

# **Exploring the Impact Assessment & Ex-ante analysis on Contemporary Human Resource Management Strategies among Professionals in Service Industry**

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## **ABSTRACT**

*In today's bubbling globalized IT corporate world, there are a lot of changes related to the expansion of business and entry of foreign players in services industry and products manufacturing, increased the need for managing cross-culture teams, and diversity. We experienced tremendous changes in the Indian business when Silicon Valley started handling the outsourced work. Within a short span of time, huge ventures and foreign business have spread all over India and subsequently to the other developing countries. For instance, we can see the Mc Donald entering India, Maruthi exporting cars to European markets and a Fortune 500 Financial Services Company developing an offshore outsourcing relationship with Indian vendors for the development and support of its software and online services. This involved ongoing interactions between a US-based project and technical support staff and counterparts at the vendor sites in India. There are other MNCs like IBM, TCS, Infosys, Ranbaxy and Asian Paints which are handling international human resources.*

*Building a dynamic global cultural aptitude is one of the most challenging aspects of working globally. Managing the myriad working styles and organizational cultures are difficult in this fast tech era which are faced by the companies across geographies, business functions and projects. What is effective in one culture may be ineffective in other cultures. In addition, multicultural diversity at homeland is now the rule, rather than an exception*

*This paper provides a comprehensive empirical investigation into ‘Impact assessment & Ex-ante analysis on Contemporary Human Resource Management Strategies among Professionals in Service Industry at Hyderabad’.*

*This paper provides qualitative evidence through literature review and empirical research on strategies implemented by HR for building organizational effectiveness, in return, the summarized findings of this paper provides dynamic contemporary or challenging Human resources strategies like usage of “Pyramid Principle” (This is effective one of the corporate contemporary strategy that explains how to use the SCQ Framework - Situation, Complication, Question, Answer to determine precisely the Idea you want communicate) perceptions mapping analysis among professionals and performance assessment results in magnificent organizational performance and also very useful for designing better curriculum for management education, and employment generation. Naturally, the nurturing of entrepreneur culture has become important for any-school, where the focus is slowly changing from winning placements to creating ventures and entrepreneurs. In this study, the underlying dimensions of the same were identified through a factor analysis, and these factors which are perceived to be of bring the effectiveness of the organization by effecting professionals. This research enhances to build contemporary quality of management education in all the streams as well connects practically with latest strategies of HR practices in corporate world.*

**Key Words:** HRM Practices, Contemporary Strategies, Pyramid Principle, Service Industry. Workforce, Diversity Management, Human Resources, Cross-cultural Dynamics, Technology Impact.

## **INTRODUCTION**

It is easy to experience change in current scenario – often a very significant change – is everywhere. The diversity of the stakeholders such as customers, suppliers, peers, colleagues and shareholders as well as the diversity of immediate and not so immediate social and political environments are becoming increasingly complex and, as a result, more difficult to manage in service industry Markets and customers are changing wanton. Currently corporations are not only competing locally and regionally, but also worldwide. Different production and infrastructure costs in widely diverging investment environments and contexts enable businesses to gain cost advantages. Whether it is in production, sales, marketing or HR, corporations are increasingly being forced to act and think globally. Clienteles as well as staff are becoming more internationally, inter culturally and biographically diverse.

Changes are also becoming increasingly noticeable. In every nation the demographic data point to wider diversity than ever before. In Europe, for example, age is becoming a point of contention. The graying populations are becoming larger and more expensive to take care of. Those countries especially affected are Spain, Italy and Greece, followed by Austria and Germany. Not only do age demographics influence pension and care systems, but also collective growth and housing. The contrary example for the significance of age demographics is in South Africa where creating work opportunities for youth is one of the most challenging issues. If not solved, this could result in a loss of human resources for a whole generation.

