

“A Study on Current and Future Challenges for HR in the IT Industry”**Dr. Omprakash Haldar, Nitin M Padalkar, Ritwika Haldar**

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Abstract

IT and ITES have become a major force to help organizations achieve their objectives. IT Industry itself has evolved over the years bringing in a lot of changes to satisfy the needs of these customers.

Today we live in an ever changing world where growth is imperative. For all organizations, big or small, immediate response to new requirements by their customers has become mandatory for survival. Customer delight is the key to have repeat customers.

Organizations have to leverage IT to get advantage in a highly competitive environment. With the changes in IT the HR function in IT too has undergone a lot of changes. The new thinking, changes in the customer requirements, new technologies have had their impact on the HR function in IT. Essentially HR is a support function in most of the organizations and hence is under pressure to change as per the requirements of the business.

In IT there have been paradigm shifts in the functioning of HR. This paper tries to look at these changes and hence the challenges that the HR function in the IT is facing and are likely to face in the future. It essentially looks at the HR function in the IT industry and the changes that are taking place in the IT Industry.

With these changes how the HR role is changing in the IT industry and how the HR function needs to assimilate and get ready for this modified role. It also provides conclusions and suggests how the current and future challenges can be tackled effectively.

Keywords: IT Industry, Changes, HR Role, Challenges**Introduction:-**

The job of HR is to ensure that the business gets the most out of its employees. Human Resource management needs to provide a high return on the investment of the business in its people. This makes it a highly complex function because the HR function has to deal not only with the management issues but the human ones too.

Two of HR's main functions are to attract and retain high-quality professionals, and a good culture needs to be promoted in the company to positively affect these functions. HR is

essentially a very critical function in any type of an organization. The basic elements for any organization are man, materials, machine and money.

Human resource is a very critical part of any organization as it is the sole aspect that can control and put to effective use the other components. Thus good people are required for any organization to function and prosper. In fact due to the intense competition getting good people is very much necessary. Since man is not a machine taking care of the personal and behavioral aspects of the human resource is necessary. This complicates the function as different people have different types of behaviors and taking care of all of them is indeed very difficult.

Normally the HR function includes recruitment, induction, payroll and benefits, retention and separation. All these are critical functions that need to be carried out.

1. Significance of the Study:-

In the IT industry the main work involves the development of software systems for any organization. The main investment and the cost is thus incurred on the personnel. The cost of machines viz., hardware and other allied equipment is relatively very less. The development and maintenance of the software systems involves a lot of human interaction and forms the key of the work content. Requirements need to be understood correctly and then an appropriate and cost effective solution needs to be suggested and then after changes if any to be developed. The main aspect to be remembered in this is the user friendliness, even if a very good system developed and the user is not comfortable using it, and therefore not usable, it will be a total waste of time, energy and money.

2. Scope of the Study:-

HR essentially is a support function, more so in the IT Industry. Thus HR needs to cater to the requirements of the development projects or programs that are going on in the organization. It has to plan for the niche areas of skills that are likely to come up immediately or in the future; long term and short term. There are various types of projects going on in an IT organization. When any project gets completed the human resources get de-allocated from that project. Thus managing all the resources getting released from the projects is a major function. This function is of resource allocation. Since human resource is the main asset in an IT organization retaining them and engaging them effectively is of vital importance. Technology changes are very fast in the computer area. New software and hardware products are constantly coming in and hence the employees have to keep pace with these changing technology and learning it. Also the effective use of this new technology needs to be done. To keep pace with the competitive world these continuous improvements are necessary. HR needs to plan for the training and learning of these new technologies.

3. Collected the Secondary Data and analysis and findings on it:-

Based on the Secondary data the analysis has done. Also findings has taken out.

Changing face of IT

The current workplace is very dynamic and we have to be alert all the time. Earlier there were few players in the IT field and hence the IT companies had an upper hand. The users were new to the computers and hence less demanding. They were not very much aware of the technologies and hence their demands were moderate. Also the technology available was basic and the users as well as the developers had limited options.

With the advent of competition the workplace has become extremely competitive. The numbers of new technology tools are increasing day by day. Every alternate day you find a new improved version of the hardware and software too. Due to the competition the employees too are learning new things and hence their expectations from the organization have also increased.

Changing Role of HR

The age old role of HR is changing along with the times. The organizations today are concentrating on their core competencies rather than looking at allied or support functions. They are increasingly trying to get the support or allied required functions from other small companies that offer these services at fractional costs. This way the organization can concentrate on the core competency of developing software and hardware solutions. The sub-contracted company, being specialized in its field of work provides for the other support work area.

Challenges now and in the future

Some of the major challenges that are currently faced and some that will be glaring in the future are discussed below.

Recruitment

India has a very large technical workforce. So a lot of skilled manpower is available. An organization needs to grow in order to survive. For growth, especially in the people intensive IT industry recruitment is a major challenge. Getting new resources to replace those retiring or separating is very difficult. Finding the right people for the right tasks is ever increasingly getting difficult. In the IT industry referencing of resources is a major and very effective way of recruitment. For this a large network is necessary. Since hiring is not the core competence of IT organization we have a new concept introduced by many organizations viz., RPO (Recruitment Process Outsourcing).

