

Organizational Development and its Impact on Employees in selected IT companies in Hyderabad, India.

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ABSTRACT

While the physical and mental abilities of men constitute human resources, the boundless human energy, intelligence, imagination, most importantly their indomitable spirit form the very fulcrum on which every facet of development is leveraged. Human resource management is related to the principles of management that are applied to bring about organizational success. Its functions include recruitment, appraisal, rewards and compensation, employee welfare etc. Human resource development, far from having dissimilar functions, works for accomplishing the very HR objective of improving the overall performance of the organization. HRM and HRD are two sides of the same coin working for the realization of the same goal. While HRM deals with the broader management spectrum, HRD constitute its most dynamic and powerful subsystems devoted to enhance and strengthen employee capabilities that are essential for the success of any organization. Modern business concerns are analogous to sports where players are expected to display their true qualities and practices. A true player never gives up, never thinks of defeat and never ceases to perform at the highest level.

Key words: HRM, HRD, Business, Organization Development and Qualities.

Introduction

Organizational Development

The role of organizational development is very pivotal as it is responsible for building the whole

culture of the organization and undertakes behavioral change and strives to improve the problem solving abilities of the staff.

Senior level managers and executives constitute the organizational development group that plans changes needed for the effective functioning of the organization. They identify problems and find solutions to address them. They make a thorough investigation of the problems by collecting feedback from employees and also information from various sources. The process involves interviewing the employees concern, analysis of the situation before they come up with preventive measures. The solution they find should be of long term in nature and sustainable. This group is also expected to anticipate challenges. Their basic function is to bring change in the organization in a planned way. One of the objectives of organization development is to improve problem solving abilities of the company.

Performance Appraisal

Performance appraisal is a vital component of human resource development strategies. As a tool of assessment its significance is priceless. But a biased assessment would be disastrous to the whole organization. Therefore, appraisal should be free from bias and favoritism.

It should be stress free. Promotions or rewards should be above board. Most importantly, the appraisal system should be designed in such a way that it encourages the participation employees.

A study (1992) on the role of performance appraisal in select companies emphasizes the need to change the attitude of the employees as per as appraisal system is concerned. The author thinks that employees should inculcate favorable attitude towards appraisal system and the process should be more participatory. He believes it should be a problem solving system and promotions have to be made on the basis of appraisal.

Career Development

Opportunities, individual goal setting, career growth, employee satisfaction and improved quality of his performance characterize career development. Its role as one of the crucial HRD strategies is irreplaceable.

The research work of Anupam gupta (2010) relates to the challenges human resource managers

are facing today as the market competition is growing more and more competitive. One of the serious problems especially the IT industry is facing the shortage of skilled man power. The study examines the role of human resource department in addressing this problem.

Executive Development

Competent management at the top is sure to provide competitive edge to any organization. Highly capable and skilled, knowledgeable, fair and broad minded, having proven abilities of negotiation and morally strong executives at the helm, are able to carry out the key strategies of the organization and make things to happen.

A study on training and development made on the HRD practices of Bharat Electrical Limited underscores the need to adopt new methods of training in which training needs are planned by an advisory committee .The paper also underscores the need to move from conventional methods of training to more scientific methods. The study recommends hr managers should adopt modern training methods as against traditional ones.

Potential Appraisal

It's a talent detecting HRD mechanism. It is an effective strategy applied to grooming and deployment of right men at the right job. However, the process of potential appraisal should be transparent and scientific. Since the identification of future managers is based on this process. In efficient and partial handling of this process will be harmful to the organization as the people slated to become the future executives fail to rise to the occasion. Bypassing really talented people will have disastrous consequences to the organization.

Goal setting

Nothing is more effective than goal setting in providing a sense of direction to the organization as well as the individual. A goal less organization fails and perishes. It can be described as the heart of HRD strategies because any achievement by the individual or organization is traceable to the

goal setting.

The study of Locke and Latham observe

1. Specific and difficult goals are needed to achieve better performance than vague and easy goals.
2. Short term goals facilitate long term goals.
3. Goals improve effort, persistence and motivation.

The study discusses the implications of goal setting for athletics and suggests the following.

- Setting goals for both practice and game situations.
- Setting goals for different elements of athletic skill, strength and stamina.
- Using goals to increase self-confidence.