Globalized corporate world, there are a lot of changes relating to the expansion of businesses and entry of foreign players in services industry and products manufacturing, underscored the need for managing cross culture teams, and diversity. We can experience the tremendous changes in Indian businesses when Silicon Valley started handling outsourced work. Within a short span of time, huge ventures and entry of foreign business spread all over the India and slowly to the other developing countries. basically, what are all these companies trying to establish themselves across nations? There are many reasons behind it but they are like an “old wine in a new bottle” – Nothing but for profits and other pertinent reasons like safety, innovation, market stagnation, huge customer base, cost leverage, low wages. But every business

has its own operational and human resources constraints. Still, it has the above mentioned advantages. Today the biggest problem confronting any organization which wants to go for globalization is to focus on "Managing a diversified work force". Work force diversity is not about employing foreign workforce. Not only is it about representation from all sections of the society, irrespective of differences like age, gender, ethnicity, language, religion, caste, creed, cultural heritage, color, but also going beyond these primary dimensions like educational background, work experience and ability to change.

Developing global cultural competency is one of the most challenging aspects of working globally. Managing the myriad work and management styles that companies face across geographies, businesses, functions and projects can be discouraging. What is effective in one culture may be ineffective, or even out of place, in other cultures. In addition, multicultural diversity at home is now the rule, rather than the exception.

The experience are not isolated happening rather the middle aged managers are experiencing every now and then, in some shape or other. The happenings are mushrooming and sometime going out of proportion for HR to handle. But before going into the inherent issues of probably the biggest challenge of HR it is imperative to check who the employable or recently employed young mind is adjustable with the diversity and cultural settings. The generation of 80's, with age profile of twenty to thirty years. They brought up with an ecosystem that the world earlier never experienced. Mostly brought up in nucleolus families with minimum people to interacted in social sphere. The economic reforms leading to instantaneous telephony system, numerous round the clock satellite channels, internet technology, opening up industry to multi player regime follows by endless wooing effort of global brand to capture trans-border market churned the way individual used to see the economic activity. The education system fast shifted from government to private entrepreneurs during these years. The privately managed technical and management colleges propped up creating opportunity for the young mind to acquire and sharpen their skills. Out of such unprecedented economic activity plethora of opportunities is available and lateral movement become order of the day. Out of such opportunities for the young mind Job is no more an issue rather they expects a fulfilling career for them. They expect that their employer should be capable enough to meet all of their aspiration. The issue like lifelong employment and employee loyalty took a back seat and for HR the issues like employee retention and employee engagement emerged as significant challenge for HR. The IT and ITeS organization with its pay package and often with its western HR practices threw some new challenges leading to growing expectation of young minds across the sectors. The challenges continuously leading to a situation where a job applicant instead of narrating how best s/he can deliver and fit the profile is almost in a situation where can dictate terms and ask the organization regarding its readiness to fulfill her or his career expectation. The word 'talent' has completely been redefined and is now used almost in respect of all common regular employee of the organization. The generation is demanding as they know their marketability. They grew up with the world library in their fingertip by clicking button of mouse to the internet. They become more expressive through technology feature like email, messaging, chatting. They learned to share their thought through micro blogging and exchange of ideas through various social networking sites. In the process adept to international practices and learn to benchmark the organization regarding deliverable and started valuing their deliverable and no more would wait keeping their finger crossed for the wage settlement to come or lobby around the power center to speak for them, till the time they are sure of the instantaneous deliverables. It is a phase where the conventional collective bargaining lost almost its relevance, if not completely.

## **HUMAN AND PERFORMANCE: A LITERATURE REVIEW**

There is a large emergent body of evidence that demonstrates a positive linkage between the development of human resource capital and organizational performance. The emphasis on human capital in organizations reflects the view that market value depends less on tangible resources, but rather on intangible ones, particularly human resources. Recruiting and holding the best employees, however, is only part of the equation. The organization also has to leverage the skills and capabilities of its employees by encouraging individual and organizational knowledge and creating a supportive environment in which

knowledge can be created, shared and applied. In this review, we will assess the context in which human capital is being discussed and identify the key elements of the concept, and its linkage to other complementary forms of capital, notably intellectual, social, and organizational. We will then examine the case for human capital making an impact on performance, for which evidence is now growing, and explore mechanisms for measuring human capital. Our belief is that, on the evidence of this review, the link between human capital and organizational performance is convincing. Empirical work has become more sophisticated, moving from single measures of HR to embrace combinations or bundles of HR practices and in this tradition, the findings are powerful. Such results have led some scholars to support a 'best practices' approach, arguing that there is a set of identifiable practices that have a universal, positive effect on company performance. Other scholars argue that difficulties in specifying the constituents of a best practices set, and the sheer number of contingencies that organizations understanding, make a best practice approach problematic. A general and growing trend in this debate is to see these approaches as complementary rather than in opposition, with best practice viewed as an architectural dimension that has generalizable effects, but within each organization, the bundles of practices will be aligned differently to reflect the context and contingencies faced by the firm. Though there appears to be a growing convergence on this issue, the measurement of human capital remains rather ad hoc, and more needs to be done to develop robust methods of valuing the human contribution.

