UNIQUE HR PRACTICES IN THE INDIAN IT INDUSTRY
A RESEARCH AGENDA

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PURPOSE OF THE RESEARCH
The research aims to discover the extent to which Indian HR practices can be considered unique, and in what ways they are developing.

Methodology – The research aims to gather evidence from software professionals in Indian IT companies situated in various parts of India, about their expectations and experiences in relation to the HR practices followed in their respective companies. A multiple case study approach will be adopted in this study and the primary data will be collected by conducting semi-structured interviews with software professionals from five selected Indian IT companies and by obtaining written responses from controlled online discussion boards specifically set up for this study by the researcher.

Findings – Drawing on a review of literature the paper sets out an agenda for research on HR practice in Indian IT firms. It includes an innovative approach to qualitative data collection using online discussion boards to capture employee experiences.

Research Limitations – The research is in the planning phase and this planning will be subject to change over time.

Practical Implications – The paper draws up a new research agenda that may be of value to other researchers. Further it develops a relatively new approach to qualitative data collection that may find applications in research across a range of disciplines.

Originality/Value – This research will contribute to evidence concerning the unique HR practices in Indian IT companies. The thesis aims to fill gaps in the current IHRM and International Business literature, specifically the lack of published work by indigenous Indian researchers; and qualitative analysis of the employee perspective on HRM practices.

Key Words: HR Practices, India, IT Industry, Qualitative Research.

Introduction
India's software sector presents the case of an internationally competitive high-tech industry in the context of a rapidly developing economy. India's exports of software services, which accounted for US$128 million in 1990-91 increased to US$8.3 billion in 2001 (Nasscom Report, 2001). The industry's exports of services, which started at the low end of data feeding and onsite projects in the early and mid-1980s, moved up the quality ladder to encompass offshore development, niche products, and software consultancy services by the beginning of the millennium. Almost all the major US and European

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Information Technology (IT) firms have set up software development and R&D centres in India, especially in Bangalore (Nasscom Report, 2001). The competitiveness of the industry is generally attributed to the low cost of scientific and engineering manpower coupled with strong English language skills. The industry has been able to achieve export competitiveness without a domestic market base and despite inefficient input industries and infrastructure. With its colonial heritage, India has legislative and financial systems that tend to fall within the comfort zones of the West, a large workforce who are conversant with the English language, and an independent media. The caste system, British colonization and post independent socialism, have been influential forces in shaping India till the time of liberalization in the 1990s. Against this background is the tension emanating from the opening up of the economy where competence is slowly gaining ground against the commitment to caste relationships, and a super competitive environment is resulting in more transparency, less bureaucracy and a move towards professionalism and the adoption of Western approaches to HRM (Pio, 2007; Som, 2007).

Indians are born into their castes which creates a social hierarchy that spills over into organizational life. This is the scenario within which HRM is evolving from a primarily industrial relations and personnel function to that of the creation and moulding of strategic and systemic policies and practices aligned with their business goals in an environment of intense global competition. A growing body of theoretical and empirical literature on the use of strategic and systemic HRM in India is available, but a comprehensive picture of HRM in the Indian context is lacking (Pio, 2007). The reason for such a gap is yet to be explored. At the same time, a stable employee-employer relationship has been identified as one of the key factors in enhancing the performance of individuals and organizations (Paul and Anantharaman, 2004). The software sector of India is renowned to be dynamic and people centered (Mathew and Ogbonna, 2009). This context provides a compelling reason to research and analyse the HRM practices that are developing in the Indian IT companies. The research problem addressed in this study is: To what extent the Indian HR practices can be considered unique and in what ways are they developing? In order to address this research problem, four research questions are formulated and investigated in this study. The research questions are given below explained in detail in a separate section.

Drawing on a review of literature the paper sets out an agenda for research on HR practice in Indian IT firms. It includes an innovative approach to qualitative data collection using online discussion boards to capture employee experiences. The research aims to gather evidence from software professionals in Indian IT companies situated in various parts of India, about their expectations and experiences in relation to the HR practices followed in their respective companies. A multiple case study approach will be adopted in this study and the primary data will be collected by conducting semi-structured interviews with software professionals from five selected Indian IT companies and by obtaining written responses from controlled online discussion boards specifically set up for this study by the researcher.

The Indian HRM Context

Ancient India and HRM

India has absorbed ideas and practices from around the world for many centuries. Her contributions to science, mathematics, astronomy and political administration have been widely noted. Ancient Indian wisdom, as enclosed in many sacred texts from 2000 B.C., provides an integrated tradition that still continues to influence the Indian mindscape. This stream of “Wisdom” literature can best be explained through a philosophical tradition of holistic reasoning called Vedantic philosophy which synthesizes a common set of ideas and values. The Vedantic Philosophies underpin the essential unifying forces of many apparent divergences that characterise India. Many of these spiritual teachings are practical and relevant to the modern context. For example, the narratives of Panchatantra use animals and birds to create guidelines for noble and practical human behavior.

