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Introduction

An organisation is required to maintain equilibrium in almost all of the aspects including the human resource department. According to Stankevičiūtė and Savanevičienė, (2018), The Human Resource Manager is required to fulfil objectives like recruitment, selection, hiring new personnel at the right job, retention of skilled employees, people management, project assignment, task delegations, monitoring timely completion of tasks, etc. There are several models of Human Resource Management that are applied in one or the other form using modern concepts. In an IT environment, the HRM function is a bit more digitised and transformational in nature. The HR function constitutes a team of digital people who manage their tasks virtually across geographical boundaries. The HR function is required to oversee task management by the Project Head and timely reporting of the status of each task. The task manager needs to strategise communication among different members of the team and organise frequent meetings along with doubt solving sessions for the task performers. Incentives in today's world have been linked to the performance of personnel (Mariappanadar, 2019).

The researcher shall describe the impact of three areas of HRM based on the most relevant models and HR practices. The researcher shall also prove how these practices are useful in the given working environment. The researcher shall critically analyse the impact of these areas on the given environment and make recommendations accordingly.

Areas of Human Resource Management

The researcher shall describe **three** core areas as cited in the assignment for the IT environment and the relevant HR models, principles and practices applicable for the chosen areas.

1. Change Management

Change Management is the switching process by which an organisation adapts to the new processes, practices, principles, code of conduct and framework for its work environment (Jayatilleke and Lai, 2018). Managing change is the responsibility of the HR function because implementing new processes is not an easy task and requires the involvement of the HR function. The function has the power to bring awareness regarding the change and enforce it. It is always pertinent to look after the human consequences of bringing changes

to present processes. It is known that most humans **resist changes**. The HR manager is the only person that brings flexibility in the scope of activities of human resources. Employee communication is the key to driving efforts towards such changes and motivating them towards its cause and effect relationship.

Kotter's 8 step change model

As per Tang (2019), The organisation needs to change the ways in which it is currently operating and at least 75% of such organisations should bring in the changes in order to be on track because the model is in a linear form and has a structured approach. The structural aspects bind the organisation to follow the model strictly.

- The HR function must **create urgency** in the form of threats to not following nuances, explaining core reasons of the change initiative, importance to the entity and the individuals of the entity, etc.
- The HR leader needs to form a **powerful coalition** or a team for guiding the change. It should create a team to be coached and skills to be obtained for fulfilling the task.
- A **vision** must be created to ensure where the organisation is heading towards? How will they ensure consistency of decisions? The organisation must give a brief outlook of values and behaviour.
- HR needs to **communicate its vision** by putting reasons for moving ahead and following a plan that is consistent with the vision and creating awareness for the same. The personnel should be ensured of the vision by guiding them with an example, showing benefits of such change and consequent actions to be taken (Hayes, 2021).
- **Removing obstacles** is a crucial part of this process since it brings interruptions in change management. It is a deterrent to getting closer to vision and mission.
- It is essential to achieve **short term goals or wins** so that the employees remain motivated for the task of change management. It also helps them to remain focussed on the process and the steps are followed dedicatedly.
- It is essential to **build on change** by maintaining a log of such achievements and the change preachings taught. The HR function may monitor each employee for compliance with the changed protocol and take actions to bring discipline to it.

- HR should **anchor the change in the corporate culture** by reinforcing the change in the corporate environment and recognising the wins and the winning story. The organisation of such events shall boost the impact of the change management process (Subramoney and Matshabaphala, 2019).



Figure 1: Kotter's 8 step change model

(Source: Tang, 2019)

In an IT environment, change management is essential to address:

- **Security concerns** and risk management issues like a failure in codes, virus malfunction, outdated software, etc.
- **Service** reliability, service quality, timely service delivery, massive harm to productivity and incurring costs, etc.
- **Competition** in the market, changing ideas of business, technological advancements, etc.
- **Resources** allocation, resource optimization, resource utilization, resource procurement, training, etc (Hayes, 2021).

2. Leadership Development

This is one of the most essential parts of Human Resource Management. It is basically ensuring the development of leadership skills in the personnel of an organisation. It covers aspects such as problem-solving abilities, innovation, virtual leadership, project planning and delegation, enhancing trust and confidence, motivation to perform better, change manager, resolution of conflicts, etc (Leroy *et al.* 2018).

