



Innovative Human Resource Practices and Selected H.R. Outcomes in Software Firms

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Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets – the people working in the organization, who individually and collectively contribute to the achievement of the objectives of the business. As context, this paper views adoption and sustenance of innovations in human resource management practices as part of HR strategy and examines the relationship between the innovative HR practices and certain selected HR outcomes. The purpose of the study is to investigate the extent of satisfaction with innovative HR practices implemented in the organisation with the goals of: a) To bring out the human resource outcomes reflected by their levels of job satisfaction, organisational commitment and organisational citizenship behaviour. b) To ascertain the relationship between innovative HR Practices and the human resource (HR) outcomes among the employees in software firms in Kerala and c) To develop and statistically validate a model linking innovative HR practices and the HR outcomes.

KEYWORDS: Employees, Employers, Human Resource Management, Innovation, Outcomes, Practices, Satisfaction



INTRODUCTION:

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets – the people working in the organization, who individually and collectively contribute to the achievement of the objectives of the business. An HR manager's role entails taking key decisions on Workforce planning, Recruitment, Induction and Orientation, Skills management, Training and Development, Personnel Administration, Compensation in wage or salary, Time Management, Payroll, Employee Benefits Administration, Personnel Cost Planning and Performance Appraisal. Organizations must provide the right number of competent staff to meet clients' needs. In a recent survey of Indian CEOs, it was suggested that Indian managerial leaders were less dependent on their personal charisma; rather, they emphasize logical and step-by-step implementation processes. (Spencer, Rajah, Narayan, and Mohan & Latiri, 2014).

The Indian IT-BPO industry clients are now seeking more than just cost savings. They are looking at the country's service providers as transformation partners, innovating and developing customized solutions to address their needs. As a result, Indian companies are now trying to adopt a culture that encourages innovation, embraces new trends such as Green IT, and delivers solutions that are focused on re-engineering and transformation. Proactive capability building through focused investments across domains, processes, and technology expertise, coupled with added flexibility and scalability, delivers on this enhanced value proposition. The silver lining of the economic downturn is the opportunity for the industry to enhance its overall efficiency. Companies are increasingly looking inwards and focusing on process benchmarking, enhanced utilization of infrastructure and talent, increasing productivity and greater customer engagement. Coupled with wage moderation and lower attrition, these measures will help industry sustain its margins and invest in future growth (NASSCOM Newslines, November 2015).

STATEMENT OF THE PROBLEM

Adopting and sustaining progressive human resource management programs is a critical issue faced by many organisations today. There is still much to be understood about when innovations in human resource management practices successfully take hold and when they do not. Although innovative personnel programs are frequently adopted to improve the workplace,

many organisations fail to systematically evaluate their effectiveness after the implementation. Despite the fact that HRM innovations are typically introduced to achieve outcomes such as favourable employee attitudes and behaviour, they generally fall short of management expectations. This study views adoption and sustenance of innovations in human resource management practices as part of HR strategy and examines the relationship between the innovative HR practices and certain selected HR outcomes.

SPECIFIC OBJECTIVES

- a) To study the perception regarding innovative HR practices among the employees in software firms in Kerala in terms of:
- b) Importance of innovative HR practices for achieving the objectives of the organisation,
- c) The extent of introduction of innovative HR practices and,
- d) The extent of satisfaction with the innovative HR practices implemented in the organisation.
- e) To bring out the human resource outcomes reflected by their levels of job satisfaction, organisational commitment and organisational citizenship behaviour.
- f) To ascertain the relationship between innovative HR Practices and the human resource (HR) outcomes among the employees in software firms in Kerala.
- g) To develop and statistically validate a model linking innovative HR practices and the HR outcomes.

BASIC RESEARCH DESIGN

Methodologically the study falls into a descriptive cum explanatory framework. The study is descriptive in that it seeks to depict the distribution of employees who have differential levels of perception regarding the importance, extent of introduction and satisfaction levels in respect to the innovative HR practices in their respective firms and the distributions in terms of the criterion factors of HR outcome variables. Study proceeds to seek the precedent outcome linkages among the factors of both IHRP and HR outcome

variables. Further the data were used to achieve the most appropriate fit among the factors of the independent and dependent variables using Structural Equation Modeling (SEM) and is thus explanatory in character.

TOOLS OF DATA COLLECTION: QUESTIONNAIRE ON INNOVATIVE HR PRACTICES

This tool was designed by the Agarawala, T (2016) to assess employee perception of the innovative HR practices of certain selected organisations along the three dimensions of importance, introduction and satisfaction. The final version of the scale consisted of three parts, A, B and C, each having 14 items, the total number of items being 42. The fourteen items in each part of the questionnaire referred to fourteen HR practice categories, each HR practice category being broad enough to incorporate a number of innovative techniques.