The Vedantic tradition may have created the basis for an outer layer of “collectivism”, while nurturing an inner private sphere of “individualism”. It has been argued that Indians manage to
keep these two distinctive elements in their minds in co-existence (Lannoy, 1971; Chatterji, 2006). The spiritual individuality and the socio-religious collectivity have been maintained in individual behavior without dissonance for centuries. The choice of either individualistic or collective behavior depends on three culturally defined variables: Desh (Location), Kaal (the timing) and Patra (specific personalities involved). The interaction of these three variables establishes the guidelines for interpersonal relationships (Sinha and Kanungo, 1997; Chatterji, 2006).

When it comes to self-development, the Indian ideas are two folded. The first fold is Budhi (Self-awareness) which encompasses Dharma (Virtue) and Gyana (Knowledge) and the second fold is Sadhana (Training). It is strongly argued that ‘moral’ competency precedes ‘technical’ efficiency in the organizational context. The other powerful side of the Indian tradition is the concept of ‘Guna’ dynamics which is used increasingly in employee assessment and team building in the organizational context (Sharma, 1996). In this mode, three types of Gunas are considered to be contributing to the core of human personality. Sattava (The truth orientation) is the idealization of higher values in individuals, organizations and society. Tamasik (negative orientation) gunas are expressed in ignorance, weakness, ego, greed, corruption and such other vices. The third guna, ‘Rajas’ (achievement orientation) provides a desire to improve in a given context. Human actions that result in a higher level of values and that lead to positive organizational outcomes, are sattvik in nature. Alternatively Rajasik gunas can either lead to positive or negative outcomes depending on their context. Furthermore, Chakraborty contends that the ‘objective efficiency’ orientation of the Western managerial model needs to be replaced by the ‘subjective effectiveness’ of a new model for modern Indian organizations (Chakraborty, 1999).

Another significant structural feature of the Indian social heritage has been its widely known caste system. The Indian Constitution and a large number of central and state-level statutes have actively addressed the need to readdress the socio-economic injustice suffered by the weaker castes over the centuries. Government and public sector jobs have strict quota systems for the lower castes called the ‘Reservation’ system. The caste reservation system has become a significant national political issue and part of the contemporary social agenda. In essence, the socio-cultural roots of Indian heritage are diverse and defy a simplistic distillation (Chaterjee, 2006).

The Evolution of the Indian HRM

After India won independence in 1947, considerable changes happened in the personnel management approach of organizations. The post independence period encouraged a mixed economy as the growth model. Industrial organizations were broadly classified as the ‘public sector’ (including the administrative arm of government) and the ‘private sector’. Public sector organizations were the largest employers and received huge investments. The Constitution of India had the objective of achieving a socialist society and various constitutional provisions supported protection for the working class and numerous legislations were introduced to protect workers.

Along with industrialization, the trade union movement also grew rapidly in India and this acted as a catalyst for the development of personnel system. The workers became more aware about their rights and it was increasingly difficult to exploit them. In the 1970s and 1980s typical HRM functions in organisations included: (1) Personnel and administration, (2) Industrial Relations, and (3) Labor welfare. The prescribed and assumed role was “crisis driven” or “issue driven” (Chaterjee, 2006).

The same period also saw the rise of managerial unionism, where white collar workers without formal union rights joined to form associations that acted as pressure groups. Though not widespread, the industry was also open to adopting tools and techniques that could help to improve efficiency and productivity. This lead to define the work output, staffing pattern, and productivity linked incentive scheme. The establishment of management training institutes and business schools like
XLRI Business School and the Indian Institute of Management Studies (IIMS) helped industry to embrace modern management principles and thought.

It could be very well summarized that up to the mid 80s, human resourcemanagement in Indian organizations grew through various phases under the influence of the following factors: (1) A Philanthropic viewpoint about doing good to workers, (2) A protective legislative framework, (3) government policies, (4) Trade unions, (5) emerging trends/concepts in management and (6) Changes in the economy. Then in the 1980s, Professors Udai Pareek and T V Rao were among the pioneers who not only introduced the human resource development (HRD) concept in India, but also assisted many organizations in designing development oriented HR systems. The 1980s saw the large-scale introduction of the developmental concept in Indian organizations. It was recognized by then that systematic attention to human resources was the only way to increase organizational effectiveness. This awareness created the stage for the direct involvement of top managers and line managers in the HRM process.

