A Study on Impact of Globalization on HR Practices in it Sectors with Special Reference to Thiruvananthapuram

Dr. Abdul Rahim and S.G. Starlin Mano
1Associate Professor of Commerce, Alagappa Government Arts College, Karaikudi – 3, Sivagangai District, INDIA.
2Assistant Professor, Maria College of Engineering and Technology, Attoor – 629177, INDIA.

Abstract: In the era of globalization a group of challenges get place in the field of Human Resource Management (HRM) and HRM is ready to face these challenges with innovative practices. Global competitiveness is most pressing challenge facing by countries and businesses in today’s business environment. This article suggests certain emerging practices that engage in Technological up gradation and managing work force diversity.

Key words: Employees performance, Globalization, HR Policies and Human Resource Management.

I. Introduction
Globalization describes an ongoing process by which regional economies, societies and cultures have become integrated through a globe-spinning network of communication and trade. Globalization presents cross border transaction in goods and services world wide, movement of international capital, international diffusion of technology and greater coverage of information. Information technology, expansion, exports, technology upgradation and foreign investment are some of the facilitators in the process of globalization. The impact of globalization on Human Resource Management (HRM) needs carefully consideration. HRM is the function within an organization that focuses on recruitment, management and providing direction for the people who work in the organization. Human resource can also be performed by the line managers. The responsibility of HRM attracts and preserves and develops high caliber people that proves competitive advantage for any business. The field of HRM has undergone a dramatic transformation during the last few decades. This paper discusses the changing face of HRM in the era of globalization. The global trends of HRM are shaped by competitive downsizing, outsourcing and more diverse workforce.

II. Basic terms and concepts
a. Proponents of globalisation: According to the Managing Director of the International Monetary Fund (IMF), “Globalisation is a positive development for the world economy … to begin with, globalisation is the continuation of the trend of growing openness and integration among economies that has brought the world a half century of unparalleled prosperity” (Niemann, 2005).
b. Opponents of Globalisation: Globalisation has been marked by a concerted approach by capitalists, in particular trans-national corporations, to safeguard their interests and to destroy any possibilities of socialism (Niemann, 2005).
c. Policies and procedures: Policies and procedures refer to the systematic way an organisation designs, structures or organises its collection of information for purposes of storage and access (Urgo, 1999).
d. Effectiveness: “It may be reserved for the achievement of specific, measurable, desired ends. Effective management can be quantified as the manager being concerned with using the available resources to achieve the specific objectives” (Du Toit, Knipe, Van der Walt, Bayat and Cheminas, 1998).
e. Public Human Resource Management (PHRM): It is a strategic and coherent move to the management of a public service institution's most valued assets - the people working there who individually and collectively contribute to the accomplishment of the objectives of the organisation. Human Resources management is constantly evolving. Human resources management is both an academic theory and a practice that addresses the theoretical and practical techniques of managing a workforce (Armstrong, 2006).
f. Strategic public human resources planning: Van der Walld, et al (2002) states that any public manager ought to know where the institution is and where it is going. It is necessary to know the implications on the future demands and supply of human resources.
III. IT industry of Kerala

The IT sector of Kerala spread across its 10 IT Parks which provides employment to about 2,00,000 people. Technopark in Thiruvananthapuram, Infopark in Kochi, Cyberpark in Kozhikode and Rural IT Parks (Techno lodges) are the three main IT Parks promoted by Government. Taking into consideration of demand for built up space inside the Government owned IT Parks, the Park invite private developers established in India and abroad to construct more built up space. In order to increase the availability of IT infrastructure, Government also promote IT Parks in private sector outside the Government owned IT Parks. Government frames guidelines and standards for private IT Park certification.

IV. Objectives of the study

- To examine selected administrative and management structures responsible for human resource policies and procedures on training and development in the IT Sectors.
- To understand how human resources departments in the in the IT Sectors are adapting to dynamic changes in the field of human resources management nationally and internationally.
- To ascertain the extent to which human resource management functionaries focus on normative foundations: Deference to labour, human rights and ethical standards.

V. Research design of the study

a. Population: Technopark is an autonomous organisation fully owned by Government of Kerala registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. This is a CMMI Level 4, ISO 9001:2008, ISO 14001:2004 and OSHAS 18001:2007 certified Technology Park. Being one of India's largest IT Parks, it is one of world's greenest Technopolis as well. Technopark came into existence in 1990 at Kerala State Capital. Technopark companies employ more than 53000 IT professionals. Spread across 760 acres of land with 9.33 million sq.ft built up space (completed) & 3.5 million sq.ft (work in progress) and over 350 companies operational at present.

b. Sample of the study: The study is confined to IT employees in Technopark, Thiruvananthapuram. The total size of the sample 702 was consisting the different category such as Higher Management, Mid Management and Software Engineers for analyzing the study on the impact of globalization on HR practices in IT sectors with special reference to Thiruvananthapuram of Kerala.