Paul Watzlawik, the famous constructivist, once said: "What I don't see, I can't see." And so it is with diversity. If an organization is monocultural (men in their early 40s, white, married with two kids at home), it is very probable that the market and customers of this organization will be perceived from the same narrow viewpoint. For us it means the diversity of differences and similarities in a collective, no matter what the exact criteria are for defining these differences and similarities. One could ask if that is diversity and firstly, today we have become more sensitive than before. From the sensitivity we can uncover our own individual, group and organizational identities more effectively. Secondly, diversity criteria and groups have also been multiplying like nationalities and religions in Germany. Thirdly, fortunately diverse groups have been fighting for and benefitting from political changes and consequently are more able to define and express their identities in public such as in South Africa, equal opportunity in education, work, positions in government, etc. without any discrimination based on skin colour, background, etc. – at least theoretically! Some diversity identities are starting to be lived and expressed more intensively, for example homosexuals coming out of the closet.

**Table 1: Best Practices in Human Resources**

Epstein & Freund (1984)	Arthur (1992)	Pfeffer (1994)	Delany, Lewin & Ichiowski (1989) Huselid (1995)	MacDuffie (1995)
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Job enlargement	Broadly defined jobs	Employment security	Personnel selection	Work teams
Job rotation	Employee participation	Selective recruiting	Performance appraisal	Problem – solving groups
Job design	Formal dispute resolution	High wages	Incentive compensation	Employee suggestions
Formal training	Information sharing	Incentive compensation	Job design	Job rotation
Personalised work hours	Highly skilled workers	Employee ownership	Grievance procedures	Decentralisation
Suggestion systems	Self-managed teams	Information sharing	Information sharing	Recruitment and hiring
Quality circles	Extensive skills training	Participation	Attitude assessment	Contingent compensation
Salary for blue collar workers	Extensive benefits	Empowerment	Labour/management participation	Status differentiation
Attitude surveys	High wages	Job redesign/teams	Recruiting intensity	Training of new employees
Production teams	Salaried workers	Training and skill development	Training intensity	Training of experienced employees
Labour/management committees	Stock ownership	Cross-utilisation	Training hours	
Group productivity incentives		Cross-training	Promotion criteria (seniority v merit)	
Profit sharing		Symbolic egalitarianism		
Stock purchase plan		Wage compression		
		Promotion from within		

Source: (youndt et al 1996)

<b>Table 2: Human Capital Measures</b>	
Human capital activities	Possible measurements
Recruitment	Time, cost, quantity, quality, meeting strategic criteria
Retention/turnover	Reasons why employees leave.
Employee attitude/engagement	Attitude, engagement and commitment surveys
Compensation	Pay level, and differentials, and equity assessment, customer satisfaction, employee satisfaction, diversity

Competencies/training	Measuring competency levels, skills inventory, tracking competencies and training investments
Workforce profile	age, diversity, promotion rate, participation in knowledge management activities
Productivity measures	revenue per employee, operating cost per employee, real added value per employee
Source: (adapted from conference 2003)	

**CHALLENGES TO MANAGE DIVERSITY**

**Communication**

Miscommunication across cultural lines is usually the most important cause of cross-cultural problems in international projects. Miscommunication can have several sources, including:

- Differences in body language or gestures. The same gesture can have different meanings in different parts of the world. For example, Bulgarians shake their heads up and down to mean no. But in some other parts of the world it doesn't give us the same meaning.
- Different meanings for the same word. Like gestures, words can have different meanings or connotations in different parts of the world. The word "exciting" has different connotations in British English and in North American English. While North American executives talk about "exciting challenges" repeatedly, British executives use this word to describe only children's activities that means children do exciting things in England, not executives.
- Different assumptions made in the same situation. The same event can be interpreted in many different ways depending on where one comes from. For example, although the sight of a black cat is considered a lucky event in Britain, it is considered unlucky in many other countries. Dragons are viewed positively in China, but negatively in Europe and North America.