**Liberalisation and HRM**

Given the unique socio-cultural, political, legal and economic surroundings of India, the challenges placed before the efficient management of Human Resources in the Indian context can be both complex and demanding. From the mid-to late 1990s, as a result of liberalization policies, competition between Indian and foreign firms increased and the Indian firms were under tremendous pressure to change from indigenous, costly and less effective technology to a more highly effective one (Krishna and Monappa, 1994; Venkataratnam, 1995; Budhwar and Bhatnagar, 2009). This also demanded an effort not only to upgrade the infrastructure and existing organizational culture, but also to change the bureaucracy at all operational levels. The policies of that time indicated a switch from labour – intensive to a more capital – intensive methods of production and therefore required organizations to remove surplus labour and generate new sustainable employment. Such pressures forced Indian organizations to improve quality and match International standards. The challenge was also how to increase productivity, reduce costs, generate employment and reduce voluntary and involuntary absenteeism (Budhwar, 2004; Budhwar and Bhatnagar, 2009).

Fortunately, the economy has responded positively to various reforms and India is now considered one of the strongest emerging markets. It also has the largest pool of scientific and technical manpower in the world (Budhwar and Bhatnagar, 2009). However, India still has to go a long way to compete fully with some of the more economically advanced Asian nations (Budhwar and Bhatnagar, 2009).

Nevertheless, the liberalization of the Indian economy has created the opportunities for resource mobilization from new sources. According to Budhwar and Bhatnagar (2009), to bring about large-scale structural changes, India is required to develop a domestic workforce capable of taking on the challenges thrown up by the new economic environment. In the midst of this transition one thing is very clear that all the threats and opportunities created by the liberalization have significant implications for the Indian HRM system and are considering the need to develop a highly diverse workforce with well trained, motivated, and efficient employees.

**The Socio-Cultural Context and HRM**

Apart from the economic environment, the socio-cultural context of any country is also known to significantly influence it’s HRM systems (Budhwar and Sparrow, 1998; Budhwar and Bhatnagar, 2009). The total workforce of India is approximately 397 million. Out of which 92 % is engaged in the unorganized sector while only 8% is employed in the organized sector. Of the total employment, 60% of the workforce is engaged in agricultural sector and remaining 40% is in the non-agricultural sector. Only about 12-15 % of the total workforce in the country is estimated to be in the category of wage/salary employment. Such employees constitute 60 % of the workforce in the rural areas.
and 40% in the urban areas (Saini and Budhwar, 2004; Budhwar and Bhatnagar, 2009). These facts show the diverse nature of the Indian workforce. Undoubtedly, India has a very diverse society, which is reflected in patterns of life, styles of life, Occupational pursuits, inheritance and succession rules. Traditionally, Indians are known to hesitate to delegate or even accept authority, are fearful of taking an independent decision, are possessive towards their juniors and frequently submissive towards their seniors (Sharma, 1984; Tayeb, 1987; Sinha, 1990; Budhwar and Bhatnagar, 2009). A possible explanation for these behaviours can be the long imperialist history of India. According to Budhwar and Bhatnagar (2009), in the past, Indian societal culture made a lasting impact on most management functions such as staffing, communication, leadership, motivation and control. Staffing for top managerial positions among Indian organisations was/is generally restricted by familial, communal and political considerations. Authority in Indian organisations is likely to remain one sided with subordinates relying heavily on their superiors for advice and direction. Motivational tools in Indian organisations were more likely to be social, interpersonal and even spiritual (Sparrow and Budhwar, 1997). To what extent such assumptions are valid in the new economic environment is worth investigating, especially in the youthful software and BPO sectors.

**Contemporary India and HRM**

Som (2006, 2007) suggested that, because of increasing competition that has resulted from liberalization, Indian organisations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees. By way of summary, Budhwar and Bhatnagar’s (2009) book provided an overview of HRM practices in India, including key developments in Indian HRM, determinants of Indian HRM, sector specific HRM, emerging themes, future challenges, and the way forward. The challenges of managing talent have led firms in India to implement HRM systems, often based on their understanding of the best practices used in successful MNCs (Bjorkman and Lu, 2001). Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance (Corporate Executive Board, 2006). Large indigenous Indian organisations are following suit in implementing HRM systems; however, the literature has suggested that these indigenous firms often adapt and tailor these practices to the realities of the Indian context and the challenging circumstances India faces. This research is designed to understand the HR practices and an employee perspective in relation to their expectations, experiences and performance in the IT sector.