These techniques were given as examples for each respective category. Each part of the questionnaire used a 4-point rating scale with 1 indicating a poor perception and 4 indicating a good perception for each dimension of innovative HR practice. The range of scores possible for each part (dimension) of the scale was 14 to 56. The split-half reliability coefficient for Part A (introduction), Part B (importance) and Part C (satisfaction), using the Spearman-Brown formula, was found to be 0.80, 0.85 and 0.81 respectively.

IMPORTANCE OF PEOPLE MANAGEMENT IN SOFTWARE COMPANIES

It's no secret that business success today revolves largely around people, not capital. This is of great significance especially in 'people businesses' like Information Technology (IT) companies with relatively high people costs and low capital costs. According to Barber & Strack, (2013) people businesses are those companies with relatively high employee costs, a high ratio of employee costs to capital costs, and limited spending on activities, such as R&D aimed at generating future revenue. The question of where and how value is being created or squandered could be identified in people-intensive businesses by looking into metrics of productivity of people rather than of capital.

The critical resources are employees an IT company hires, motivates and retains. While occasionally, the value employees create in some IT Companies does take the form of intangible assets like intellectual property, brands, and the like, most employees in people businesses like IT



services and products concentrate more on creating short-term value directly for customers, month for month and year for year, without the intermediary step of creating an intangible asset.

The distinct but generally unappreciated economics of people-intensive businesses like IT call not only for different metrics but also for different management practices. Even slight changes in employee productivity in IT companies have a significant impact on shareholder returns. In such cases "human resource management" is no longer a support function but a core process for line managers.

HUMAN RESOURCE ISSUES IN THE TIME OF THE GLOBAL ECONOMIC SLOWDOWN

The manpower situation is undergoing a major change as IT-BPO companies deal with the slowing global economy. The dynamic marketplace is also pushing HR within companies to evolve a new and more important role for itself. The global economic slowdown has impacted organizations across the world, creating a scenario where uncertainty, job losses, hiring and salary freezes have become the norm. In this situation, the role of HR within organizations is undergoing a significant change as well. From managing the expectations of employees and guiding them towards their performance goals, to preparing staff for cost cutting and surviving the economic crises, HR is having to transform itself and take a fresh look at organizational goals and how employees can meet them (NASSCOM Newslines, April 2013).

The role of HR itself is becoming more critical for companies today, as they bank on these specialized professionals to steer them through the slowdown. Not only do HR professionals have to communicate information about the economic slowdown and its impact on their companies to employees accurately and honestly, they also have to come up with 'people's' strategies that will enable their organizations to hold on to existing valuable talent without hiking their wage bills. In a number of organizations, HR is devising unique and innovative ways to enhance employee productivity and efficiency, while maintaining headcount. Strategies such as flexi-timings and 'work-from home' are emerging on the radars of companies, alongside the traditional freezes on annual increments and hiring from B-level campuses (NASSCOM Newslines, April 2012).



INNOVATIVE APPROACHES TO HRM IN WORKPLACES

A number of terms describe workplaces with innovative approaches to human resource management, including 'high-commitment management, high-involvement systems, transformed workplaces, flexible production systems and high performance work systems' and others argue that the benefits of innovations in work practices are manifold. They are likely to contribute to improved economic performance when three conditions are met: when employees possess knowledge and skills that managers lack; when employees are motivated to apply this skill and knowledge through discretionary effort; and when the firm's business or production strategy can only be achieved when employees contribute such discretionary effort (MacDuffe, 2013). New work practices typically reduce the need for supervision, and alternative forms of work organisation promote flexibility in deployment so that labour can be used more efficiently. Innovative arrangements also have the potential to increase employee morale, thereby improving performance through reduction in grievances and through greater effort and diligence.

An effective organisation is vital to success. However research shows that only 15% of the companies have an organisation that helps them to outperform in a competitive environment. A high performance organisation is known by five important attributes namely, compelling leadership and direction, accountability, talented work force, frontline execution and high work performance culture (Blenko and Rogers, 2014). A high performance work culture comes only through the introduction of innovative human resource practices.

Innovative HR practices have been defined as "the intentional introduction and application of any previously unused concept, practice, process or system designed to influence or adapt the behaviour of employees with the aim of achieving improved organisational performance, identified and implemented by human resource practitioners." They are likely to contribute to improved economic performance only when three conditions are met: when employees possess knowledge and skills lacked by managers; when employees are motivated to apply this skill and knowledge through discretionary efforts; and when the firm's business or production strategy can only be achieved when employees contribute such discretionary efforts (MacDuffie, 2013).