Transformational Leadership in HRM

A transformational leader is one that not only dreams to bring a **big change** in the organisation but ensures the involvement of all employees and workers in the given circumstance. A change can be brought into effect with the support and encouragement of people in the organisation. It is the management style that keeps an employee creative and active in finding solutions to old problems (Para-González *et al.* 2018). It has **six** important elements.

- **Motivation and Positivity**

An HR is entrusted with the task of managing the people and getting work done through them. Personnel is able to maintain close contact with the HR in several assignments and the HR motivates them to complete their tasks within the schedules. It is a positive approach to people in the organisation that creates a suitable work culture (Leroy *et al.* 2018).

- **Morality**

Any organisation cannot run without following moral standards. These standards are essential in the workplace to be explained directly or indirectly to employees and workers. HR encourages the same standards in all.

- **Ethical Work Standards**

Ethics in the workplace is essential. It should be a part of the corporate culture. It is also reported in the annual report and other governance reports like Integrated Reports. It is the sense of action in the working environment (Reamer, 2017).

- **Corporate Culture Development**

The HR department is the foundation of the culture which the organisation bestows on its people. If the leader is unable to communicate the policies of the company to its employees,

it shall be a bane to the organisation in the form of misconducts, frauds, frequent absences, delays in submissions, etc.

- **Holding Emphasis**

It is essential to emphasise **open communication** in an organization since it shall bring inflow of new ideas, social well-being of employees, communication of genuine concerns, effective handling of grievances, etc. It shall enhance **cooperation** among the personnel and eradicate issues of unawareness and misconduct.

- **Mentoring**

HR is required to address the concerns of its staff and bring them to the senior officers. Such concerns can relate to skills and personal development. For such purposes, a leader of the organisation arranges mentorship programs for employees and delivers quality time to those who require it the most. It shall also include the provision of guidance to the employees.

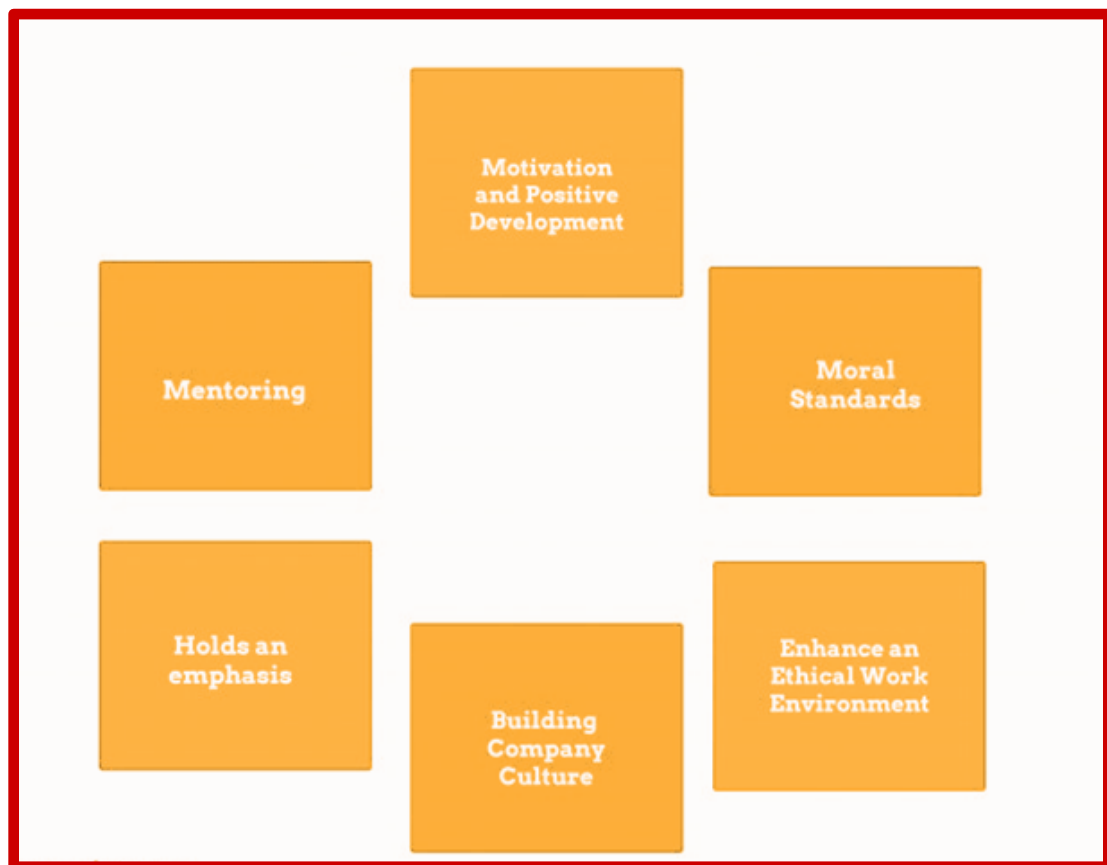


Fig 2: Transformational Leadership in HRM

(Source: Para-González *et al.* 2018)