The majority of HR efforts in Indian organisations are detached from the overall organizational effort (Mankidy, 1995; Budhwar and Khatri, 2001.). However, at present situation, there is an increased emphasis on HR related activities seen in Indian organisations. The primary reason for such a development in India is linked to the liberalization of the economy. If we talk about strategic HRM in the Indian context, then it is evidenced by significant variations in HRM strategies across different levels of employees. There can be a number of explanations for the low level of sharing of strategic and financial information with different levels of employees in Indian organisations. The first is ‘mistrust’ or the low faith of higher management in their subordinates (Sparrow and Budhwar, 1997; Budhwar and Khatri, 2001). Second, research has shown that Indian managers are less willing to delegate and have a high possessive attitude towards their subordinates (Sharma, 1984; Budhwar and Khatri, 2001). Hence it seems that the more privileged and powerful have greater access to more information than the less qualified or lower level employees. Third Indian managers like centralised decision making (Kakar, 1971; Budhwar and Khatri, 2001). Moreover the majority of the lower level of employees are not aware of their rights and are exploited by the management (Budhwar, 2000; Budhwar and Khatri, 2001). Taking into account the above literature, it can be concluded that there is a significant variation in the nature and type of HRM strategies for different levels of employees and thus, different types of HR practices for different level of employees in Indian organisations. Taking this into consideration, this study is based on the perspectives of early-career, mid-career, and mature-career employees of the largest and the best IT employers in India.
According to the literature there is a shift taking place in the pattern of HRM practices in Indian organizations, from the traditional administrative types to a more strategic and proactive type. This mainly is due to the competition created by the liberalization of economic policies. However, it’s only the beginning of a long process which has to survive the political and social pressures. Considering the pressure created by the present dynamic business environment, Indian organizations need to pursue more rationalized HRM practices, which should emphasize solely performance and should be less influenced by the traditional values, religious and political factors (Som, 2006).

**HR Practice in India**

According to Arthur and Boyles (2007), HR practices refer to how an organization’s HR programs are implemented for and experienced by lower-level employees and managers. Thus, HR practices capture the potential for variation in employees’ perceptions and experiences of an HR program based on the quality of the HR program implementation. (HR programs are defined as the set of formal HR activities used in the organization)

While international human resource management has been traditionally studied through Western theoretical and empirical lenses (Bossard and Peterson, 2005; McMahan et al., 1998), there has been a growing theoretical and empirical appreciation that certain HR practices are sometimes context and culture specific (Bowen et al., 2002; Budhwar and Bhatnagar, 2009; Budhwar and Khatri, 2001). This recognition and certain counterintuitive research findings across culturally diverse countries have led HR scholars to demonstrate that merely transplanting “best” HR practices around the globe may be less than desirable from an organizational competitive advantage perspective (Björkman & Budhwar, 2007; Huo and Von Glinow, 1995; Lowe et al., 2002; Von Glinow et al., 2002). Although researchers have undertaken ambitious cross-country and cross-cultural international HR studies (Von Glinow et al., 2002), these studies have not directly incorporated in the Indian HR perspective, and a scarcity of research in the Indian context persists (Budhwar and Sparrow, 1997). While some studies have considered other Asian countries, India differs culturally from its geographical neighbours in terms of socio-cultural attributes (Triandis, 1989), which have been thought to influence organizational HR practices (Aycan et al., 2000; Dowling and Welch, 2004).

Budhwar and Boyne (2004) compared HRM practices in Indian public – and private sector organizations and found somewhat unexpectedly that many similarities existed in practices between these two sectors in (1) the structure of the HR department, (2) the role of the HR function in corporate change, (3) recruitment and selection, (4) pay and benefits, (5) training and development, (6) employee relations, and (7) emphasis on key HRM strategies. However, they also found that in several HR functional areas (for example, compensation, training and development) Indian private-sector firms have adopted a more rational approach (e.g., the adopting of formal testing of job applicants, job evaluation, training needs analysis, training evaluation, and performance-related pay) than their public-sector counterparts. One of the conclusions of their study indicates that knowledge workers are mostly reacting positively in their attitudes to more rationalized HRM systems in India.

**Theories and Models**

According to Budhwar and Khatri (2001), a formal HRM structure exist in the Indian context which could be investigated under different theories and models in different business sectors. For example, the ‘Matching model’ which highlights the ‘resource’ aspect of HRM and emphasizes the efficient utilization of human resources (like other resources) to meet the organizational objectives (Fombrun, 1984; Sparrow and Hilltrop, 1994). Further developments to the matching model and its core theme of ‘strategic fit’ were made by Schuler and Jackson in 1987. They concluded that the HR practices differ for a particular level of employees. They also noted that as organizations change strategies, they are likely to change HR practices.
The Harvard Model
The ‘Harvard Model’ of HRM was first articulated by Beer, Walton, Mills, Spector and Lawrence (1985). Some researchers have denoted this as the ‘soft variant’ of HRM (Legge, 1995; Truss et al., 1997), mainly because it stresses the ‘human aspect’ of management of HRs and is more concerned with employee-employer relationships.