Significant progress has been made linking innovative HR practices such as systems of high performance work practices, to organisational performance.

WORKPLACE INNOVATIONS

A study of innovative work practices can contribute to ones understanding of firms' behaviour. It provides an insight into how organisations are responding to wide-ranging economic and social transformations. This puts us in a better position to answer questions like whether the forces of so-called “new competition” necessitate root-and branch changes to established working methods, or whether firms are able to get by with more modest, incremental reform. Secondly, measuring the use of innovative work practices can deepen our understanding of unfolding relationships and dynamics within organisations. Literature identifies a number of work practices that are claimed to facilitate cost savings, quality improvements and greater operational flexibility within enterprises (Osterman, 2014). The common thread connecting these practices is that they simultaneously provide front line employees – the employees who actually make the product or provide the service – with the resources and the opportunity to apply their practical knowledge of the organisation's products and processes to solving problems and improving performance.

SELF-DIRECTED/SEMI-AUTONOMOUS TEAMS

These are groups of front-line employees that are assigned collective performance targets by management. Apart from this, however, they enjoy wide-ranging autonomy to manage their own budgets, to design their own processes and to schedule and distribute work within the team. As a result of delegating responsibility to the most informed local agents it is claimed that self-directed teams can deliver better decisions, more effective problem solving, greater flexibility and innovation (Cooke, 2013). As with other innovative work practices, however, the impact of teams on the quality of working life is an open question.

INNOVATIVE HR PRACTICES / HRM INNOVATIONS (HRMI)

In the literature of organisational change, innovation is a particular type of change. Change refers to any alteration in structure, process, inputs or outputs of an organisation. Innovation refers to changes that are new to the adopting organisation. Thus innovation is change but not all change is innovative. When something novel for all organisations is adopted the term “invention” is used to describe that change (Robey and Sales, 2013).

The term innovation has been used to refer to two related concepts in the ‘innovation’ literature. Some researchers have used the term to refer to the process of bringing new products,



equipment, programmes or systems into use (Damanpour, 2014) while others have used it to refer to the object of the innovation process, that is, the new product, equipment, programme or system (Rogers, 2013). The latter use of the term is adopted in the present research, following Wood (2014) who defined innovative HR practices as ideas, programmes, practices or systems related to the HR function and new to the adopting organisation. Use of the term innovation has also differed in respect of whether 'objective newness' is considered an important criterion of innovation.

Over the last few years, however, the human resource function has gained significant legitimacy. This has been aided by a substantial body of evidence linking innovative approaches to human resource management with various indicators of organisational success, and by theoretical developments based on to the resource-based view of the firm (Barney, 2015). These developments have helped shift attention squarely on the importance of people in achieving competitive advantage.

The intentional introduction and application of any previously unused concept, practice, process or system is designed to influence or adapt the behaviour of employees with the aim of achieving improved organisational performance, identified and implemented by human resource practitioners.

This definition better reflects the wide scope of innovative HR practice (from functional activities to wide ranging strategic initiatives) capable of affecting the entire social structure of an organisation. Importantly it also attempts to transfer ownership and responsibility for the HRM process to HR professionals

INNOVATIVE HR PRACTICES CATEGORY

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Significant progress has been made linking innovative HR practices such as systems of high performance work practices, to organisational performance. Research has suggested that not only do innovative HR practices result in tangible organisational results (Inchinowski, Kochan, Levine & Olson, 2013) but they also assist organisations in developing innovative solutions as the need arises.).

HUMAN RESOURCE MANAGEMENT INNOVATION IMPLEMENTATION

Human resource management (HRM) innovation concerns new HRM ideas and practices that strive to add value to HRM and organisational performance (de Leede and Looise, 2012). Although it is becoming increasingly popular, it remains expensive and often falls short of achieving the desired outcomes. Unique and truly valuable innovative HRM programmes can face conflicting priorities, uneven control of resources and diversity in the backgrounds of participants, and may fail as a result.

Contrasting the perceptions of different employee groups about innovative HRM programmes calls for careful implementation of intended HRM practices in the organisations. In some cases, as noted by Wright and Nishi (2013), this entails a massive transformation of the initial ideas, while in others it simply requires minor adaptations. Given this, it seems important to study the process of implementation of HRM innovations. In this paper, we follow where implementation is defined as a process of gaining targeted organisational members' appropriate and committed use of HRM innovation. The paper proceeds to show how the HRM frames of HR specialists and line managers in a real organisational setting influenced their attitudes and, based on this, their actions towards the HRM innovation.