By contrast, subtle or complex differences are often identified much later in the communication process, when corrective action requires considerable effort and money. Sometimes, this realization takes place so late that there is not enough time to address it, resulting in a missed deadline

While Managing Cultural Diversity: Every business should feel like

- No one of us is as strong as all of us.
- Understanding and implementing different approaches like polycentric, ethnocentric and geocentric.
- Diversity has moved from a moral imperative to a strategic imperative.
- Every one must view all citizens in all countries as potential customers.
- When we find someone who wants to buy, we have to link them up with someone who wants to sell. (Regardless of language or culture, we must find someone who treats them as a customer.)
- No matter who we are, with whom we will have to work, customers and co-workers are different from us. If we cannot accept that as fundamental, we need to be somewhere else.

**Training:**

IBM, TCS, Satyam and many other companies provides

Training in "soft skills" is no longer as undervalued in India as it used to be. A growing number of Indian companies are coming to realize that the ability of their employees to communicate and interact

more effectively is an important competitive factor. American companies in India are also showing more keenness to develop the business and leadership skills of their Indian employees and to move gradually from the cheap labor or staff augmentation model to one where the Indian operation is a value-adding center of excellence.

For Indians, training often does not stop at humanizing communications skills and "neutralizing" Indian accents, but also includes mentoring in Western culture and etiquette, which in training industry jargon is called "cross-culture sensitivity."

Indians have a different formal and informal etiquette codes. But foreign etiquette is anonymous to many of Indian site workers. Most of them traditionally prefer to eat with their hands, avoid formal Victorian suits as they are unsuitable for the city's climate and shun toilet paper usage as it is alien and less hygienic than plain water.

From many different areas like hospitality, services and product manufacturing, they require training in Western communications skills and etiquette. This made most of the entrepreneurs from all over the world try and recruit Indians.

The business for training in India shells out lots of money with a very low investment. Even trainers can train the client's employees from homes. The rate per day for a workshop with about 20 trainees, for instance, ranges from between US\$200 to \$600, depending on the scope of the training. Cross cultural trainings are very important for an employee when he is sent on overseas projects. For example, TCS gives training to the employees who are going to take up projects overseas. Increased number of trained personnel in an organization helps in cutting training costs in the long run.

### **Cross-cultural variances:**

There are different types of cross culture issues. Every organization operates differently regarding their daily routine business activities. Some of the major difference includes the following.

Relationship between different hierarchical departments

- The way of sharing information throughout the units
- Process of hiring – different in India, Germany, USA and UK (some factors carry more weightage and some factors carry less weightage in different countries).
- Avoiding pitfalls in cross cultural issues – clarity and simplifying the problems.
- Venturing into the foreign markets – selecting the right region, right people, handling multiple projects and assignments, improving on expatriate assignments and presenting themselves better for the future growth
- Venturing with the local partners – For better penetration into the markets.
- Patents protection and utilization of the advantages of cultural diversity.

### **Attitude:**

Attitude plays a vital role in the international business especially for a global HR or for a global employee when they are working in a "global workplace" where it is a question of mindset more than anything else. Every employee needs a high global exposure. It means being physically present in another country.

One wants to become a global HR manager or global manager by picking up the "Best of ethics and practices" benefiting business. For instance, Indians are good at out-of-the-box thinking and technical thinking, very resourceful but lackadaisical and error prone. Americans and Europeans on the other hand are meticulous even though they take more time to get trained. One needs to balance these traits and do a good job.

In a global economy there are some standards that every individual needs to adopt. Habits, behavior and even education must also follow globalization for better exposure. For example, we Indians think in lakhs and crores while the world thinks in millions and billions. Here we can see the attitude and mindset of the people. These are the things a global manager keenly needs to inculcate.

## **Global recruitment**

Every country is looking for a wide variety of specializations. They are called super specializations especially for domain experts who are more advanced and technical. For example, the USA is looking for people with more technical background like nanotechnology, software, biomedical engineering. If we look at Dubai, it is famous for recruiting in hospitality (managing hotels, events, clubs and airlines), financial services, foreign exchange dealings, media and marketing (advertising, public relations) and retail management. In India it is retail management. In Singapore, banking and IT are in demand.