Leadership development in an IT environment becomes important due to the forecast of managing future responsibilities in senior positions and the leadership programs prepare them for the same, to enforce change management, curiosity to know leadership challenges, role play, observing the impact of leadership development in other individuals, etc. It is important to attain sustained success through :

- Attracting IT experts in the organisation and retaining them for long
- Initiation of strategic execution among the workforce
- Improving the performance of employees in group tasks or even individual tasks
- Development of a changed approach to old processes, design and systems
- Encouraging leadership skills in human resources would further their capabilities in not being only an IT expert
- Gaining momentum in tasks assigned and completing them under the guidance of the HR function
- Client retention skills and development of overall communication skills

HR effectiveness measurement

A Human Resource Manager is responsible for fulfilling core and non-core responsibilities (Lawler and Boudreau, 2020). However, such HR shall need to achieve targets and match the criteria fixed by the employer. These can be productivity ratio of employees, recruitment costs incurred, rate of absenteeism, overtime costs, advertisement costs for hiring, cost per hire, the standard time to fill the vacancy, allocation of jobs to talented, etc. It is nowadays termed as **HR effectiveness Ratio**. How HR creates and delivers value in the given time can be described with the help of the HR Value Chain Model.

HR Value Chain Model

It is one of the most known models for HR and throws light on how HR operates. It was created by **Paauwe and Richardson**. It divides the HR effectiveness measurement into **two** elements.

- **HRM Activities**

These are related to HR practices of recruitment, training, compensation and planning and controlling. It is a part of the daily activities of HR and is used for measurement, which is

termed as **HR metrics or efficiency metrics**. This means that HR should hire the right candidates who require less training and personal development lessons and in a manner involving lower costs.

- **HRM Outcomes**

As stated in Veth *et al.* (2019), It is essential that we focus on **the outcome rather than activities** because achieving HRM goals is more important than just performing the activities without thinking of goals. The HR function should not be task-oriented only. It should focus on goal orientation and ensure its achievement.

As stated in Whittington *et al.* (2017), when the two break-even, they lead to better employee performance and participation. It is the result of recruiting the right candidate for the right job, providing proper training and performance incentives, and retention policy for key managers, etc. It is pertinent to note that the HR function performs meticulously when the company is performing better and achieving results. This is because the company will be able to **invest more in HR** professionals and training programs for all personnel with a strong financial base.

The above model can be adjusted with **two** additional indicators to enhance its effect. The first is the **balanced scorecard** that looks after in particular financial, customer and process perspectives for an organisation and is a part of performance evaluation models (Hansen and Schaltegger, 2018). The second is the **HR enablers** which help the value chain to operate effectively like HR processes, HR competencies, HR marketing, HR database, etc. This model is known as **The HR Value Chain Advanced**.



Fig 3(a): HR Value Chain Model

(Source: Whittington *et al.* 2017)