The term implementation is given a variety of meanings in the literature, but conversely, in many studies, it is seen as an implicit term not requiring definition. In a broad sense, implementation is considered a period of organisational transition between the idea to introduce a particular innovation until its adoption by the targeted employees. Ideally, the targeted organisational members should become skilful, consistent and committed in their use of a HRM innovation. By targeted organisational members, we mean those people who are expected to use the HRM innovation directly (the use of new HRM instruments by line managers, HR professionals and shop floor employees) or to support the innovation (top management and workforce) or to adapt to new HRM settings in an organisation. Given the growing interest in research into the process of HRM implementation, various studies have attempted to demonstrate the distinction between intended, actual and perceived HRM practices. We would echo Becker and Huselid's (2006) observation that clarity and operationalization of HRM implementation are crucially important to accomplish business strategies.

If we define the success of HRM innovation implementation as the consistent, skilled working with the new HRM practices by the various groups of organisational members, then we should acknowledge that to do so, the various social groups should first achieve a consistent understanding of those practices. Such understandings, interpretations and assumptions are the initial inscription steps leading to HRM enactment and, thus, implementation. Successful implementation is a necessary but not sufficient condition for HRM innovation effectiveness: implementation is not a guarantee that the HRM innovation will bring benefits to an organisation. The literature suggests that innovation implementation may result in one of the three outcomes:

- 1) Implementation is successful, and its use enhances HRM performance;
- 2) Implementation is successful, but its use does not improve HRM performance; and
- 3) Implementation fails

It is argued that understanding people's interpretations of the HRM innovation is critical to understanding how they adopt it. To work in a new HRM situation or to make use of a HRM innovation, people have to make sense of it; and in this sense-making process they develop particular assumptions, knowledge and expectations that then shape subsequent actions toward it. In a less, philosophical way, frames are defined as organized knowledge structures that allow individuals to interact with their environment.

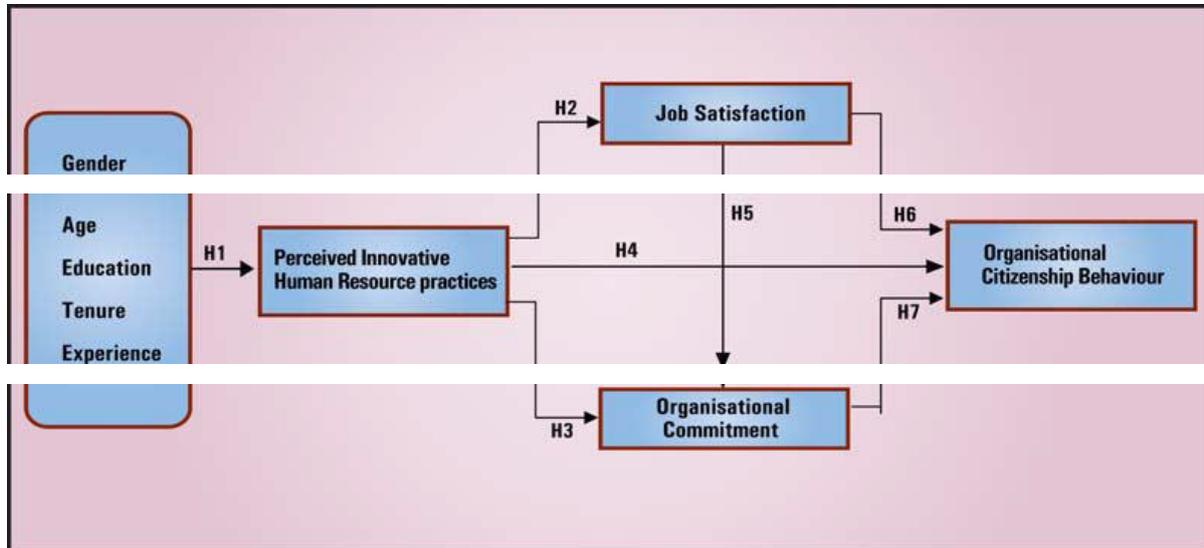


An understanding of how actors interpret an HRM innovation is critical in understanding their interactions with HRM. To interact with the HRM innovation, actors have to make sense of it and, in this sense-making process, they develop particular assumptions, expectations and knowledge of HRM, which then shape their subsequent interpretations of it. Even though these assumptions, interpretations and frames of reference are generally taken for granted and rarely studied or reflected upon, they nevertheless play an important role in influencing and structuring how people think and act towards HRM innovations. Frames are always interpretive, flexible and context-specific. As Lin and Silva (2014, p. 50) note, “Individuals who rely on the same frame to make sense of the same object, in different contexts, may arrive at different interpretations of and conclusions about the same object”. This means that it is impossible to establish a set of components of one’s HRM frame outside the context, or in advance.