## **RESEARCH HYPOTHESES AND THEORETICAL FRAMEWORK**

Based on the extensive study of literature, following hypotheses emerge:

- H 1:** Recruitment and selection has significant relationship with organizational performance & effectiveness.
- H 2:** Training and development has significant relationship with organizational performance.
- H 3:** Performance appraisal has significant relationship with organizational performance.
- H 4:** Compensation and rewards has significant relationship with organizational performance.
- H 5:** Employee relations & commitment has significant relationship with organizational performance.

## **RESEARCH METHOD**

### **Sample and Data Collection**

Questionnaire survey was carried out between June-December 2010. Presently twenty service companies (Public and Private Sectors) are operating in Hyderabad, India. Primary data was collected from a sample of 20 randomly selected companies operating in public and private sectors in service sector Industries in Hyderabad, India. For data analysis questionnaires were despatched to these companies. A total of 200 filled questionnaires were received with a response rate of 85%. The respondents were managers in these companies at various hierarchy of management.

### **Measurement Development**

Most of the statements used in the survey were drawn from an in-depth study of literature on HRM practices and its impact on organizational performance. The items used in the study were adapted from various studies (Ghebrejorgis & Karsten, 2007; Kundu & Malhan, 2007; Lee & Lee, 2007; Tzafir, 2005). The instrument measured five HRM practices and its effect on organizational performance. The recruitment and selection practices contained (5 items); training and development (8 items); performance appraisal (6 items); compensation and rewards (6 items); employee participation (4 items); and organizational performance (5 items) respectively. The organizational performance measure included (5 items) related to perceived quality of products and services, production cost, market share, performance relative to competitors, and organization's performance relative to industry average. Five points rating scale was used to measure the response. The scale ranged from five (strongly agree) to one (strongly disagree).

### **Pilot Testing of Instrument**

The instrument was pilot tested using a sample of 40 managers from the population. The results of pilot study reflected appropriate adequacy (Nunnally, 1978). The Cronbach's alpha of variables ranged from 0.784 to 0.876 respectively.



**RESULTS AND ANALYSIS**

**Descriptive Statistics**

The results of descriptive statistics indicated general agreement of the respondents to the different HRM practices. The mean values ranged from highest 4.876 to lowest 4.123). The results for training and development indicated highest concurrence (*Mean = 4.876, Standard Deviation = 0.715*); recruitment and selection (*Mean = 4.431, Standard Deviation = 0.829*); performance appraisal (*Mean = 4.217, Standard Deviation = 0.737*); compensation and reward (*Mean = 4.129, Standard Deviation = 0.924*); employee participation (*Mean = 4.123, Standard Deviation = 0.847*); and organizational performance (*Mean = 4.738, Standard Deviation = 0.571*) respectively. The mean score and standard deviation reflected conformity of respondents’ perception about these HRM practices and the agreement to the model.

**Reliability and Validity of Data**

The results indicated Cronbach’s alpha for questionnaire (35 items) was 0.931. The Cronbach’s alpha for individual variable of recruitment and selection (0.785); training and development (0.802); 163 *European Journal of Economics, Finance and Administrative Sciences - Issue 24 (2010)* performance appraisal (0.845); compensation and reward (0.794); and organizational performance (0.823) were found above acceptable level (Nunnally, 1978). Results are at Table 3.

**Test of Normality of Data**

Collinearity test was undertaken to determine the normality of data. Results are at Table 3. The results reflected that Tolerance levels (< or equal to 0.01) and Variation Inflation Factor (VIF) values (below 10) were within acceptable range (Kleinbaum et al., 1988). Durbin Watson values for all factors were between 1.5 and 2.5). The results did not indicate multicollinearity between variables. Results are at Table 4.

