

## Human Capital Management Among IT Companies In Telangana

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### Abstract

*The aim of the study is evaluating the Human Capital Management among IT Companies in Telangana. The Human Capital Management are having ten dimensions. The dimensions such as human capital statistics, work environment, recruitment policies, employee benefit factors, training and development, performance evaluation, leadership, grievance redressal, organizational culture, and employee retention. descriptive research is applied to examine the study. Convenient sampling Technique is used to collect the data. The sample size of this study is 100. There are 50 company availed in Telangana State. Here, the researcher has selected top 20 company has complete the pilot study of the research. It is found that human capital statistics, work environment, recruitment policies, employee benefit factors, training and development, performance evaluation, leadership, grievance redressal, organizational culture, and employee retention are high level opinion towards the Human Capital Management among IT Companies in Telangana.*

**Keywords:** Human Capital Management, leadership, performance evaluation, recruitment policies.

### Introduction

Human Capital Management (HCM) plays a pivotal role in the success and sustainability of Information Technology (IT) companies in Telangana, India. As a hub for technological innovation and business growth, IT organizations in Telangana recognize the paramount importance of effectively managing their human resources to drive productivity, foster innovation, and maintain a competitive edge in the dynamic industry. The state's IT sector is characterized by a diverse workforce, encompassing skilled professionals in areas such as software development, data analytics, and cybersecurity. In this rapidly evolving landscape, efficient Human Capital Management strategies are crucial for recruiting, retaining, and developing the talented workforce, ensuring that IT companies in Telangana remain agile, adaptive, and well-positioned for sustained success in the global marketplace. While the notion of Human Capital might appear contemporary, its origins trace back to the British Enlightenment Era economist, Sir William Petty. He asserted that enhancing the "value of the people" was crucial for a nation's production and wealth. In the 1960s, American economist Theodore Schultz revitalized these concepts, examining how countries leverage human capital to foster economic development and rebound from financial crises.

Thirumalai Kumar, and John Jacob M, (2024) asserts that a solid foundation of well-developed human resources is essential for building the edifice of human capital. Consequently, organizations should prioritize investing in human capital development programs, continuously enhancing individuals' knowledge, skills, and abilities for corporate success, Russell W. Coff (1997). The economic value of skills, experience, and

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knowledge lies in their ability to make organizations productive and adaptable, making people the human capital of an organization. Qui, Yimeng (2011) Human capital, unlike other assets, realizes its potential value through the cooperation of individuals. Therefore, any costs incurred in motivating, monitoring, and retaining employees are considered investments in human capital, made with the expectation of future returns (Shuming Zhao 2008).

Organizations can leverage human resource management in various ways to enhance their human capital (Thirumalai Kumar, and John Jacob M, (2021). They can either "buy" human capital from the market by offering attractive compensation packages or "make" it internally through extensive training and development opportunities. The associated costs of these investments are justified only when the organization can effectively utilize the accumulated capital (John Jacob M 2018)). In human capital theory, contextual factors such as market conditions, unions, business strategies, and technology play a crucial role as they can impact the costs associated with different approaches to using HRM to enhance the organization's human capital value and anticipated returns like productivity gains, (Boudreau JW, and Ramstad PM. 1996).

### **Statement of problems**

Despite the technological advancements and innovation-driven nature of IT companies in Telangana, there are several challenges associated with Human Capital Management (HCM) that can impede organizational effectiveness. High employee turnover, prevalent in the competitive IT industry, poses a significant challenge for companies striving to retain skilled professionals. Additionally, the rapid pace of technological change requires continuous upskilling, making talent development a perpetual concern. Balancing the need for a flexible workforce with the necessity for stability can create dilemmas for HR professionals. Moreover, attracting and retaining diverse talent remains an ongoing challenge, impacting the industry's ability to foster creativity and inclusivity. Addressing these HCM challenges is crucial for IT companies in Telangana to ensure a sustainable, innovative, and resilient workforce capable of meeting the demands of the ever-evolving technology landscape.