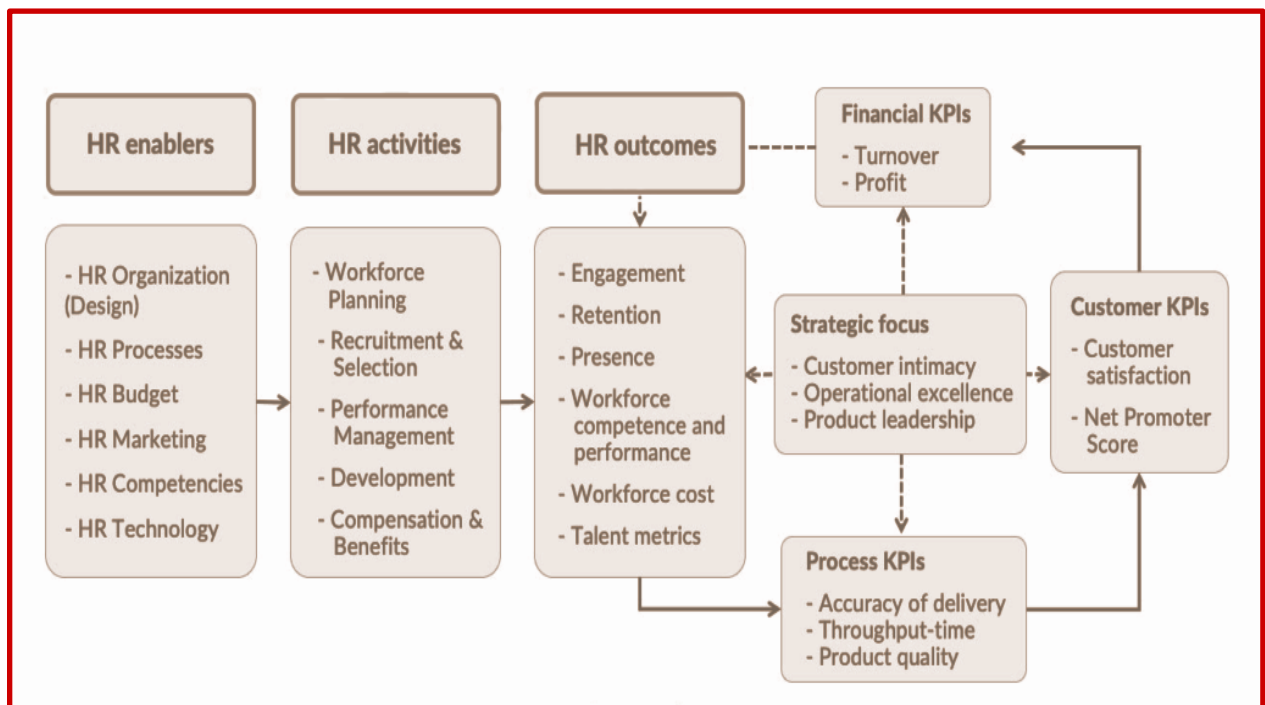


Fig 3(b): HR Value Chain Model Advanced

(Source: Whittington *et al.* 2017)

As stated in SINGH and JAT, (2020), HR metrics in an IT environment is considered very essential, especially in IT giants like Infosys, Google, etc.

- **Infosys** calculates Human Resource Value through value-added per employee, cost per employee, etc. Analytics such as correlation analysis indicates that the company performs well when the HRV is good (**both are positively related**). They discount the expected rate of return from employees in future to bring it to present value. Hence, the discounting factor is determined cautiously using several models like the Lev and Schwartz model.
- **Google** applies the method of **Economic Value Added (EVA)** as the most important HR metric. It is calculated by reducing capital employed (Cost of capital multiplied by total capital base) from NOPAT (EBIT net of tax).

Critical Analysis

The company is required to develop such HR strategies that bring sustained success to the organisation. As discussed in three core areas, HR can empower **change acceptance** through his influence (Rajan and Ganesan, 2017). Resistance is natural to mankind and flexibility is not simple. Making the **need for such change** clear to those fellows can bring some ease in implementing the strategies. Models are never complete in all aspects and modification is required each time a fault is discovered. If the HR function is not authorised, then the change management would fail because it is based on encouraging and pushing them to accept the change in their working habits. HR should be a **transformational** and **effective leader** who can preach to the followers for the betterment of the organisation (Subramoney and Matshabaphala, 2019). It is necessary, say, to stop providing travel allowances to employees since the branches are not so far. But that would result in chaos. On looking into the big picture, an effective leader can resolve issues of both sides and ensure congruence. The company needs to value its HR for ensuring its performance standards are met and efficiency analytics is prepared regularly. It is one of the ways of regulating the HR function and not allowing **unruly practices of HR**. It is important to be driven by its **effectiveness ratio** consisting of reduced turnover, increased engagement, improved quality of hire and better employee relations.

