should understand the gap which exists in their policies and try to overcome those things. PSU companies have to take care of factors where they have failed to score like culture, working conditions, as they will have a negative impact on the mindset of employees.

CONCLUSION

The study provides valuable implications for the sectors taken for this study, that have an everlasting interest in ensuring QWL so as to retain and maintain a talented pool of employees. The study revealed significant difference that prevailed in the industry as a whole with regard to the QWL and determinants of QWL such as motivation, working conditions, culture, training and development, team co-operation and participation, fair compensation, job security and a balance between work & personal life. So the concerned sectors should try to eliminate these differences to improve the overall QWL among the sectors. Since these sectors are playing an important role in the nation's development, these organizations should try to create a unanimous policies towards a QWL and the same could be implemented and followed by all the organizations for a better working environment. Also as it is accepted that a well-designed QWL would yield competitiveness not only over domestic competitors, but also over the other countries, individual organizations should give room for a good QWL policies to be developed, which reflects the needs and expectations of the employees. Therefore further research should be conducted on a larger scale by considering all the sectors, by taking into consideration the current

policies, analyzing them, developing them into a unanimous and uniform policies for making QWL as a competitive advantage, and to add it as a brand image of a company.