The work of Kolker and Eli.Hathman examines the relationship between goal proximity and performance.

Objectives of the Study

- To study the socioeconomic profile of employees in the IT companies.
- To examine the human resource development Subsystems and their impact information technology companies.

Methodology of the Study

The primary data was collected through questionnaire survey. The respondents were asked to give their opinion relating to the crucial HRD practices. The part of the questionnaire comprises demographic factors with optional questions.

Another part consists of statements about the impact of HRD practices. Some optional questions are included along with the rating questions”.

Scaling Technique in the Questionnaire

The questionnaire comprises both options and statements on Likert’s 5 point scale. The

responses on these sections are obtained from the employees of IT companies on 5 point scale which range as follows:

5 – Strongly agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1 – Strongly Disagree.

Statistical Tools Used in the Study

There is a range of statistical tests that provide accurate methods for making quantitative decisions and conclusions on a particular sample. They mainly test the hypothesis that is made about the significance of an observed sample. They are directly correlated to statistical inference which involves tests of hypothesis.

On collecting data, it was processed by using R software 3.61 version. The statistical techniques adopted are: “Means and Standard Deviation, t test, F test, Analysis of Variation (ANOVA), Pearson’s Correlation, Durbin Watson test, VIF (variance inflation factor), simple linear regression and multiple linear regression. For model assessment normal QQ plot and residual plots were used in this study

Secondary Data

The secondary data was collected from “journals, magazines, reports, books, dailies, periodicals, articles, research papers, websites, company publications, manuals and booklets”.

Variable Analysis

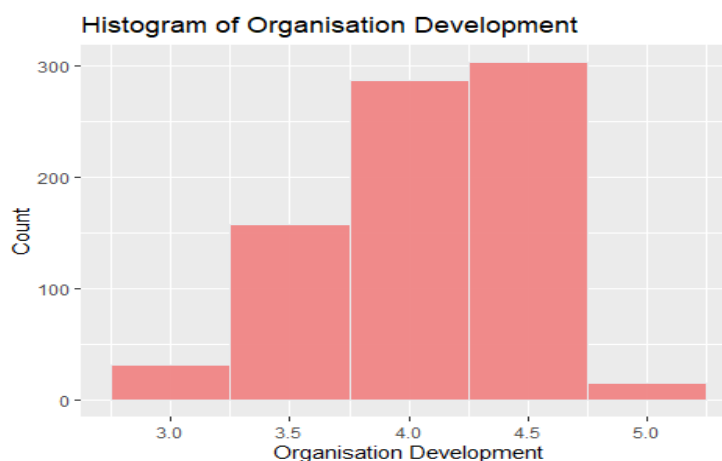
Organization Development

Table 1 indicates organization development variable descriptive statistics. Scale value from 1 to 5 points on likert scale, total number of respondents is 749, with mean of 4.05, standard deviation 0.42 respondents. It is having minimum value 3 and maximum value 5 on likert scale. Figure 1 show histogram of the variable with left skewness and validate by the value of -0.76 skewness values.

Table 1: Descriptive statistics of Organization Development

<i>N</i>	<i>mean</i>	<i>Sd</i>	<i>Median</i>	<i>min</i>	<i>Max</i>	<i>range</i>	<i>skew</i>	<i>kurtosis</i>	<i>se</i>
794	4.053	0.425	4.2	3	5	2	-0.76	-0.29	0.0151

Figure.1: Histogram of Organization Development



Hypothesis 1

H₀ : There is no significant mean difference in organization development between male and female respondents

H₁: There is significant mean difference in organization development between male and female respondents

Table 2: Two sample t test for Gender category in Organization Development

Df	T	Confidence Interval		P value	Decision
		Low	Upper		
792	-0.8546	-0.08772	0.034503	0.393	Accepted