VARIABLES OF THE STUDY & DESCRIPTIONS

1. Socio-Demographic Background
2. Innovative HR Practices - Independent
3. Job Satisfaction - Intervening
4. Organisational Commitment - Intervening
5. Organisational Citizenship Behaviour – Dependent

Diagrammatic representation of the conceptual model



HR OUTCOMES

The HR variables measured included Job Satisfaction, Organisational Commitment and Organisational Citizenship Behaviour.

JOB SATISFACTION

This was measured using 14 item questionnaire by Hatfield (1985). It comprises of Satisfaction with job security, compensation, personal growth satisfaction, satisfaction with co-workers and satisfaction with supervisor. Respondents were asked to indicate their agreement or disagreement with each of the items listed in the questionnaire using a 7-point scale ranging from “extremely satisfied” through “extremely dissatisfied”. The reliability scores of the Cronbach’s alpha values for different aspects are satisfaction with work (0.81), satisfaction with pay (0.90), satisfaction with co-worker (0.83), satisfaction with supervisor (0.82) and overall job satisfaction is (0.68).

ORGANISATIONAL COMMITMENT

It was measured using a ten items questionnaire to construct the commitment scale derived from the instrument developed by it has two dimensions the affective commitment and continuance commitment. Each dimension had 5 items each. Respondents were asked to indicate their agreement or disagreement with each of the items listed in the questionnaire using a 7-point



scale ranging from “strongly disagree” through “strongly agree” with a midpoint labeled “neither agree nor disagree.” The reliability cronbach’s alpha scores of the two dimensions of the organisational commitment are affective commitment (0.81) and continuance commitment (0.78) with a split half coefficient of 0.77 and 0.76 respectively.

ORGANISATIONAL CITIZENSHIP BEHAVIOR

OCB was measured using a 12-item Scale made by Paré, Tremblay, and Lalonde, which was adopted from Podsakoff et al. and Williams and Anderson Citizenship behaviors can be directed at the organisation (OCBO) (e.g., carrying out role requirements well beyond minimum required levels) and/or they may benefit specific individuals (OCBI) (e.g., helping a specific other person with a relevant task). Williams and Anderson’s (1991) seven-item OCBO and seven-item OCBI scales took most of the measures representing these constructs from previous research by Bateman and Organ (1983), Graham(1986a), Organ (1988) and Smith et al.

The internal consistency reliability of the OCBI Scale was 0.88 and the internal consistency reliability of the OCBO Scale was 0.75. Estimates of internal consistency reliability of the OCBI Scale averaged 0.85 across the studies conducted by Williams and Anderson Turnley et al. and Randall et al. (1999), ranging from a low of 0.80 to a high of 0.88. The internal consistency reliability estimates for OCBO in these studies averaged 0.76, ranging from a low of 0.70 to a high of 0.83. Overall the scale appears to be highly reliable. Respondents were asked to indicate their agreement or disagreement with each of the items listed in the questionnaire using a 7-point scale ranging from “strongly disagree” through “strongly agree” with a midpoint labelled “neither agree nor disagree.” There were three reverse coded items in OCBO scale like take undeserved work breaks, great deal of time spent with phone conversations and Complains about insignificant things at work.

RELIABILITY ANALYSIS

Reliability of an instrument is the degree to which it yields a true score of the variable under consideration. It is defined as the extent to which any measuring instrument yields the same result on repeated trials (Carmines and Zeller, 2014). An instrument is not considered to the extent to which it contains measurement error (Neale and Liebert, 2013). There are several methods to establish the reliability of a measuring instrument. These include test-retest method, equivalent



forms, split-halves method and internal consistency method. Of all these methods, the internal consistency method is supposed to be the most effective method, especially in field studies. The advantage of this method is that it requires only one administration, and consequently this method is considered to be the most general form of reliability estimation. In this method, reliability is operationalized as 'internal consistency', which is the degree of inter-correlation among the items that constitute a scale.

The internal consistency of a set of items refers to the homogeneity of the items in a particular scale. Internal consistency is estimated using a reliability coefficient called Cronbach's alpha (Cronbach, 1951). An alpha value of 0.70 or above is considered to be the criterion for demonstrating strong internal consistency of established scales (Nunnally, 1978).

In the current study the reliability was tested by computing Cronbach's alpha (α) for all the factors as well as for the entire set.