### **Objectives of the study**

- To examine the Human Capital Management among IT companies in Telangana

### **Research methodology**

To examine the consequence of Human Capital Management among IT companies in Telangana. descriptive research is applied to examine the study. Convenient sampling Technique is used to collect the data. To collect the data from primary source of questionnaire. There are 50 company availed in Telangana State. Here, the researcher has selected top 20 company has complete the pilot study of the research. The 20 company select based on Top 20 for ranking in IT sectors, (<https://builtin.com/articles/software-companies-in-hyderabad>). The sample size of this study is 405. Mean and standard deviation was computed to know the Human Capital Management among IT companies.

### **Scope of a Study**

- The study focuses on the Human Capital Management among it companies in Telangana
- The study considers the Human Capital Management among it concentrates on exclusive study is made on them.
- The scope of study covers the variables such as human capital statistics, work environment, recruitment policies, employee benefit factors, training and

development, performance evaluation, leadership, grievance redressal, organizational culture, and employee retention

### Analysis and interpretation

**Table 1 Human Capital Statistics**

Statements	Mean	Standard deviation
Human Capital Audit establishes a baseline for future improvement.	3.77	1.22
Management treats employees as an important asset of the organisation	3.68	1.13
Human Capital Audit assesses current knowledge and skills of human resources.	3.37	1.16
Human Capital Audit provides timely legal support	3.47	1.10
Human Capital Audit identifies the present organisational culture of each department.	3.51	1.14
Human Capital Audit is an important process in an organization.	3.75	1.17
Human Capital Audit finds out the contribution of each department towards the organizational development	3.75	1.18

Table 1 shows the employees opinion towards Human Capital Statistics. The mean values are establishing a baseline for future improvement (3.77), an important asset of the organisation (3.68), current knowledge and skills of human resources (3.37), timely legal support (3.47), the present organisational culture of each department (3.51), process in an organization (3.75), and contribution of each department development (3.75). It is found that baseline for future improvement, an important asset of the organisation, current knowledge and skills of human resources, timely legal support, the present organisational culture of each department, process in an organization, and contribution of each department development is having high level Human Capital Statistics.

**Table 2 Work Environment**

Statements	Mean	Standard deviation
Plans can be scheduled as per project assigned to you in the work environment	3.50	1.23
Updates and changes in Policies are communicated on time to employees	3.60	1.11
Self-objective coincides with mission of your work environment in your organization	3.41	1.21
Policy deviations are recorded and used for policy updates in the work environment	3.89	1.09
Human capital management monitors personnel policies, procedures & legal provisions	3.49	1.23
Human capital management evaluates both short term & long-term plans of human resources	3.61	1.16

Table 2 discusses the employees' opinion towards Work Environment. The mean values are scheduled as per project assigned (3.50), updates and changes in policies (3.60), self-

objective coincides with mission (3.41), policy deviations are recorded (3.89), personnel policies, procedures & legal provisions (3.49), and short term & long-term plans of human resources (3.61). It is results that scheduled as per project assigned, updates and changes in policies, self-objective coincides with mission, policy deviations are recorded, personnel policies, procedures & legal provisions, and short term & long-term plans of human resources are high level opinion towards the work environment

**Table 3 Recruitment Policies**

Statements	Mean	Standard deviation
Candidates are typically interviewed before Placement	3.45	1.25
Performance based Appraisal System in the organization is transparent	3.71	1.19
The increase/decrease of employees and administrative staff are discussed in the top-level management	3.72	1.24
Recruitment and Selection process provides quality candidates on time	3.67	1.27
Quality candidates are selected based on PAS scores obtained by them	3.67	1.17

Table 3 displays the employees' opinion towards Recruitment Policies. The mean values observed that Candidates are typically interviewed (3.45), Appraisal System is transparent (3.71), The increase/decrease of employees are discussed in the top-level management (3.72), Recruitment and Selection process provides quality candidates on time (3.67), Quality candidates are selected based on PAS scores (3.67). It is found that Candidates are typically interviewed, Appraisal System is transparent, the increase/decrease of employees are discussed in the top-level management, Recruitment and Selection process provides quality candidates on time, and Quality candidates are selected based on PAS scores are having high level perception towards the Recruitment Policies.