<b>Table 3- Reliability Analysis</b>	
<b>Variables</b>	<b>Cronbach’s Alpha</b>
Recruitment and Selection	.785
Training and Development	.802
Performance Appraisal	.845
Compensation and Rewards	.794
Employee Relations	.826
Organizational Performance	.823
Overall Alpha for the instrument	.931
* The first 8 factors are with Eigenvalues greater than 1	

<b>Table 4- Test of Collinearity</b>		
<b>Variables</b>	<b>Tolerance</b>	<b>Variance Inflation Factor (VIF)</b>
Recruitment and Selection	.651	1.537
Training and Development	.585	1.709
Performance Appraisal	.507	1.974
Compensation and Rewards	.733	1.364
Employee Relations	.704	1.364

<b>Table 5- Variance explained through factors Initial Eigenvalues*</b>			
<b>Component</b>	<b>Initial Eigenvalues</b>		
<b>Factors</b>	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>
1	2.765	11.059	11.059
2	2.465	9.861	20.920
3	2.291	9.163	30.083
4	2.013	8.051	38.134
5	1.818	7.270	45.404

\* The first 8 factors are with Eigenvalues greater than 1

<b>Table 6: Rotated Factor Matrix of Organizational Effectiveness **</b>			
<b>Factors</b>	<b>No</b>	<b>Factor loadings</b>	<b>Variance %</b>
<b>Factor 1 : Recruitment and Selection</b>			

	<b>RS 1</b>	.849	.68
	<b>RS 2</b>	.728	
	<b>RS 3</b>	.806	
	<b>RS 4</b>	.798	
	<b>RS 5</b>	.787	
<b>Factor 2: Training and Development</b>			
	<b>TD 6</b>	.735	54
	<b>TD 7</b>	7.760	
	<b>TD 8</b>	8.820	
	<b>TD 9</b>	.610	
	<b>TD 10</b>	.859	
	<b>TD 11</b>	.781	
	<b>TD 12</b>	.664	
	<b>TD 13</b>	.640	
<b>Factor 3: Performance Appraisal</b>			
	<b>PA 14</b>	.659	9.163
	<b>PA 15</b>	.752	
	<b>PA 16</b>	.781	
	<b>PA 17</b>	.761	
	<b>PA 18</b>	.752	
	<b>PA 19</b>	.640	
<b>Factor 4: Compensation &amp; Rewards</b>			
	<b>CR 20</b>	.723	8.051
	<b>CR 21</b>	.726	
	<b>CR 22</b>	.753	
	<b>CR 23</b>	.818	

	<b>CR 24</b>	.752	
	<b>CR 25</b>	.780	
<b>Factor 5: Employee Relations</b>			
	<b>ER 26</b>	.802	7.270
	<b>ER 26</b>	.760	
	<b>ER 26</b>	.733	
	<b>ER 26</b>	.610	
*Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization, a Rotation converged in 6 iterations.			
*Total Variance explained (per cent)			

**Factor Analysis**

Exploratory principal component factory analysis with Varimax rotation identified five Human resource practices. They are recruitment and selection; training and development; performance appraisal; compensation and rewards; and employee participation. Results of factory analysis are at Table 4. The Kaiser-Meyer- Olkin measure of sampling adequacy exhibited score of (0.865). The Bartlett’s test of sphericity is significant at (p < 0.001).Factors loading (< 0.50) were not shown whereas factors with Eigen values (>1.0) were retained. The five HRM practices accounted for 62.5% of total explained variance.

**Recruitment & Selection**

The first factor was categorized as recruitment and selection. This factor had five scale items and related to formal induction, orientation and socialization process, availability of information about the job, use of comprehensive tests, merit-based hiring and selection on person-job fit philosophy. This factor accounted for (65%) of explained variance and considered as most vital.

**Training and Development**

The second factor ‘training and development’ had nine scale items and comprised of need based training and development criteria, formal training programmes with focus on development, clear career path for individuals, acquisition of multi-skills, and formal evaluation of effectiveness of training. This factor explained (54 %) of variance.

**Performance Appraisal**

The third factor ‘performance appraisal’ accounted for (52 %) of variance. This factor consisted of six items pertaining to objective, fair and transparent performance appraisal system with strategic congruence, quantifiable results, participation of employees in performance goal setting, continuous

formal and informal monitoring, and feedback about performance, and provisions to employees to challenge the rating by supervisors.

### **Compensation & Rewards**

The fourth factor 'compensation and rewards' explained (58%) variance. The factor was defined by six scale items and was primarily related to competitive pay package that is disseminated to employees, performance-based pay, comprehensive incentive plans based on employees' contribution to firm's objectives, and combination of monetary and non-monetary rewards, and social recognition, and appreciation.

### **Employee Participation**

The fifth factor 'employee participation' accounted for (53 %) of variance and comprised of four scale items regarding employees participation in decision making, provision of open door communication, autonomy in their functional areas, and opportunities to suggest improvements in the way things are performed.