Figure 2: Boxplot of Organization Development with Gender category

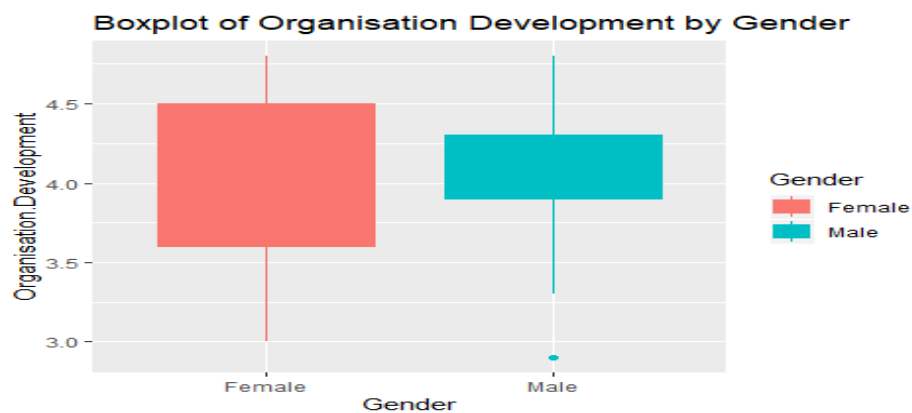


Table 2 indicates two sample t test result of gender mean difference in organization development. Test result indicates that, p value (0.39) is greater than the significant level ($\alpha=.05$), researcher fail to reject alternative hypothesis and accepted null hypothesis for given $df=792$. Figure 4.2.2 display the mean differences between two group and it can be easy to understand very less differences between two groups.

Hypothesis 1 Conclusion: Two sample t test indicates that this study accepted null hypothesis and rejected alternative hypothesis (there is no mean differences in organization development between male and female category)

Hypothesis 2

H_0 : There is no significant mean difference in organization development between age groups

H_1 : There is significant mean difference in organization development between age groups

Table 3: ANOVA test for different age groups in organization development

Term	Df	Sum.sq	Mean.sq	F value	p.value	Decision
Age	3	26.38	8.7934	59.176	<2e-16	Rejected
Residuals	790	117.39	0.1486			

Table 3 indicates ANOVA test results of organization development variable mean difference in various age groups.

Hypothesis test results on one-way ANOVA revealed that there were significant differences in organization development among the four age groups of measurement, $F(3,790)=59.176$, $p<0.05$.

Table 4 Tukey Posthoc test of Organization Development with different age groups

Comparison	Mean difference	conf.low	conf.high	adj.p.value
>45 Years-<25 Years	0.0865591	-0.4910244	0.6641427	0.9804698
25-35 Years-<25 Years	-0.4019889	-0.4874842	-0.3164937	0.0000000
35-45 Years-<25 Years	-0.0841305	-0.2015443	0.0332832	0.2532018
25-35 Years->45 Years	-0.4885481	-1.0632842	0.0861881	0.1273025
35-45 Years->45 Years	-0.1706897	-0.7510328	0.4096535	0.8735744
35-45 Years-25-35 Years	0.3178584	0.2153652	0.4203517	0.0000000

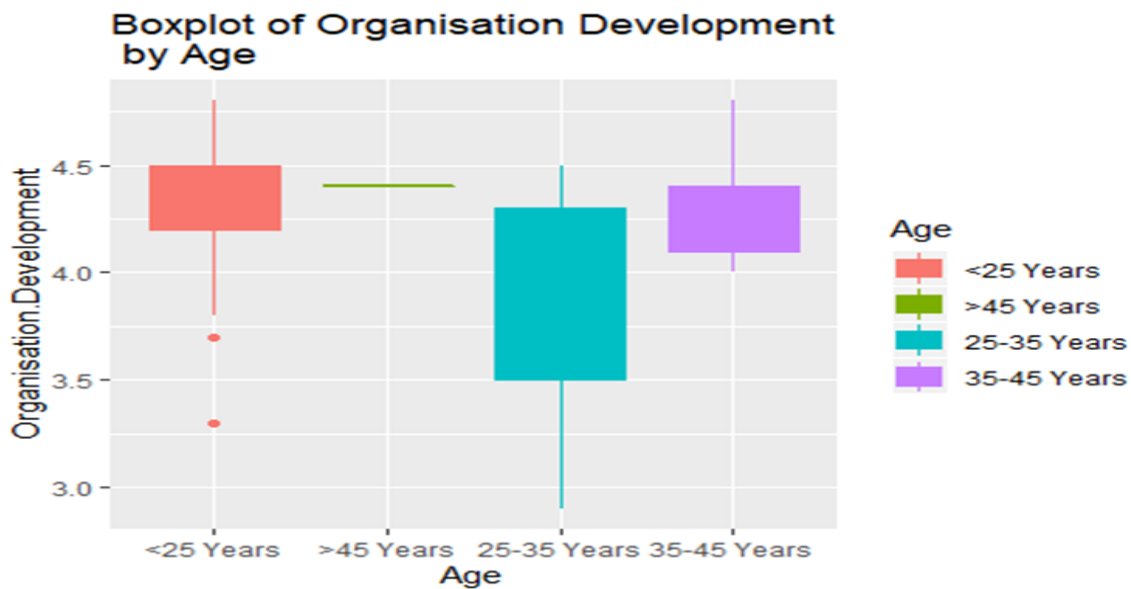
Table 4 indicates TukeyPosthock test results, which can test the significant mean differences among various age groups. Among all the age groups only 25-35 Years-<25 Years and 35-45 Years-25-35 Years age groups are having significant mean differences, remaining age groups means differences are not significant.