**Table 4 Employee Benefit Factors**

Statements	Mean	Standard deviation
Knowledge of employees towards application of new teaching technology is included for increment	4.03	1.10
Attitude, Ability in work is considered for increment	3.81	1.14
Incentives / Increments and pay revision to employees are subject to API	3.67	1.09
Payrolls are checked to ensure the payment of optimum salary	3.74	1.19
Internal and External equity is maintained in the Employee benefit	3.83	1.18

Table 4 demonstrations the employees' opinion towards Employee Benefit Factors. It is observed that application of new teaching technology (4.03), Attitude, Ability in work is considered for increment (3.81), Incentives and pay revision are subject to API (3.67), ensure the payment of optimum salary (3.74), and Internal and External equity is

maintained (3.83). It is found that application of new teaching technology, Attitude, Ability in work is considered for increment, Incentives and pay revision are subject to API, ensure the payment of optimum salary, Internal and External equity is maintained are having high level perception towards Employee Benefit Factors.

**Table 5 Training and Development**

Statements	Mean	Standard deviation
Training is given to employees to manage the task assigned to them	3.48	1.33
On the job training courses are conducted by the organization to enrich knowledge of employee	3.44	1.21
Training in the organisation is conducted to ensure technology transfer through employees in the organisation	3.52	1.34
Trained employees are considered as the most valuable asset of the organisation	3.67	1.29
Induction Training is given for new appointments in the organisation	3.62	1.30

Table 5 explains the employees' opinion towards Training and Development. The mean values observed that manage the task assigned to them (3.48), enrich knowledge of employee (3.44), technology transfer through employees in the organisation (3.52), Trained employees are most valuable asset (3.67), and Induction Training is given for new appointments (3.62). It is found that manage the task assigned to them, enrich knowledge of employee, technology transfer through employees in the organisation, Trained employees are most valuable asset and Induction Training is given for new appointments are having high level perception towards Training and Development.

**Table 6 Performance Evaluation**

Statements	Mean	Standard deviation
Performance Evaluation helps management to avoid discriminations	3.51	1.28
Standard criteria are used in Performance Evaluation	3.52	1.23
Feedback of Evaluation is communicated on time all employees	3.47	1.23
Successful career development supports quick progression of employees	3.37	1.39
Performance of trained employees is compared with untrained faculties	3.39	1.39
Based on Performance Evaluation career development is given to employees	3.67	1.09

Table 6 illustrations the employees opinion towards Performance Evaluation. It is observed that management to avoid discriminations (3.51), Standard criteria are used (3.52), communicated on time all employees (3.47), Successful career development supports (3.37), compared with untrained faculties (3.39), and career development is given to

employees (3.67). The results that management to avoid discriminations, Standard criteria are used, communicated on time all employees, Successful career development supports, compared with untrained faculties, and career development is given to employees are having high level perception towards Performance Evaluation.

**Table 7 Leadership**

Statements	Mean	Standard deviation
Leadership leads to accessibility of employees in the work environment	3.00	1.20
Leadership involves higher participation and greater interaction	3.09	1.13
Leadership enhances the quality of work that is been carried out	3.04	1.06
Leadership enhances the quality of work satisfying the organisational standards	3.01	1.06

Table 7 discuss the employees opinion towards Leadership. The mean values observed that accessibility of employees in the work environment (3.00), higher participation (3.09), quality of work that is been carried out (3.04), and quality of work satisfying the organisational standards (3.01). The results that accessibility of employees in the work environment, higher participation, quality of work that is been carried out, and quality of work satisfying the organisational standards are having high level perception towards leadership.

**Table 8 Grievance Redressal**

Statements	Mean	Standard deviation
Grievance Redressal Cell solves various personal, administrative related issues of employees in confidential manner	3.57	1.43
Grievance Redressal Cell adds tangible and intangible value to the Organization	3.58	1.43
Grievance Redressal Cell acts in good faith and makes the Organization more friendly	3.00	1.57
Grievance related to violation of Organization policy or practices are solved on time to ensure smooth functioning of the Organization	3.51	1.66

Table 8 explains the employees opinion towards Grievance Redressal. The mean values are Grievance issues of employees in confidential manner (3.57), Grievance Redressal Cell adds tangible and intangible value (3.58), Grievance Redressal Cell makes more friendly (3.00), solved on time to ensure smooth functioning of the Organization (3.51). The results revealed that Grievance issues of employees in confidential manner, Grievance Redressal Cell adds tangible and intangible value, Grievance Redressal Cell makes more friendly, and solved on time to ensure smooth functioning of the Organization are having high level perception towards Grievance Redressal

