

A Study on the Impact of Innovative HR Practices on Employee Productivity among Women Employees in IT Industry with Reference to Bangalore City

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Abstract

Information technology is not only one of India's fastest-growing businesses, but also a major factor in propelling the country's economy and changing its reputation from that of a developing economy to that of a global powerhouse. The retention of skilled personnel has become more important as the market has become increasingly competitive and human resource managers have faced a serious scarcity of quality specialists. This is crucial as it assures the sustainability and productivity of the firm. Despite the fact that "staff poaching" is all the rage in the business world, even a little slip-up might result in the loss of brilliant minds to a rival company. According to the literature, there are two types of employee turnover: functional and dysfunctional. Dysfunctional turnover occurs when a top performer departs the company, whereas functional turnover occurs when an unproductive employee leaves. Since dysfunctional turnover is a major issue for HR managers, it is the subject of this research. When an employee departs, it takes another seven weeks to fill their role, which has a negative impact on the team's output. Staff retention has received far less attention than employee turnover in previous studies. The purpose of this investigation is to specify the connection between creative HR practises and productivity in the workplace. The researcher looks at the several ways that independent and dependent variables are defined. For the study, researchers handed 400 professionally-designed questionnaires to female workers at 20 software firms in

Bangalore City. New methods of human resource management were shown to have a significant detrimental effect on productivity.

Keywords: *Innovative human resource practices, Employee Productivity, Information technology industry*

Introduction

In 2016, the Indian software market is expected to grow by 13% annually, reaching \$135 billion for the first time by the end of the year, according to data provided by NASSCOM (NASSCOM, 2013). This means that the industry's contribution to GDP will increase to a stunning 7 percent every year. More than 14.2 million jobs were generated in the business in 2014, making it the biggest private sector employer. Despite these promising numbers, it has been claimed that the industry's staff turnover rate increased to 55% in 2012—a 16% increase from 2011. Because of how crucial workers are to the success of a software company, staff turnover may have lasting effects on a company's bottom line. Due to the high cost of turnover, studies suggest that focusing on employee retention is preferable than constantly filling open positions. A worldwide study indicated that the cost of replacing an employee ranges from 28% (for lower-level workers) to 45% (for upper-level managers). The cost of turnover increases not just because of the person's absence, but also because of the time and money spent by coworkers filling in for them.

Researchers have shown that a company's success in terms of customer pleasure, efficiency, and production improves when its retention rate rises. Compared to businesses with average retention rates, those with low attrition rates see a 34% increase in their profits. Because of this, Productivity efforts in the workplace have become a national obsession. Employees that are invested in their work and the success of the company as a whole are more likely to work harder, inspire others around them, and achieve their full potential.

When a business chooses to hire someone for an open job, retention really begins, according to Dibble (Dibble, 1999). Programs designed to keep employees around are most successful when workers also appreciate and contribute to the organization's financial goals. Everyone in the company has a monetary interest in the achievement of strategic objectives, which encourages participation in these talks (Artur, 2001). Employee retention may be improved by soliciting ideas from workers. According to MacLean, P. J. (2001), workers are more likely to remain put in jobs where they have input on decisions.

Review of Literature

Employee Productivity

Productivity is still difficult to define and quantify, although there is considerable agreement on the kind of criteria that should be considered. According to Robinson et al. (2004), a productive employee is one who has a good outlook on the organisation he works for and the principles it upholds. An engaged worker is someone who takes an interest in the company's overall success and who works closely with his colleagues to improve individual performance on the job. Common psychological concepts like corporate citizenship behaviour (Organ and Paine, 1999) and organisational commitment and attachment are often included in Productivity surveys because of their evident links to productive employee actions (Meyer, 1997). The Utrecht Work Productivity study focuses on vigour, devotion, and immersion as the three main drivers of productivity in the workplace (Schaufeli et al., 2006). Gallup Workplace Audit looks at two things: transparency (in terms of knowing what to anticipate) and authority (input and opportunity).