Reliability analysis of different variables of the study

1. Innovative Human Resource Practices (IHRP) No. of items 42 Cronbach alpha 0.826
 2. Job Satisfaction (JS) No. of items 14 Cronbach alpha 0.930
 3. Organisational Commitment (OC) No. of items 10 Cronbach alpha 0.824
 4. Organisational Citizenship Behaviour (OCB) No. of items 12 Cronbach alpha 0.846
- Overall No. of items 78 Cronbach alpha 0.932

Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis was done on the final data to confirm the structure developed with the study. The general paradigm suggested by Anderson and Gerbing (1988) was followed in the current research in order to test a model of Innovative HR Practices and various HR outcomes. The measurement models of each of all outcomes were first assessed and then a structural model linking all the outcomes was tested. Software package AMOS 4.0 was used to do the Confirmatory Factor Analysis. The following are the commonly used fit indices which help to assess the fit between a model and a data set which in turn proves its validity.



Confirmatory Factor Analysis on Innovative HR Practices (IHRP)

Confirmatory Factor Analysis was done on Innovative HR Practices consisting of three factors i.e. Introduction, Importance and the Extent of Satisfaction of IHRP.
Confirmatory Factor Analysis values for Innovative HR Practices

GFI AGFI CFI TLI RMR RMSEA

0.848 0.821 0.846 0.827 0.031 0.039

Confirmatory Factor Analysis on Job Satisfaction (JS)

Confirmatory Factor Analysis was done on Job Satisfaction consisting of four factors i.e. Job Security & Compensation, Personal Growth Satisfaction, Co-worker Satisfaction and Supervisory Satisfaction.
Confirmatory Factor Analysis values for Job Satisfaction

GFI AGFI CFI TLI RMR RMSEA

0.923 0.893 0.956 0.947 0.056 0.065

Confirmatory Factor Analysis on Organisational Commitment (OC)

Confirmatory Factor Analysis was done on Organisational Commitment consisting of two factors i.e. Affective Commitment and Continuance Commitment.
Confirmatory Factor Analysis values for Organisational Commitment

GFI AGFI CFI TLI RMR RMSEA

0.943 0.898 0.938 0.910 0.093 0.078

Confirmatory Factor Analysis on Organisational Citizenship Behavior (OCB)

Confirmatory Factor Analysis was done on Organisational Citizenship Behavior consisting of two factors i.e. OCB Individual and OCB Organisation.
Confirmatory Factor Analysis values for Organisational Citizenship Behavior

GFI AGFI CFI TLI RMR RMSEA

0.938 0.887 0.939 0.906 0.088 0.075



The values got from the Confirmatory Factor Analysis done on Innovative HR practices, job satisfaction, organisational commitment and Organisational Citizenship Behavior reveals that the model is acceptable as the values fall within the acceptable ranges.

SCOPE OF THE STUDY

Unit of observation and analysis: Software professionals who are employees of the software firms identified as those with innovative HR Practices. Place of study: Technopark, Thiruvananthapuram and Infopark, Kochi

Data Sources

Primary data collected from the software professionals who contribute the population of the study. Secondary data from the NASSCOM Directory 2005 & 2007, Data Quest and India Today 2005, IT & Telecom Directory 2005, websites of Software Technology Parks of India (STPI), Thiruvananthapuram, Infopark , Kochi and company databases.

Data Collection

- a) Kochi and Thiruvananthapuram were taken as representative Techparks of software sector in Kerala.
- b) Unit Heads / HR Heads of the firms in the selected Techparks were Contacted with a request to participate in the study.
- c) Data collection coordinated by the respective HR department and was confined to one of the projects / product development team.
- d) Internal coordinators were identified in each team in order to facilitate the data collection.

The very objective of the study has been to study the extent of importance, introduction, implementation and satisfaction of innovative HR practices in Software companies in Kerala and HR outcomes based on an empirical analysis. Such an empirical study demands a rigorous research methodology with a reliable and valid instrument. The extent of importance, introduction, implementation and satisfaction of innovative HR practices in Software companies is done by measuring the perceptions of members in the organisation on innovative HR practices. The questionnaire survey has been widely acknowledged as an efficient tool for measuring the perceptions of individuals or organisations on a particular subject. The

survey research method is very useful to collect data from a large number of firms in a relatively short period of time and with better-cost implications. Hence for the current study, the questionnaire survey has been chosen for data collection.

Population

The population for the present study was specified through the progressive sequence as follows:-

- a) List of software firms from the respective selected Techparks [Software Technology Parks of India (STPI), Thiruvananthapuram and Infopark, Kochi] was compiled to broadly define the population of the study.
- b) Human resource experts from software firms, management consultants and the faculty from Indian Institute of Information Technology & Management (IIITM), Thiruvananthapuram were approached to identify the firms that have adopted innovative human resource practices against a set of specified criteria.