Table 5 Levene’s test for Age groups in Organization Development

<i>Term</i>	<i>df</i>	<i>Statistic</i>	<i>p.value</i>
group	3	46.95194	<2e-16

Table 5 indicates levene’s test results for verifying significant variance differences more than two groups. Results indicates that there is no significant variance difference among the groups in organization development ($p < 0.05$).

Figure 3: Boxplot of Mean Group Difference Among Ages In Organization Development



Hypothesis 2 Conclusion: One way ANOVA test indicates that this study reject null hypothesis and accepted the alternative hypothesis (there is mean differences in organization development among age groups)

Hypothesis 3

H₀: There is no significant mean difference in organization development between managerial levels measurement

H₁: There is significant mean difference in organization development between managerial levels measurement

Table 6: ANOVA test for different managerial levels in organization development

<i>Term</i>	<i>df</i>	<i>Sum.sq</i>	<i>Mean.sq</i>	<i>F value</i>	<i>p.value</i>	<i>Decision</i>
Managerial Level	2	8.311717	4.1558583	24.26	<2e-16	Rejected
Residuals	791	135.461180	0.1712531			

Table 6 indicates ANOVA test results of organization development variable mean difference in three different managerial levels. Hypothesis test results on one-way ANOVA revealed that there were significant differences in organization development among the three managerial levels of measurement, $F(2,791) = 24.26$, $p < 0.05$.

Table 7 Tukey Posthoc test of Organization Development with different managerial levels

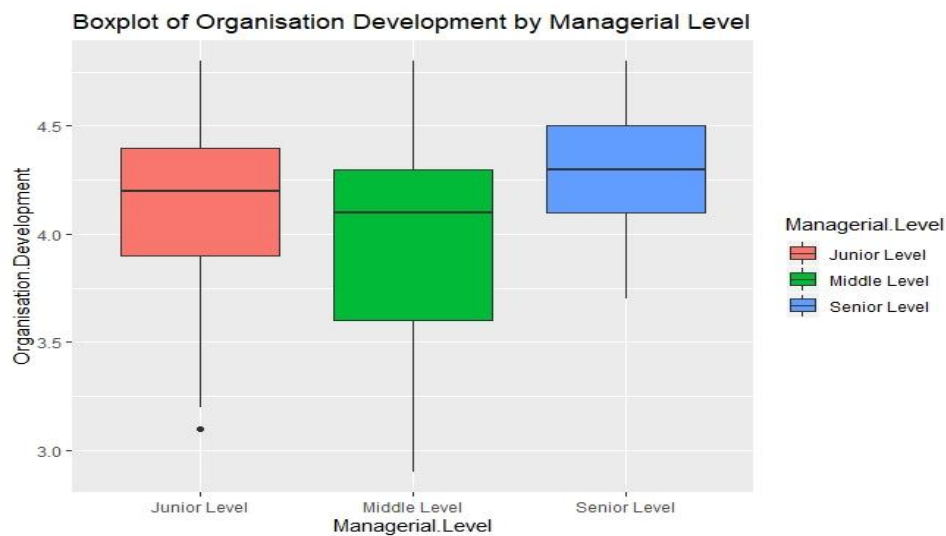
comparison	estimate	conf.low	conf.high	adj.p.value
Middle Level-Junior Level	-0.1317194	-0.2082624	-0.0551763	0.0001727
Senior Level-Junior Level	0.1706002	0.0545545	0.2866459	0.0016956
Senior Level-Middle Level	0.3023196	0.1934109	0.4112282	0.0000000

Table 7 indicates Tukey posthoc test results, which can test the significant mean differences among various managerial levels. Test results indicate all three groups have significant differences among them.