Innovative Human Resource Practices

Scientists that study organisational transformation define innovation as "any novel form of change," while "transformation" refers to "any shift in the firm's structure, outputs, or processes." In a nutshell, innovation is any novel approach used by a corporation. Specifically, the term "innovative human resource practises" refers to those that are novel in their application to the field of human resources (Roger & Blenko, 2006). Because of the intense competition in the corporate world, the human resources department is under increased scrutiny to prove its worth. Due to its reactive and administrative character, the human resources department has been criticised by some as being unnecessary to an organization's success (Drucker, 1954; Lundy, 1994; Legge, 1978). In addition, it has been difficult to determine how HRM's role may really effect strategic objectives in the past due to a standard theoretical foundation to the field (Wright & McMahan, 1992).

The importance of the human resource function in modern businesses has grown dramatically over the last several decades. There is strong evidence from a number of studies showing a correlation between novel HR practises and various measures of business productivity and theoretical advances grounded on the resource-based perspective of the firm (Barney, 1991). It was discovered that HRM innovations not only bring about tangible cash benefits, but also aid in the development of novel approaches to problems (Ichinowski et al., 1996). In order to improve business outcomes, progressive human resource management systematically implements new concepts and methods that are designed to influence employee behaviour (Mac Duffie, 1995). The significance, adoption, and happiness of novel HR practises are measured in terms of how IT workers evaluate their own employers' commitment to these

trends. Whether it comes to determining when new HRM practises are effective and when they are not, there is a lot of room for interpretation. When it comes to human resources, many companies have tried something new, but only a handful have seen any real results. Due to a lack of ongoing assessment of the programmes' efficacy, most people give up on them before they've even begun. However, these techniques seldom succeed in changing employees' attitudes and actions as intended, which is why they are often met with disappointment by upper management.

Research Methodology

The current study uses a descriptive approach since it seeks to characterise the impact that novel HR policies have on the productivity of IT workers. Using carefully crafted questionnaires, researchers were able to gather information from 400 women working in 20 software businesses in Bangalore City for this study. An instrument created by Tanuja Agarwala (2003) was used to assess the dependent variable. Data on employee productivity was gathered using a modified version of the 12-item questionnaire developed by Robinson et al., 2004. Workers having less than a year of experience at their respective companies were disqualified. In order to analyse the data, we used a technique called multiple regression.

Data Analysis

Impact of innovative human resource practices on employee productivity

A multiple regression analysis was used to determine that there is a positive correlation between creative HRM strategies and increased productivity in the workplace.

H_1 – Innovative human resource practices have a positive impact on employee productivity.

The null hypothesis that innovative human resource practices have no positive impact on employee Productivity was tested using statistical tools.

Table 1 The impact of creative HR strategies on staff productivity, as measured by a series of multiple regression analyses.

Variable	Beta value	Std Error	P value	Average Full Collinearity VIF	R ²
IHRP	0.188	0.039	0.001*	1.217	0.368

With a beta coefficient of 0.188 and an R2 of 0.368, the data clearly demonstrate the favourable effect that creative HR strategies have on worker productivity. All the numbers added up, and they all add up to

support the idea that HR innovations boost productivity. Thus, H 1 is acceptable.

The effect of cutting-edge HR techniques on the "attachment" component of workers' output

Innovative human resource strategies were shown to positively correlate with the attachment component of employee productivity, as determined by a multiple regression study.

H₂ – Innovative human resource practices have a positive impact on attachment dimension of employee productivity.

In this study, we used statistical methods to evaluate the premise that innovative human resource practises do not enhance the attachment component of employee productivity.

Results from a multiple regression study of the correlation between novel HR practises and the attachment dimension of workers' output are shown in Table 2.

Variable	Beta value	Std Error	P value	Average Full Collinearity VIF	R ²
IHRP	0.123	0.023	0.003*	1.281	0.289

The analysis demonstrates that the attachment component of employee productivity is significantly affected by innovative human resource strategies, with a beta value of 0.123 and an R² value of 0.289. To sum up, the investigation showed that creative human resource strategies increase productivity along the attachment dimension. So, it follows that H 2 is approved.