Population size (N) = 350 companies
Expected Sample Size (n₀) = 88 (twenty five percentage from population size)
Sample size n = \( \frac{\text{Expected Sample Size (n₀)}}{1 + \left( \frac{\text{Expected Sample Size (n₀)} - 1}{\text{Population size (N)}} \right)} \)
\[ = \frac{88}{1 + \left( \frac{88 - 1}{350} \right)} \]
\[ = 70.16 \times 10 \text{ respondents from each company} \]
\[ = 702 \text{ respondents} \]

c. Instrument for data collection: The data used for this study includes primary and secondary data. Primary data have been collected from 702 IT employees using well structured questionnaire. Secondary data is collected from various sources such as journals, magazines, text books, and websites to support for this study on the impact of globalization on HR practices in IT sectors, Technopark.

d. Questionnaire: Questionnaire is a set of questions has been prepared to ask a number of questions and collect answers from respondents relating to the research topic. A number of questions usually in printed or electronic form are to be answered by the individuals. The forms often have blank spaces in which the answers can be written. Sets of such forms are to be answered by the individuals. These tools have been used to run the statistical analysis end to create suitable tables and figures.

Reliability Coefficients

No. of Cases = 70  No. of Items = 117
Alpha = 0.86 (i.e. 86%)

g. Data analysis: This study has used Microsoft Excel and Statistical Package for Social Sciences (SPSS) computer software for analyzing the primary data of this study. These tools have been used to run the statistical analysis end to create suitable tables and figures.
i. **Cluster analysis:** This procedure attempts to identify relatively homogeneous groups of cases based on selected characteristics, using an algorithm that can handle large numbers of cases. However, the algorithm requires specifying the number of clusters. We can specify initial cluster centers if we know this information.

ii. **Factor analysis:** Factor analysis is a multivariate statistical technique used to condense and simplify the set of large number of variables to smaller number of variables called factors. This technique is helpful to identify the underlying factors that determine the relationship between the observed variables and provides an empirical classification scheme of clustering of variables into groups called factors.

### VI. Analysis and Interpretation

#### A. Cluster Analysis

In this study this technique is carried out based on the different dimensions of impact of Globalization on HR practices in IT sectors among IT employees and personal factors of the respondents on the various aspects relating to level of employees’ perception on global expansion.

**Hypothesis:** Personal factors associated on the global expansion don’t influence the clusters.

The Table 1.1 describes the results of ANOVA for each personal classification on the global expansion considered.

- The cluster analysis transparently reveals that the samples are classified into 3 heterogeneous groups with respect to personal profile and various aspects of perception on global expansion of the respondents. The first cluster is grouped based on their opinion relating to mostly true with various levels of perception on global expansion are fall under the Gender (Male), Age (31-35 Years), Educational qualification (Post graduate), Employment status (Temporary), Department (Mid management), Monthly income (Rs.25000-35000), Experience (11-15 years), Marital Status (Married), Nature of family (Nuclear) and Residential area (Semi urban).
- The cluster analysis transparently reveals that the samples are classified into 3 heterogeneous groups with respect to personal profile and various aspects of perception on global expansion of the respondents. The second cluster is grouped based on their opinion relating to sometimes true with various levels of perception on global expansion are fall under the Gender (Male), Age (31-35 Years), Educational qualification (Post graduate), Employment status (Temporary), Department (Mid management), Monthly income (Rs.25000-35000), Experience (11-15 years), Marital Status (Single), Nature of family (Nuclear) and Residential area (Semi urban).
- The cluster analysis transparently reveals that the samples are classified into 3 heterogeneous groups with respect to personal profile and various aspects of perception on global expansion of the respondents. The second cluster is grouped based on their opinion relating to sometimes true with various levels of perception on global expansion are fall under the Gender (Male), Age (31-35 Years), Educational qualification (Post graduate), Employment status (Temporary), Department (Mid management), Monthly income (Rs.25000-35000), Experience (5-10 years), Marital Status (Married), Nature of family (Nuclear) and Residential area (Semi urban).

#### B. Factor analysis

Using the different dimensions in study of impact of Globalization on HR practices in IT sectors performed and the results are presented in the following tables.

**i. Kaiser-Meyer-Olkin Measure of Sampling Adequacy**

The significance (0.00) is less than the assumed value (0.05) & KMO coefficient = 0.76. This implies that the factor analysis is valid.

The varimax rotation is one such method to obtain better result for interpretation is employed and the results are given in Table 1.1.

Eight factors were identified as being maximum percentage variance accounted. The six variables A7, A11, A15, A21, A24 and A25 were grouped together as factor I and accounts 16.39% of the total variance. The five variables A1, A9, A10, A13 and A28 constituted the factor II and accounts 10.42% of the total variance. The three variables A2, A16 and A22 constituted the factor III and accounts 8.92% of the total variance. The three variables A8, A12 and A26 constituted the factor IV and accounts 6.85% of the total variance. The three variables A3, A18 and A19 constituted the factor V and accounts 4.91% of the total variance. The three variables A6, A17, A20 and A27 constituted the factor VI and accounts 4.15% of the total variance. The two variables A14 and A23 constituted the factor VII and accounts 4.05% of the total variance. The two variables A4 and A5 constituted the factor VIII and accounts 3.82% of the total variance.