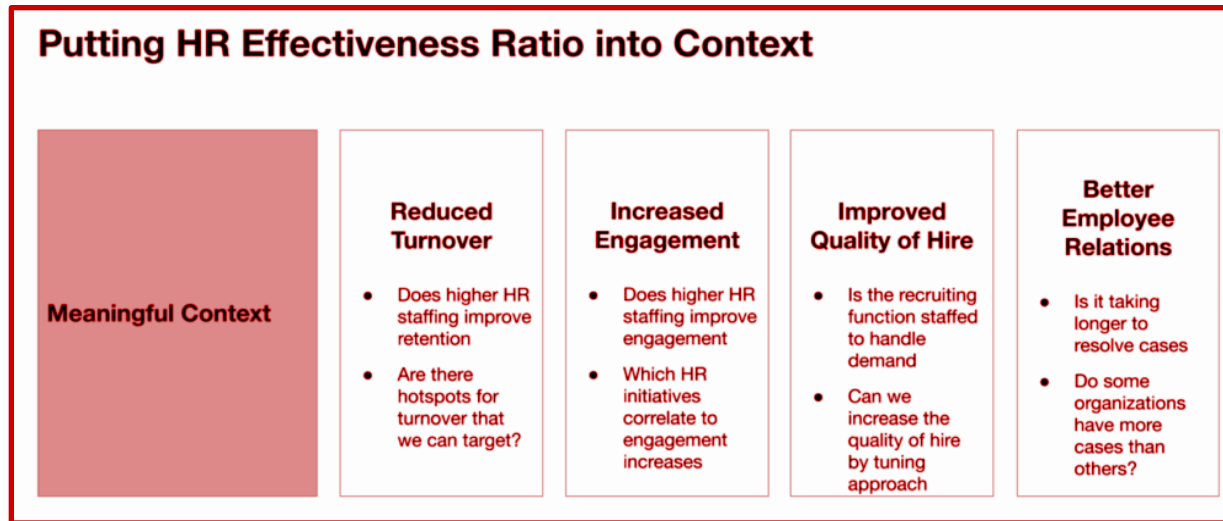


Fig 4: HR Effectiveness Ratio

(Source: Bigsby, 2020)

Recommendations

The IT organisations can follow from the above discussion to develop strategies:

- ❖ A change manager shall establish a framework to manage the process, bring priority in selecting necessary changes, ensure proper allocation of resources, obtain relevant details for smart moves, involve important stakeholders from IT for approval, **conduct tests** to avoid incidents and improve the effect of changes to extract more value from the change process (Jayatilleke and Lai, 2018). Also, adhering to **best practices** for change management can be useful.
- ❖ Leadership development shall involve the folks and not ask them to be silent. They should be motivated to express their opinion. They should be driven by their own passion. The HR needs to show **competency factor** with IT experts as the sole contributor to their success along with effective communication skills to become a role model.
- ❖ To improve HR effectiveness employers need to take care of the most tested ratio, **the HR-Employee Ratio**. It is seen that 1.5:100 is the ideal one. However, most entities employ 3.4:100 professionals. It is important to note that quality and not quantity is important (Galanaki and Lazazzara, 2020).

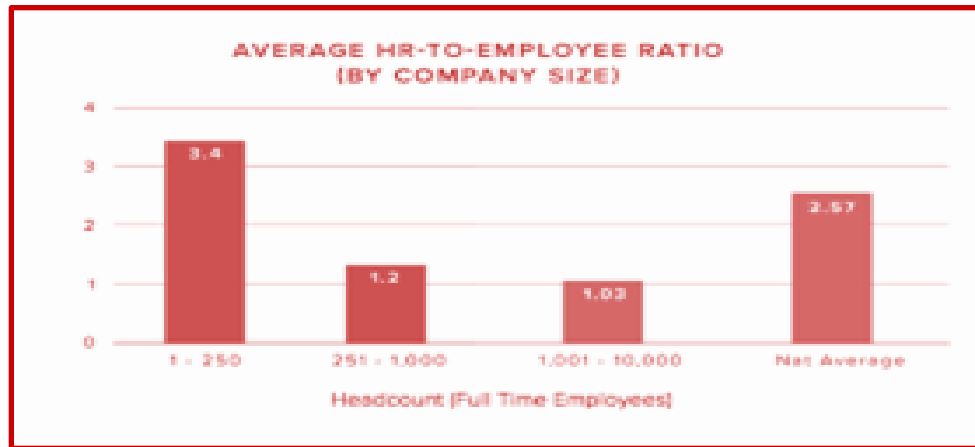


Fig 5: HR-Employee Ratio
(Source: Galanaki and Lazazzara, 2020)

Conclusion

The researcher has identified the significance of three chosen areas. The researcher has proved the relevance of different models and principles in HR practices prevalent in the IT environment. The researcher has highlighted the significant effects of the models on HR practices using references and literature and analysed it critically, discovering ways to make it suitable. The researcher added recommendations for strategizing HR moves in view of three chosen areas and practices adopted as per different studies.

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