Engagement

One of the major tasks for HR is effectively engaging the work force. With the advent of new technologies everyone wants to work on the latest technologies. The work force wants to gain training and experience in the upcoming and new technologies. On the other hand there are

systems running on old technologies too, that have to be provided services. Thus it is a great challenge for HR to effectively engage the work force.

"Ensuring employees remain engaged and productive," for instance, topped the list of biggest HR challenges facing organizations, with 35 percent of respondents citing it as their biggest challenge. The second- and third-most-common responses were "developing leaders" and "retaining key talent as the economy recovers," at 28 percent and 25 percent, respectively.

Engagement and retention -- another top-of-mind matter for HR at the moment -- are intrinsically linked. In fact, "intention to stay is one of the defining characteristics of engagement," says Kim Ruyle, president of Coral Gables, Fla.-based talent management and organization-development firm Inventive Talent Consulting.

Increased Productivity

In this era of growth and intense competition maximum output with minimum input is the key. In order to remain competitive and survive productivity of the employees needs to increase. The cost of the employees is ever increasing. If we cannot keep pace with a parallel increase in productivity the organizations cannot survive for long.

Rewards and Recognition

Employees need to be kept motivated in order to grow and get the maximum from them. Rewards and recognition is therefore very much essential. The rewards and recognition needs to change to take care of the needs of the people. Thus you have new innovations like sponsoring a 'Family Dinner' or an excursion. The recognition required by the top management workforce is different which needs to be considered.

Retention

Due to the growth a lot of opportunities are available for the employees. They have many options available to them for changing jobs if they are not satisfied in the current one. Retaining talent thus becomes a key issue. The cost of losing a employee is very much. Hence retaining talent is of immense importance. The organization spends a lot in training and giving experience and exposure to the employees, hence if an talented employee leaves and organization faces a great loss. Getting the pulse of the employees provides a key to retaining talent.

Presenteeism

Presenteeism is a relatively new concept. Presenteeism means reduced productivity, when the employees come to work but are not fully engaged and focused on the work, and hence perform at lower levels, as a result of ill health. Centre for Mental Health, UK calculated that presenteeism from mental ill health alone costs the UK economy £15.1 billion per annum, while absenteeism costs £8.4 billion. Thus this problem is becoming a major challenge to HR.

Anxiety

The problem of presenteeism mentioned above comes from ill health. The ill health can be physical or mental. For physical ill health since it is visible is it relatively easier to tackle. Mental ill health since it is not apparent it becomes difficult to know it and then take some remedial measures. Also mental ill health is a taboo. No one likes to be referred as or like to accept as having mental ill health. The main manifestation of mental ill health is increased anxiety. Some amount of anxiety helps to bring out the best in a person. But when anxiety persists and begins to hamper the day to day working it becomes detrimental for the person and the organization too. Thus it needs to be managed before it turns destructive. This is a major challenge for HR in today's workplace.

Skills

The days of having one very good skill. In this dynamic and ever changing work place of today multiple work skills are mandatory, especially in the IT industry. Every employee needs to have multiple skills in order to survive and grow. The selection of these skills has to be very meticulous. Employees and organizations need to study the trends for the future and equip the employees with upcoming skills that are and will be in vogue.

4. Suggestions:-

Anxiety needs to be studied more to help the individual and the organization. Since it is not very apparent it becomes difficult to identify. Measuring anxiety to the extent possible in the organization is necessary. This will help develop interventions to deal with it.

Anxiety essentially could be personal, workplace related and society related. Since it is a very sensitive subject for a employee it needs to be handled with care. The organization can plan some interventions to take care of the anxiety at the workplace. Anything related to the personal and social part of anxiety needs to be intervened only with the consent of the employee. The organization can offer help in these areas if and when a employee asks for it. This will help to develop confidence and a sense of understanding between the employee and the organization.

Organizations need to know their skill gaps and the niche skills that are and will be required in the future and skill their employees accordingly. This will help them in a long way to face competition, survive and grow. If the organizations grows the employees will.

5. Aspirations:-

Due to the abundance of opportunities available the aspirations of the employees also increase. HR has to align the business requirements with the aspirations and development of the employees. This is a very difficult and challenging task. HR needs to find out ways and means to fulfill and manage these aspirations. If the aspirations of the organization and those of its employees coincide it is best. Else HR needs to intervene and resolve the situation amicably.

In the past few years work life balance has become the buzz word for the employees and therefore the organizations as well. Just earning is not the sole aim now. Enjoying the fruits of hard work with the family and enjoying one's life in parallel is essential. Hence HR has to devise some strategy to take care of these new trends. It has to take into account the requirements of the business too at the same time. Hence it becomes more challenging.

6. Conclusion:-

HR needs to reorganize to provide value for the organization and face the new and expected challenges at the workplace. HR needs to be ready for the challenges due to the outsourcing of the non core functions by the IT industry.

Anxiety and Work life balance are major issues that need to be addressed taking into account the current workplace trends in the IT industry.

With the advent of outsourcing in the organizations of their non core functions, it has become necessary for HR to reorganize and create value for the organization.

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