The actual content of this model, is described in relation to four policy areas: human resource flows, reward systems, employee influence and works systems. The aims of these HR policies is to achieve commitment, competence, congruence and cost-effectiveness. The model allows the analysis of these outcomes at both organizational and societal level.

The Contextual Model
This model was developed by researchers at the centre for corporate strategy and change at Warwick Business School in the UK. According to Hendry and Pettigrew (1992), HRM should not be labelled as a single form of activity. Organizations may follow a number of different path ways to achieve the same goal. This is mainly because of the linkage between outer environmental (socio economical, political, legal, competitive) context and inner organizational (culture, structure, leadership, task technology and business output) context. These linkages directly contribute to an organization’s HRM policies.

The 5-P model (strategic integration)
The 5-P model is mainly based on SHRM which is largely concerned with ‘integration’ and ‘adaptation’. SHRM therefore has many different components, including HR policies, culture, values and practices. Based on such premises, Schuler (1992) developed a 5-P model of SHRM that deals with five HR activities (Philosophies, Policies, Programmes, Practices and Processes) with strategic needs.

The European model
According to Brewster (1995), this model is based on the premise that European organizations operate with restricted autonomy. They are constrained at both the international (EU) and national level by national culture and legislations. At the organizational level by patterns of ownership and at the HRM level by trade union involvement and consultative arrangements. He has also talked about ‘external’ (legal framework, vocational training programmes, social security provisions and the ownership patterns) and ‘internal’ (union influence and employee involvement in decision making) constraints on HRM practices.

Over the last few years, tremendous progress has been made in many emerging markets around the world. The development of knowledge on these economies, however, lags behind their growing relevance in the world economy. One reason for this is that indigenous management concepts such as Ubuntu (South Africa), Dharma (India), Guanxi (China) or Blat’ (Russia) which are essential for understanding management practices in these countries are not adequately reflected by traditional “Western” management theories. It is only recently that the significance of these aspects has been fully recognized in international management research. Das (2010) shows, how the Indian view of good management practices is strongly rooted in ancient Indian epics such as the Mahabharata and the Ramayana. And Jackson, Amaeshi and Yavuz (2008) demonstrate how the success of firms in Africa is affected by the use of indigenous management techniques. As a consequence, several scholars call for more context-specific research to draw on indigenous thought in developing new theories that can help to better understand management practices in Asia, Africa or Latin America (Holtbrügge 1999; Meyer, 2006; Panda and Gupta, 2007; Banerjee and Prasad, 2008; Zheng and Lamond, 2009). Moreover, studying indigenous management theories can also be useful for understanding the implicit assumptions of traditional western views and in this way contributes to global management knowledge (Cappelli et al. 2010). While the need for indigenous management research is clear, there are currently very few studies that analyse concrete
implications for discovering interesting and relevant research questions, theory building, and data collection (Tsui, 2004).

Despite all the attractiveness of the emerging paradigm of HRM, certain questions need to be answered. Researchers have questioned the universal applicability of the Western models. This has generated a dilemma for the Indian firms in dealing with the change in their respective HR approaches. Whether they should adopt the best-fit (contingency model) or the best practices approach (Boxall and Purcell, 2000). The best practices approach is based on the normative statements of what HR practices should look like together with the proposition that the adoption of these practices will lead universally to organizational success. This approach is highly influenced by American researchers and commentators whereas the best fit model advocates external and internal integration of HR strategy with the overall business strategy (Doherty et al., 2007). These approaches need to be evaluated in socio-cultural context for serving the objective of the realization of organizational goals in Indian firms.

The Best fit vs. best practices debate further gets reinforced with the convergence-divergence debate. The proponents of the convergence approach (Kerr et al., 1960; Eisenstadt, 1973; Levitt, 1983; Prentice, 1990) state that the international competitive pressure overrides differences in a national systems and leads to a convergence of management practices towards the most successful model whereas the scholars of the divergence approach (Laurent, 1983; Whitley, 2000; Hickson and Pugh, 2001; Hofstede, 2001) stress that management practices are strongly influenced by the national-economic context (Pudelko, 2006). Thus the field of HRM can be analysed within two opposing paradigms i.e., universalistic/ convergence and the contextual/divergence paradigm (Khan, 2011). Sparrow et al. (1994) in their study of HR systems of 12 countries evaluated the HR practices and policies for competitive advantage. They tried to find out that what must be done to gain competitive advantage and whether firms in different parts of the globe practice human resource management for competitive advantage differently? Their investigation concludes that there is indeed a convergence in the use of HRM for competitive advantage; however, in pursuing this convergence there are some clear divergences, nuances and specific themes in the areas of HRM that must be handled carefully. HRD is another area which also needs a mention here though it has been used interchangeably with HRM. Woodall (2005) writing the editorial, “theoretical framework for comparing HRD in an international context” for the journal, Human Resource Development International opines that a lot of articles have been written which explore, describe and analyse HRD practices in different cultural contexts but now the HRD scholarship is confronting cross-cultural analysis problem. This has been faced by earlier social science and management discipline and we have to make a choice, either we take well established theories developed and tested mainly in the Western countries and then apply it for analyzing the empirical evidence gathered from other countries or we should start afresh in that setting, grounding our process of theorization in specific cultural context. Though, the latter approach or choice seems to be more meaningful nonetheless, knowledge base gained elsewhere can also be utilized in any setting provided it doesn’t change the desired objective of the course of the action and makes fruitful contribution.