### **ROLE OF HR IN EXPATRIATE SELECTION – GOOD MANAGEMENT OR LUCK?**

Most of the HR personnel or company representatives need to concentrate, while selecting an internal or external employee for the foreign assignment, purely on their technical competence. But they neglect the importance of interpersonal relations and the domestic circumstances which also need to be considered highly. They pay very less attention to all the remaining factors. Rather than the HR, it is the senior manager who involves himself deeply in the selection process. Even HR has a major role to play with regard to all the other pertinent factors. For reaping the fruits of good recruitment in the future, recruiting expatriates should not become a matter of luck. It should become a good management practice for any HR.

For good management implementation, HR needs to have a better understanding about diversity in workplace, women diversity, organizational culture and restructuring, legal systems, negative attitudes and behaviors. In the later stages, it gains advantages like creativity, flexibility, interdependent work sharing and competitiveness.

The fall out of such situation is of multi prong. The organization can not be inward looking but need to agile and dynamic to see individual maneuver of the competitive organization where the talent could shift. Over the ages, the HR practices were localized to meet the aspiration of the area but the time has shifted considerably. The young minds are exposed to the international HR practices. They are restless; open to move out to catch up that standard and simply not just nostalgic. The new organization in such situation is adopting fast by continuous change in practice. The difficulty lies with the older organization. Any change initiative led to critic by the older employee, as they feel that their interest were not taken care of during their golden years. The HR is at great kind of dilemma in such situation. Irrespective of age of organization one thing is common; the business organization primary responsibility is to generate value for stakeholder. Their may be huge expectation of the inside young minds but the organization rather than pampering better share the expected deliverable of the employees and comprehensive remuneration and career prospect, in details before hiring process gets started. The recruitment process should strategically

focused and should be dealt keeping in mind the organization affordability to retain talent pool with fitting competency for a particular set of work and work level. There is no point to drain out stakeholder's money in an effort to bring best talent under the wing of organization. Else, in any case the talent will fly off, and the organization instead of having service from the person need to serve the person on continual basis. The serious emerging question is the cost-benefit analysis of acquiring and retaining such employee pool.

Another imperative issue is drop in the societal value system out of increasing magnitude of consumerism. In any case there has to be a cap while designing the benefit package of an employee. To arrest the fall out, rather than creating division at various level and section of employees the organization should develop the HR practices based on the core value of humanity; ie transparency, equality and justice. The open communication system is pivotal to create a sense of social platform within the organization where the young employee can share their time and individual issue and thus often overlook the greener pasture outside. There was a time when the majority of welfare amenities used to be extended at the dwellers of the township of the organization and helped those organizations to develop positive work culture and increased employee satisfaction. For economic reason the new organizations no more adopt such practices, even their old counterpart is not falling behind and revisiting the policy, if not absolutely required on process reason. Impact of a great HR training session on team building is limited if not the young mind are socially bonded with the existing employees, in actual work field. A sense of showing respect for their individual information technology skill but the older folks could make wonder for the spirit and improved morale of the young mind. In addition to routine work, judging individual deliverable, the organization better create a space for engagement of them. This will create a sense of pride among them and work significantly as financial motivator.

## **Conclusion**

Even in this era of talent crunch important is that the organization maintains a posture while managing diversity of young generation employees. Regular revisit to the existing HR policy and rework to match the expectation of those employees and maintaining industry standard is well. But rather than guided and dragged by the generation, so far policy building is concern, may prove a myopic vision and tantamount to damaging effect to the organization. It is the time for serious introspection even by the industry as a whole. There is no point always alluring the young generation with kind of better looking packages, when the reality bite is that often they are almost same. One thing is clear if money is the only motivator then down the line some other organization would come to the fray and would make fishing. Important is to develop the young employee to match the requirement of future. The young minds better be shown the larger picture and the challenges ahead and organization's prospective strategy to tackle those issues. The organization better prophase in clear terms that a person with a vision to match with organization is only welcome and a person having with individual agenda not matching with organization's may find some other place to work with. To a wise person this may sound rational and meaningful and perhaps that is the true meaning of "Talent", an organization aspire for to reach to its vision with the help of employees under its wing.

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