Table 8 Levene's test for Managerial levels in Organization Development

Term	df	statistic	p.value
group	2	15.48582	3e-07

Table 8 leven test results for verifying significant variance differences more than two groups. Results indicates that there is significant variance difference among the managerial levels in organization development ($p < 0.05$).

Figure 4: Boxplot of Mean Group Difference Among Managerial Levels In Organization Development

Hypothesis 3 Conclusion: One way ANOVA test indicates that this study reject null hypothesis and accepted the alternative hypothesis (there is mean differences in organization development among managerial levels)

Hypothesis 4

H₀: There is no significant mean difference in organization development between experience levels measurement

H₁: There is significant mean difference in organization development between experience levels measurement

Table 9: ANOVA test for different Experience levels in Organization Development

Term	df	Sum.sq	Mean.sq	F value	p.value	Decision
Experience	2	6.46542	3.2327098	18.62	<2e-16	Reject
Residuals	791	137.30748	0.1735872			

Table 9 indicates ANOVA test results of organization development variable mean difference in three different experience levels. Hypothesis test results on one-way ANOVA revealed that there were significant differences in organization development among the three experience levels of measurement, $F(2,791) = 18.62$, $p < 0.05$.

Table 10: TukeyPosthoc test of Organization Development with different experience levels

Comparison	Estimate	Conf.Low	Conf.High	Adj.P.Value
>20 Years-<10 Years	0.4496044	0.1213278	0.7778809	0.0038642
10-20 Years-<10 Years	0.2270818	0.1268688	0.3272948	0.0000004
10-20 Years->20 Years	-0.2225225	-0.5615919	0.1165469	0.2723280

Table 10 indicates Tukeyposthock test results, which can test the significant mean differences among various experience levels in organization development.

Test results indicates 10-20 Years->20 Years' experience groups have no significant differences and other groups are having significant mean difference between them.

Table 11: Levene's test for Experience levels in Organization Development

Term	df	Statistic	p.value
group	2	8.233765	0.000289

Table 11 levene's test results for verifying significant variance differences more than two groups. Results indicates that there is significant variance difference among the experience level groups ($p < 0.05$).

Hypothesis 5 Conclusion: One way ANOVA test indicates that this study reject null hypothesis and accepted the alternative hypothesis (there is mean differences in organization development among income levels)

Simple Linear Regression Model

Hypothesis 5

H₀: There is no significant prediction of HRD Outcome by organization development (OD)

H₁: There is significant prediction of HRD Outcome by organization development (OD)

Table 12 Regression Summary (HRD Outcome ~OD)

R square	Adjusted R square	Standard Error
0.3263	0.3255	0.3627

Table 13 ANOVA for Regression (HRD Outcome ~OD)

Term	df	Sum.sq	Mean.sq	F test	p.value	Decision
OD	1	50.45294	50.4529436	383.60	0	Rejected
Residuals	792	104.16611	0.1315229			

Table 14 Regression Coefficients (HRD Outcome ~OD)

Term	estimate	std.error	T test	p.value
(Intercept)	1.5359296	0.1232864	12.45823	0
OD	0.5923859	0.0302456	19.58586	0

A linear regression established that organization development could statistically significantly predict HRD Outcome, $F(1, 792) = 383.60$, $p = .0000$ and organization development accounted for 32.63% of the explained variability in HRD Outcome