**Table 9 Organizational Culture**

Statements	Mean	Standard deviation
Organizations competitive position increase with improvement of human capital	4.07	1.08
Adequate Training adds value to human capital of the Organization	3.98	0.99
Organizational culture enhances the success of the organization	3.59	1.16
Organizational culture of employees are diagnosed through systematic Performance evaluation	3.54	1.11
Organization culture ensures that Infrastructural facilities are being utilized optimally	3.81	0.98

Table 9 shows the employees opinion towards Organizational Culture. The mean values observed that competitive increase with improvement of human capital (4.07), adequate training adds value to human capital (3.98), organizational culture enhances the success of the organization (3.59), diagnosed through systematic performance evaluation (3.54), infrastructural facilities are being utilized optimally (3.81). The results shows that competitive increase with improvement of human capital, Adequate Training adds value to human capital, Organizational culture enhances the success of the organization, diagnosed through systematic Performance evaluation, Infrastructural facilities are being utilized optimally are having high level perception towards Organizational Culture

**Table 10 Employee Retention**

Statements	Mean	Standard deviation
Reports summaries data and gives feedback for future improvement	3.93	1.20
A copy of human capital management Report is circulated among employees, administrative staff and to the concern department to identify the area of focus	4.14	1.12
Human capital management Report aids management in employment location and utilization of human resource	4.08	1.20
Human capital management Report always keep management prepared to take timely action	3.89	0.91
The Internal Quality Assurance Cell (IQAC) is established for documentation and record –keeping	3.95	1.01
Employees are encouraged to follow the suggestion given in Human capital management Report	4.17	1.03
Documentation relating to employee helps management to take right decision on Recruitment, Selection, Placement & Promotion	3.72	1.26

Table 10 explains the employee's opinion towards Employee Retention. It is observed that feedback for future improvement (3.93), report is circulated among employees, to identify the area of focus (4.14), report aids management in employment utilization (4.08), report always keep management prepared to take timely action (3.89), IQAC is established for documentation (3.95), employees are encouraged to follow the suggestion (4.17), documentation relating to employee helps management (3.72). The results that feedback for future improvement, report is circulated among employees, to identify the area of focus, report aids management in employment utilization, report always keep management

prepared to take timely action, IQAC is established for documentation, employees are encouraged to follow the suggestion, documentation relating to employee helps management are having high level perception towards Employee Retention

### **Suggestion**

- IT organizations are required to plan and document a set of principles to guide human capital audit activities. This includes establishing specific objectives and standards for HR audits, creating budgets, and setting realistic timeframes for each audit activity.
- Human capital audits should be forward-looking, considering the future needs of the institution. It is essential to take into account the perspectives of faculty, administrative staff, and students, considering both factual data and perceptions.
- Due to the confidential nature of human capital audits, organizations must not disclose any information to third parties. The audit process should involve categorizing objectives, analysing policies and procedures used to achieve these objectives, and generating a comprehensive report.
- The results of human capital audits should be shared with top-level and middle-level management to raise awareness about the existing organizational culture. Human capital audits are not one-time activities; they should be conducted regularly to maintain organizational discipline, commitment, and efficiency.
- The human capital audit department should proactively address and resolve various grievances within the institution. Specialized employees with expertise in law and auditing and possessing high credibility should be assigned to conduct human capital audits.

### **Conclusion**

The effective Human Capital Management (HCM) is paramount for the sustained success and growth of IT companies in Telangana. The challenges faced, including high turnover rates, constant upskilling demands, and the need for diversity, highlight the dynamic nature of the industry. Companies that prioritize robust HCM strategies, focusing on talent acquisition, development, and retention, are better positioned to navigate these challenges successfully. By fostering a culture of continuous learning, adaptability, and inclusivity, IT companies can create resilient workforces capable of driving innovation in this competitive sector. Ultimately, the commitment to addressing HCM challenges not only enhances organizational performance but also contributes to the overall development and success of Telangana's IT ecosystem in the global landscape.

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