The six variables of perception on global expansion such as Effective and regular performance appraisal system for promotions and incentives was existing (A7), Global expansions took place in front of us (A11), After global expansion, getting some additional welfare facilities (A15), Improvement in technology has reduced the cost of transportation and communication (A21), Number of permanent jobs is decreasing and contract jobs are increasing...
(A24) and Training is an essential requirement in case of global expansion (A25) were grouped together as factor I and accounts 16.39% of the total variance.

**ii. Correlation Analysis**

The correlation is the study of finding the relationship between the variables. If there are only 2 variables in the study of correlations there it is called simple correlation otherwise the study in either partial or multiple correlation. In this study the simple inter-correlations analysis is performed between the selected variables and the results are presented in the form of correlation matrix. Further the significance of correlation was tested at the 1% level of significance.

In this section the results of inter-correlation analysis between the variables of perception on global expansion as factor I are presented through correlation matrix. The results of the inter-correlation analysis with its significance are presented in the form of correlation matrix.

The Table 1.2 describes the results of inter-correlation analysis in terms of correlation coefficient & its significance at 1% level.

**Table 1.1: Clustering of perception on global expansion**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Perception on global expansion</th>
<th>Rotated factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor I (16.39%)</td>
<td>A7 0.82</td>
<td>A11 0.74</td>
</tr>
<tr>
<td></td>
<td>A15 0.77</td>
<td>A21 0.82</td>
</tr>
<tr>
<td></td>
<td>A24 0.81</td>
<td>A25 0.82</td>
</tr>
<tr>
<td>Factor II (10.42%)</td>
<td>A9 0.65</td>
<td>A10 0.67</td>
</tr>
<tr>
<td></td>
<td>A13 0.77</td>
<td>A28 0.47</td>
</tr>
<tr>
<td>Factor III (8.92%)</td>
<td>A2 0.74</td>
<td>A16 0.75</td>
</tr>
<tr>
<td>Factor IV (6.85%)</td>
<td>A8 0.19</td>
<td>A12 0.68</td>
</tr>
<tr>
<td></td>
<td>A22 0.82</td>
<td>A26 0.62</td>
</tr>
<tr>
<td>Factor V (4.91%)</td>
<td>A3 0.67</td>
<td>A18 0.52</td>
</tr>
<tr>
<td>Factor VI (4.15%)</td>
<td>A6 0.17</td>
<td>A19 0.72</td>
</tr>
<tr>
<td></td>
<td>A17 0.44</td>
<td>A20 0.58</td>
</tr>
<tr>
<td>Factor VII (4.05%)</td>
<td>A14 0.51</td>
<td>A23 0.79</td>
</tr>
<tr>
<td>Factor VIII (3.82%)</td>
<td>A4 0.37</td>
<td>A5 0.62</td>
</tr>
</tbody>
</table>

**Table 1.2: Correlation Matrix – Variables of perception on global expansion as factor I**

<table>
<thead>
<tr>
<th>Variables of Factor I</th>
<th>A8</th>
<th>A12</th>
<th>A16</th>
<th>A22</th>
<th>A25</th>
<th>A26</th>
</tr>
</thead>
<tbody>
<tr>
<td>A8</td>
<td>1</td>
<td>0.48*</td>
<td>0.50*</td>
<td>0.77*</td>
<td>0.66*</td>
<td>0.69*</td>
</tr>
<tr>
<td>A12</td>
<td>1</td>
<td>0.59*</td>
<td>0.48*</td>
<td>0.50*</td>
<td>0.52*</td>
<td></td>
</tr>
<tr>
<td>A16</td>
<td>1</td>
<td>0.51*</td>
<td>0.50*</td>
<td>0.55*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A22</td>
<td>1</td>
<td>0.71*</td>
<td>0.63*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A25</td>
<td>1</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A26</td>
<td>1</td>
<td>0.62</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Significant at 1% level of significance**

It is found from the Table 1.2 that the entire variables of perception on global expansion on the basis of factor I considered have significant inter-correlation.

It is concluded that the variables of perception on global expansion such as Effective and regular performance appraisal system for promotions and incentives was existing (A7), Global expansions took place in front of us (A11), After global expansion, getting some additional welfare facilities (A15), Improvement in technology has reduced the cost of transportation and communication (A21), Number of permanent jobs is decreasing and contract jobs are increasing (A24) and Training is an essential requirement in case of global expansion (A25) have significant interrelationship between them.
VII. Conclusion

The fact from the study revealed that IT sector sustains reaching the HR practices moderately, specific plan of implementation of HR information system can significantly support HR practices to attain defined key performance indicators. Innovative ideas would help in providing the company leverage and a competitive edge. In fact, modern Human resource management is striving to proficient Strategic Human Resource Management (SHRM) practices such as open door policy, balanced scorecard, Talent management, HR outsourcing, etc.

References