Selection of the units of observation

- Census approach was adopted to ensure the complete coverage of the population and to reflect the heterogeneity anticipated among the nature of projects, teams, firms and location of firms.
- 343 responses collected from 17 firms. Two firms did not agree to participate in the study and the researcher could not collect data from two other firms which had agreed to cooperate with the study. Detailed examination of the data based on grossly missing or inappropriate values resulted in the deletion of 33 records. Thus the final data set had 310 usable records that comprise the total sample

SAMPLE SIZE AND SAMPLING METHOD:-

Sample size is decided based on power analysis which is used by Krishnan and Singh, (2010) where by forming an explanatory power of .80 and the f^2 value of 0.02 it was found that the sample size should be 287 but to decrease the problem of data inadequacy researcher has opted for the sample size of 310 samples.

The first formula is appropriate when we are evaluating the impact of a set of predictors on an outcome. The second formula is appropriate when we are evaluating the impact of one set of predictors above and beyond a second set of predictors (or covariates).

HR OUTCOME VARIABLES OF THE STUDY

The present study is emphasizing on the effect of IHRP on selected HR outcomes. The selected HR outcome variables studied included job satisfaction, organisational commitment and organisational citizenship behaviour. The following paragraph presents the differences of perceptions of the respondents on the selected HR outcomes.

Descriptive Statistics for selected HR outcome variables of the study

Variables Mean Std. Deviation N

Job Satisfaction 5.28 .963 310

Organizational Commitment 5.09 .858 310

Organizational Citizenship Behaviour 4.93 .676 310

The anticipation of the relationships among the selected HR outcomes variables prompted the researcher to look for the influence of variations in their perception on IHRP on the various sub dimensions of HR outcome variables. Researcher analysed the relationship between this sub dimensions of job satisfaction, organisational commitment and organisational citizenship behaviour across high and low perception on IHRP. The sub dimensions of Job Satisfaction used in this study are supervisory satisfaction, co-worker satisfaction, personal growth satisfaction, and job security and compensation.

FINDINGS

- The analyses of the background variables showed that a comparatively large representation of male employees work in software firms than female employees and also that technical graduate made the major portion of the human resource in software companies. It also revealed that the majority of the software professionals belonged to below thirty years of age category and had tenure of only less than two years in these software firms. Most of them had total professional experience of less than four years.
- Software professionals perceived that their firms gave importance to the innovative HR practices for achieving the organisational objectives when compared to the extent of

introduction of the innovative HR practices for achieving the organisational objectives and extent of satisfaction of the innovative HR practices.

- Employees in software companies perceived the Importance, extent of introduction and satisfaction of innovative HR Practices similarly not withstanding their difference in gender.
- Age of employees did not affect their perception on the importance of IHRP but affected their perception in terms of extent of introduction and extent of satisfaction of IHRP with respect to age group.
- It is found that the perception of importance of innovative HR practices had no difference with respect to educational qualification of the employees, while extent of introduction and satisfaction showed significant difference with respect to the employee's educational qualifications.
- Perceived extent of introduction of the innovative HR practices and extent of satisfaction showed significant difference with respect to the employee's tenure with the organisation but the perceived importance did not show any significant difference with respect to tenure.
- It also showed that the perceived Importance had no difference with respect to experience, while perceived extend of introduction and satisfaction showed significant difference with respect to the employee's experience.
- Perceived importance of innovative HR Practices had insignificant effect on job satisfaction, meanwhile Introduction and the extent of satisfaction of innovative HR practices had a significant relation on job satisfaction.
- Perceived importance of the innovative HR practices had significant influence only on the personal growth satisfaction sub dimension of job satisfaction, but introduction and extend of satisfaction of innovative HR practices had significant influence on all four sub dimensions of job satisfaction i.e. supervisor satisfaction, co-worker satisfaction, personal growth satisfaction and job security and compensation.
- The perceived importance, extent of introduction and the extent of satisfaction of the innovative HR practices were positively related to employees' organisational commitment.
- The perceived importance, extent of introduction and the extent of satisfaction of the innovative HR practices were positively related to both the sub dimensions of employees' organisational commitment i.e. affective commitment and continuance commitment.