Gaps in the Literature
The past few years have witnessed a rapid increase in both the number of research projects and the breadth of research topics focused on the Indian environment and workplace. For example, Varma, Toh, and Budhwar (2006) studied how female expatriates are categorized by their Indian colleagues and reported that these expatriates are likely to receive assistance regarding their job roles and the social environment based on how well they are accepted by the local colleagues. Indeed, analysing the existing literature revealed that research has been pursued on a wide variety of subjects, including (1) the evolution of the personnel function in India, (2) the role of unions and industrial relations in the new economic environment, (3) factors determining HRM, (4) HRM and firm performance, (5) HRM in MNCs operating in India, (6) strategic integration and devolvement of HRM, (7) organizational learning.
In spite of the above developments, the available literature has reported that the Indian HRM system(s) is somewhat unstructured, and less formal, when compared to Western countries, though the gap is reducing rapidly. It is worth noting here that the HRM function in the Indian context is significantly influenced by issues such as social relations, political connections, caste, religion, economic power, labour legislation, trade unions, and competition from foreign firms (Budhwar and Sparrow, 1998, 2002; Saini and Budhwar, 2007). These assertions, however, need further empirical testing in the present context, where emerging sector-specific information suggest otherwise. For example, in business process outsourcing (BPO), HRM systems are known to be very formal, structured, and rationalized (Bjorkman and Budhwar, 2007; Budhwar et al., 2006). It can be argued that the status of the Indian HR function has evolved over the past century from clerical, administrative, managerial, and executive into a strategic and change partner. As the Indian economy continues to grow, however, the interest of both researchers and policy makers continues to grow regarding what kind of HRM systems relevant for the Indian context. Further, given the scarcity of robust HR research, the opportunity for HR-related research in India is immense. Som (2006), identified several leading Indian companies such as Wipro and Infosys that have adopted innovative HRM practices that are particularly adjusted to the local labour market. These companies’ practices may constitute benchmarks for foreign investors, which are less familiar with the conditions for HRM in India.

Research Questions & Research Justification

The research problem addressed in this study is: **To what extent the Indian HR practices can be considered unique and in what ways are they developing?** In order to address this research problem, the following four research questions are formulated.

**Research Question 1:** What are the key HR practices in the Indian IT companies?

**Research Question 2:** What are the experiences of HR practices among the employees of IT companies in this study?

**Research Question 3:** To what extent are employees’ experiences of Human Resource Practices in the Indian IT companies convergent with their expectations? For example: Their experiences and expectations of Training and Development policies; Promotion policies.

**Research Question 4:** To what extent do HR practices influence employee performance in the Indian IT companies/Study group?

According to the literature, future studies should add emphasis to the highly diversified cultural and economic conditions in India. HRM practices that are effective in prosperous and more Western-oriented regions may not be applicable in less developed regions where traditional values prevail and the Indian labour market is more rigid. It seems that with minor modifications, foreign firms are able to adopt their global HRM systems in India (Bjorkman et al., 2008).

Nevertheless, there is a scarcity of relevant and robust empirical evidence to guide both researchers and practitioners in this regard. As many of the Western management constructs and measures are
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not ideal for the Indian setting, this project will search for patterns to develop India-specific constructs.
In addition, the participants in HRM studies in India need to be positioned, not only for big Multi
National Corporation, but also in NGOs and Indigenous Indian organizations. From the literature
(Pio, 2007), it is also evident that most of the studies in the past have been conducted on the middle
and top management ignoring the large mass of non-management workforce.

The thesis aims to fill gaps in the current IHRM and International Business literature, specifically the
lack of published work by indigenous Indian researchers; and qualitative analysis on the employee
perspective in HRM practices.

Research Agenda
It should be noted that the researcher makes the distinction between methodology as “the science of
finding out” (Babbie, 1992) and research methods as systematic, focused and orderly collection and
analysis of data (Ghauri et al., 1995) to solve the research problem and generate theory. Following
Tsoukas (1989), the researcher avoids the term ‘qualitative research’ in favour of idiographic research,
since ‘qualitative’ refers to the type of data, not research design.