Regression equation

$$HRD\ Outcome = 1.5359296 + 0.5923859 X \text{ (Organization Development)}$$

Figure 5 Correlation between OD and HRD Outcome

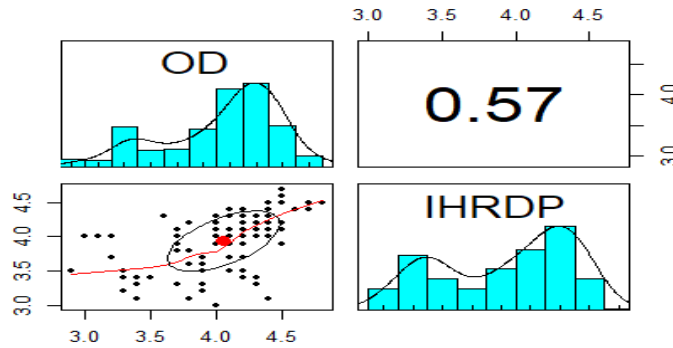
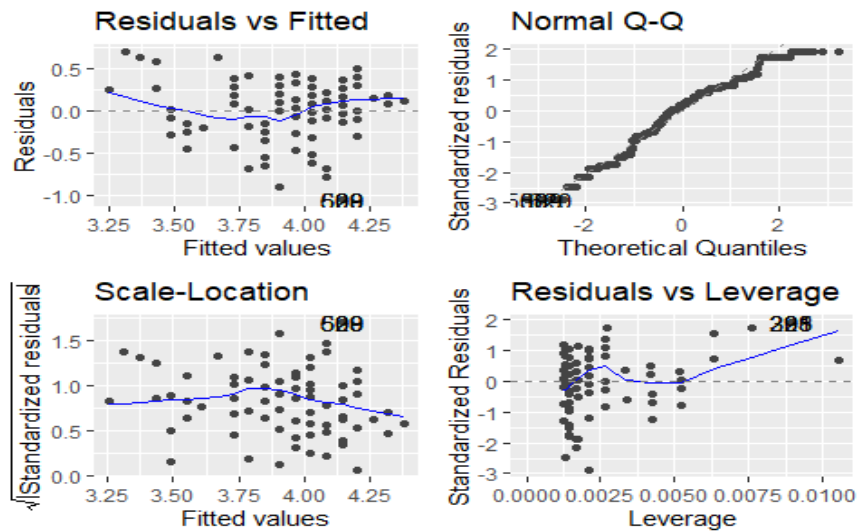


Figure 5 indicates correlation between organization development and HRD Outcome, Pearson correlation coefficient between two variable is 0.57, indicates positive correlation. Scatter plot indicates a liner relationship between two variables.

Model Validation: Model can be validate by fallowing assumption

Figure 6 Model Diagnostic Plots (HRD Outcome ~ OD)



Linearity

In figure 6 residual (error) vs fitted (predicted values) scatter plot indicates linearity of the model. It is clearly understandable that there is no nonlinear relationship and follows linearity.

Normal Distribution

In figure 6 Normal Q-Q (quintile-quintile) plot indicates normal distribution of the dependent variable. In this picture dependent variable shows normal distribution character across all the quintiles.

Homo scedasticity

In figure 6 scale vs location plot indicates the homo scedasticity (equal variance distribution) is there or hetero scedasticity is there. It is clearly visible that all residuals are equally distributed, there is no hetero scedasticity in the model.

Potential Outliers

In figure 6 residual vs leverage plot indicates is there any potential outliers presented in the model or not. In this plot we can identified 298 data point is potentially influencing the model power. This outlier data point need to be converted into normal point by using cooks distance method

Hypothesis 5 Conclusion

This study concludes that test result are less than p value ($0 < 0.05$) which indicates to reject the null hypothesis and accept alternative hypothesis where there is significant prediction of HRD Outcome (HRD Outcome) by organization development (OD). This model is valid since its following all assumptions.

Conclusion

Doubtless majority of the respondents believe that human resource development practices are absolutely critical to business outcomes especially for a pre-eminently skill based industry like information technology. As an indispensable facet of any business concern, HRD is leveraged to achieve the requisite skill accomplishment through its multiple processes and decisive operations.

Recognizing the growing need for effective HR mechanisms and strategies, IT companies should increase their focus as well as their funds on developing the management of human resources. In terms of enhancing productivity, nurturing talent for present and future, advancing the careers of staff with development opportunities, building relations and collaboration, creating conducive work environment, the role of HRD is undeniably irreplaceable. There can't be a better investment than that of the measures to improve and standardize the quality of HRD functioning.

The study finds that there is a strong need for the involvement of the staff in both discussion and policy implementation. If an employee feels that his views are counted and he is part of decision making, it will not only boost his confidence but also make him committed to the organization. Such measures will certainly create a radically different work culture in which staff succeed to deliver their best. Development opportunities will also motivate the work force to give its best.

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