Employee commitment and the effect of new HR strategies on productivity

Innovative human resource strategies were shown to positively correlate with the commitment component of employee productivity, as determined by multiple regression analysis.

H₃ – Innovative human resource practices have a positive impact on commitment dimension of employee productivity.

We used statistical methods to examine the alternative hypothesis, which holds that the adoption of novel HR practises does not enhance the commitment level of workers, hence boosting their productivity.

Results from a multiple regression study of the connection between HRM innovation and employee commitment to their work are shown in Table 3.

Variable	Beta value	Std Error	P value	Average Full Collinearity VIF	R ²
IHRP	0.744	0.017	0.000*	1.311	0.492

The analysis demonstrates that innovative human resource practises significantly increase the commitment component of worker productivity (beta = 0.744, R² = 0.492). As a result, the study indicated that all of the values collected were consistent with the premise that HR innovations boost productivity along the commitment dimension. Thus, we accept H 3.

Innovations in human resource practises and their effect on employees' sense of corporate citizenship and their subsequent productivity

The authors used multiple regression analysis to establish a causal link between HR innovation and an increase in employees' civic engagement, which in turn increased their productivity on the job.

H₄ – Innovative human resource practices have a positive impact on organizational citizenship dimension of employee productivity.

The null hypothesis that innovative human resource practices have no positive impact on organizational citizenship dimension of employee productivity was tested using statistical tools.

Table 4 Multiple regression analysis results on the relationship between innovative human resource practices and organizational citizenship dimension of employee productivity.

Variable	Beta value	Std Error	P value	Average Full Collinearity VIF	R ²
IHRP	0.291	0.031	0.004*	1.358	0.787

A beta of 0.291 and an R² of 0.787 reveal a significant positive relationship between innovative human resource practises and the organisational citizenship component of worker productivity. As a result, the research indicated that the values obtained were consistent with the premise that HR innovations boost productivity along the citizenship dimension of organisational citizenship. Therefore, we accept H 3.

Findings and Discussion

Employees in the software business that engage in creative human resource practises exhibit

considerable increases in productivity, according to an examination of the available data. Innovations in human resources have been shown to boost productivity along the dimensions of "affiliation," "commitment," and "organisational citizenship," according to an in-depth study. Furthermore, it was shown that innovative human resource strategies have a greater effect on the attachment component of employee productivity than they do on the commitment and organisational citizenship dimensions. It was clear from the data that the hypothesised connection between the dependent and independent variables held true. Thus, the study's central premise was supported by the data, demonstrating that novel HR practises do, in fact, boost overall productivity.

Multiple studies conducted by industry professionals have shown a direct correlation between creative HR policies and increased productivity in the workplace. According to the group cohesiveness hypothesis proposed by Becker and O'Hair (2007), team members are more likely to exhibit organisational citizenship behaviour while working in a group. Individuals' ability to undertake additional role behaviours after experiencing role stress has been highlighted as an important concept by Jackson and Shuler (1985). In accordance with the central tenet of the work-family conflict theory, when workers are stressed by disagreements at home and at work, they are less able to effectively juggle their many responsibilities (Greenhaus & Beutell, 1985). Tompson and Werner (1997) found that when employees experience significant role conflict at work, productivity drops. All of these results can be traced back to novel HR practises implemented by the company, making the latter's effect on the dependent variable readily apparent.

Conclusion

Companies in today's highly competitive market need creative human resource strategies to attract and retain talent and boost production. It is theoretically highly plausible that the combined influence of both notions would be stronger than either one alone, since studies have shown that both concepts are associated to acceptable firm-level results. The most important thing that managers can take away from this research is the knowledge that they have access to excellent resources, such as novel human resource methods, to increase staff productivity. Managers should guarantee that all workers exhibit sufficient employee productivity to support the long-term success of the business by putting into place the sort of practises ideal for both people and the organisation.

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