Idiographic research has been chosen as the most suitable methodology for this research, because it
aims to develop explanations for HR practice in the Indian context which is a social phenomena. It
aims to find answers to questions which begin with: why? How? And in what way? This is concerned
with opinions, experiences and feelings of individuals producing subjective data. Primary data are
used to understand and develop India-specific constructs. This is an inductive approach to the
development of theory in the Indian setting. The purpose of this research is to identify the unique HR
practices in Indian IT firms and to investigate employees’ expectations and experiences in relation to
the HR practices in their firms.

The major entity that we are going to analyse here is the “employee” (Unit of analysis) in Indian IT
firms. Population (the group we wish to generalize to) in this study is employees in Indigenous Indian
IT firms and the sampling frame includes the five selected cases.

Sampling is the process of selecting units (e.g. people, organizations) from a population of interest so
that by studying the sample we can fairly generalize our results back to the population from which
they were chosen. Most idiographic research relies on theoretical sampling – that is sampling of
events, situations, populations and responses and making comparisons between these to guide the
‘developing theory’(Strauss and Corbin, 1998). Theoretical sampling in this study will adopt a snowball
approach.

Software professionals of different experience levels (early career, mid-career, mature career) from five
Indian IT companies will be the participants in this study. Approximately seventy-five participants
from five Indian IT companies will be invited for the interview and about two hundred to three hundred
software professionals will be invited to the online discussion board. Employee numbers in all the five
IT companies are around five hundred and seventy thousand.

A multiple case study approach will be adopted in this study. Case studies are particularly useful
research method in two instances: 1) when phenomena under study are underspecified and complex or
2) when the research topic is well studied, but a fresh perspective is needed (Eisenhardt, 1989). The
researcher believes that the study of HR practices in Indian context falls under second category and
the study of indigenous Indian companies and the employee perspective falls under the first category.
Therefore the selection of the case study approach is well justified. Cases are deliberately chosen for
theoretical, not statistical reasons to allow for replication logic (Yin, 1984; Eisenhardt, 1989). Yin
(1984) draws a parallel between generalization from a single experiment in natural sciences and a case
study in idiographic research and emphasizes that “the investigator’s goal is to expand and generalize
theories (Analytic generalization) and not to enumerate frequencies (statistical generalization)”.

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Data will be collected from following sources:

1. By conducting face-to-face interviews with employees
2. Written responses from online discussion boards specially designed for this study by the researcher will be collected. This website will be controlled.
3. Companies’ annual reports, HR policies etc.
4. Companies’ websites, blogs and relevant Govt websites.
5. YouTube links for (interviews with CEOs and HR heads, discussions on national TV channels on relevant topics, Speeches etc).

Data Collection
In the first stage, with due permission from the senior management, the researcher will visit all five IT companies in India and will launch her research by giving a presentation. Then the employees will be invited to participate either in a semi-structured interview or to join an online discussion board.

*Semi structured interview* is chosen as an instrument for this research because it involves a series of open ended questions based on the topic area. The open ended nature of the question defines the topic under investigation but provides opportunities for both interviewer and interviewee to discuss some topics in more detail. If the interviewee has difficulty answering a question or provides only a brief response, the interviewer can use prompts to encourage the interviewee to consider the question further.

In a semi structured interview the interviewer also has the freedom to probe the interviewee to elaborate on the original response or to follow a line of inquiry introduced by the interviewee.

Semi-structured Interview
As mentioned above, this research will involve semi-structured interviews with software professionals (employees) from five selected Indian IT companies lasting up to an hour and a half and by obtaining written responses from five controlled on-line discussion boards specifically set-up for this study by the researcher. The interviews will be digitally taped and the participants will be asked to tell their stories and share their experiences in relation to various HR practices in their respective companies. They will be asked to give an account of their experiences of current HR practices of their employers and to what extent these practices fulfill their needs and expectations. Further to discuss the areas where they believe that the HR practices and policies might be improved, extended and/or differently organized.

Participants will be informed via the letter of introduction that no information that identifies an individual will be published in my dissertation and that the confidentiality of any information provided by them will be respected. All the recorded interviews will be retained and will not be made available for general view. Participants can ask for information to be omitted at any stage. The participants will also be provided with a list of interview themes to be explored during the interview.

After each interview, the participant will personally be thanked and also afterwards, an e-mail will be sent to the participant thanking them for their participation and informing that they will be sent a summary of results when the study is finalised. Similarly before freezing the websites a thank you note will be uploaded for all the participants.