- The perceived importance, extent of introduction and the extent of satisfaction of the innovative HR practices were significantly related to employees' organisational citizenship behaviour.
- The perceived importance, extent of introduction and the extent of satisfaction of the innovative HR practices were significantly related to both the sub dimensions of the employee's organisational citizenship behaviour i.e. organisational citizenship behaviour (individual) and organisational citizenship behaviour (organisational).
- There was strong positive relation for job satisfaction with organisational commitment. All the four sub dimensions of job satisfaction i.e. supervisor satisfaction, co-worker satisfaction, personal growth satisfaction and job security and compensation had significant influence on both the sub dimensions of employees organisational commitment i.e. affective commitment and continuance commitment.
- There was strong positive relation for job satisfaction with organisational citizenship behaviour. all the four sub dimensions of job satisfaction i.e. supervisor satisfaction, co-worker satisfaction, personal growth satisfaction and job security and compensation had significant influence on both the sub dimensions of employees organisational citizenship behaviour i.e. organisational citizenship behaviour (individual) and organisational citizenship behaviour (organisational).
- There was strong positive relation with organizational commitment and organisational citizenship behaviour. All the sub dimensions of employee's organisational commitment i.e. affective commitment and continuance commitment had significant influence on both the sub dimensions of employees' organisational citizenship behaviour i.e. organisational citizenship behaviour (individual) and organisational citizenship behaviour (organisational).
- Structural Equation Modelling (SEM) shows that job satisfaction and organizational commitment are acting as the intervening variables unlike visualized in the initial conceptual framework adopted for the study. The direct relationship between innovative HR practices (IHRP) and organisational citizenship behaviour (OCB) imagined earlier in the default model was found to be insignificant in the hybrid model. But IHRP-OCB linkage assumes meaning and significance when organisational commitment and job satisfaction are interposed. The SEM analysis thus established the intervening effects of organisational commitment and job satisfaction in the overall explanation.

13. IMPLICATIONS TO MANAGEMENT THEORY:-

In this study the relationship between innovative HR practices and selected HR outcomes is investigated. The current study represents a unique attempt to study the effects of innovative HR practices, with job satisfaction, organisational commitment and organisational citizenship behaviour considered as the consequent variables. Results have affirmed the role of intervening variables such as job satisfaction and organisational commitment in establishing the link between IHRP and OCB obliterating any direct relation between IHRP and organisational citizenship behaviour.

This finding may enable researchers in the human resource management to develop more robust understandings of the positive effects of innovative HR practices on HR outcomes. Thus the present study provides the obvious contribution of weaving up yet another linkage between the two complimentary disciplines of Human Resource Management and Organisational Behaviour.

The present study also contributes to the understanding of OCB by exploring its antecedents and extending the intervening role of job satisfaction and organisational commitment. The findings indicate that a higher level of introduction / initiation and satisfaction of innovative HR practices produces high job satisfaction and organisational commitment which lead to OCB. The researcher drew upon the perception–attitude– behaviour model to further realise the expected relationship among innovative HR practices, job satisfaction, organizational commitment and organisational citizenship behaviour. consequently, this study makes a contribution to the broader organisational citizenship behaviour literature by manifesting the extended relationship path from innovative hr practices to organisational citizenship behaviour, and demonstrating that innovative hr practices at the organizational level has an effect on employee attitudes and behaviours as well.

IMPLICATIONS FOR MANAGERIAL PRACTICE:-

This study offers practical implications for employers seeking to motivate employees, and provides insights into why the employees are willing to engage in extra role behaviours in organizations. The IHRPOCB model will enable the management to identify the paths that lead to OCB and chalk out strategies for making it more effective.

Providing innovative HR practices help organizations convey an impression of employee-orientation through the use of motivational practices that are closely related to the immediate interests of employees, and which are aimed at influencing employee perceptions and attitudes. Moreover, the levels of perceived satisfaction with the innovative HR practices by the employees also encourage employees to be unselfish and altruistic. This turns their emotions into a willingness to engage in extra role behaviours that are not immediately related to their jobs but are beneficial to their organizations. This would make the organizations more effective in managing human resources especially the firms which are team based.

SCOPE FOR FURTHER RESEARCH:-

- ❖ Further studies may focus on identifying and comparing the perception of HR managers, line managers and software professionals on innovative HR practices of the company.
- ❖ To achieve better refraction and to widen the spectrum of the present set of findings, researchers may also look into the HRM practices and HR outcomes of the software firms based on classification in terms of product-oriented and project or service oriented companies.
- ❖ Studies can also focus on innovative HR practices and HR outcomes with reference to life cycle stages of the organisation.
- ❖ As longitudinal study affords a better insight into causal relationship, it would be advisable to go for a longitudinal study in further researches in the field where additive and interactive effects of various innovative HR practices on HR outcomes could be unearthed.

CONCLUSIONS

New economic realities have put pressure on the human resource function to demonstrate how it can add value to the firm's bottom line. Early conceptualizations often questioned the function's relevance to organizational effectiveness, mainly for the fact HR was seen to hold a primarily a reactive, administrative role.

This research truly reflects the wide scope of innovative HR practice (from functional activities to wide ranging strategic initiatives) as well as its capability to affect the entire social structure of an organization. Importantly, it also attempts to transfer ownership and responsibility for the



Innovative HR Practices process to HR professionals. Thus through this study a wide influence of Innovative HR Practices on the HR outcomes has been brought out.

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