Each participant will have the opportunity to review his/her interview transcript. Participants will be sent a summary of results of the interview as it will appear in the published work. If anyone will have questions about the use of information, those will be addressed before it is published.
On-line Discussion Board
Five websites will be set up for five selected companies. The access to the websites will be given only to
the participants who give their consents to take part in the discussions from each company via a link
to the website. Participants will be invited to the website which is set up for their company and they
will take part in the discussion on a particular theme. They can press a “guest” tab on the website to
express their views, so that their names and email ids will not appear on the webpage rather it will
appear as “anonymous”.

No findings which could identify any individual participant or IT companies will be published. To
further ensure the anonymity and confidentiality, only the researcher would have access to the discussion
board transcripts. The duration of the online discussion boards will be approximately two to three
weeks per theme and the participants can contribute as many time as they like. The participants will be
provided with an introductory letter, a list of discussion themes and an information sheet during the
researcher visit to the companies.

Discussion Themes
• Background to the organisation and to the interviewee (Employee/line manager).
• Discussion about the expectations of employees from their organisation/s.
• Discussion about the experiences of employees’ in relation to HR practices in their respective
  organisations.
• Discussion about the relevance of these unique HR practices in Indian Context.
• Discussion about changing/adding anything to the existing HR practices for improvement.

Data Analysis
Analysis of data adopts an “emic” approach in this research project. This means that the researcher
attempts to interpret data from the perspective of the population under study. The results are expressed
as though the subjects themselves expressed them. Collected data will be transcribed and each participant
will have the opportunity to review and edit his/her interview transcripts. Transcribing is the procedure
for producing a written version of the interview. It is a full “script” of the interview. Good quality
transcribing is not simply transferring words from the tape to the page. When people are in conversation
only a small proportion of the message is communicated in the actual words used. A larger proportion
is transmitted in the way people speak. Tone and inflection are good indicators of a whole range of
feelings and meanings. When transcribing, consideration should be given to how these feelings and
meanings can be communicated on paper by using punctuation marks, and techniques such as upper
case lettering, underlining and emboldening.

Basic content analysis will be used to organise the collected data together. This analysis method used
in social science research is described by many authors (Holsti, 1969; Carney, 1972; Krippendorff,
1980a; Weber, 1985; Neendorf, 2002). Krippendorff (1980b) defines content analysis as “a research
 technique for making replicable and valid inferences from data to their context”. There are various
techniques that can be used within the methodology of content analysis like coding; identifying themes,
using quotes. Coding is a process for both categorizing qualitative data and for describing the
implications and details of these categories. Initially one does open coding, considering the data in
minute detail while developing some initial categories. Later, one moves to more selective coding
where one systematically codes with respect to a core concept.

The researcher’s themes are often issues or problematic circumstances that draw upon the common
discipline of knowledge (Stake, 2003). Carney (1972) describes themes as an “incident, thought process
or view point which can be seen as coherent whole”. Where appropriate the triangulation process will
be used to ensure the validity of collected data. Triangulation is the process which seeks to examine
existing data to strengthen interpretations by cross checking data collected from different sources. This process therefore reduces the impact of potential bias that can exist in singly observed information. Small quotes can be used for analysis as this research is based on the expectations and experiences of software professionals.

**Conclusion**

The Indian economy was forced to adopt a structural change process at the beginning of 1991. Liberalization initiated the process of the opening up of an otherwise closed economy of India and created a hyper-competitive environment. A hyper-competitive business environment presented a number of challenges and opportunities, both external and internal. External challenges and uncertainties included barriers that were difficult to control. Internal challenges like dramatic advances in technology, changing of organizational forms necessitated redesigning of human resource practices. To respond to this turbulence, Indian organizations adopted innovative changes in their HRM practices.

Emerging economies also face a daunting challenge: to sustain their impressive growth rates for years to come, diversify that growth across a broader range of sectors and make it more inclusive across their populations. As this new landscape takes shape, India has the opportunity to position itself at the forefront of future economic growth – as a leading international hub for investment, human capital and innovation. The country’s growth rate remains among the strongest in the world, fuelled primarily by rising domestic demand. Despite these achievements, India must do more to take its place at the table with the world's most competitive economies. To improve its position, India needs to rebalance the foundations of its growth to build structures and capabilities that can help it withstand economic shocks and sustain high growth rates far into the future. Liberalization does not result in the replacement of “traditional” with “modern” in India but rather creates hybrid relationships in which an emergent global managerial class is built on and intertwined with pre-existing class and caste hierarchies. Interestingly, within the national context, India itself is not a homogenous entity. Regional variations in terms of industry size, business culture, socio-cultural issues and bureaucracy play very important roles. The nature of hierarchy, status, authority, responsibility and similar other concepts vary widely across the nation.

As the Indian economy is evolving and emerging, the interest of both researchers and policy makers continues to grow regarding what kind of HRM styles are relevant for the Indian context. Further, given the scarcity of robust HR research, the research problem addressed in this study is relevant.

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