



Career Development Of Employees And How It Affects The Success Of Small IT Companies

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Abstract. The present time is time of competition in IT industry; Employees in any organization have become most important assets. Employees' competency is the key for success of any company. In this very competitive industry only financial benefits to the employees doesn't guarantee stability and so company's success. Hence, focus on employee career development is important to address the problem of upskilling employees, stability of employees resulting organizations success and overall improvement in performance and quality. As part of current research, scholar has conducted survey of employees in IT companies on certain parameters about their satisfaction, growth and expectations. Another survey has been conducted with employers about their perception to company's productivity, employees' growth, their plans and expectations. Results are mapped to cross verify that career development of employee improves to company's productivity.

Keywords: IT Companies, Employees, Career Development, Career Growth

1. Introduction

Programs for career development of employees are getting more focus as it helps the employees grow as well as increases productivity of companies. Hence companies are trying to accept this concept and generating more and more opportunities through career development programs for employees. These programs are considered as a key HR function in IT companies to develop competitive environment with better efficiency and productivity, which results in higher level of employee commitment and satisfaction. These programs are developing as a key tool that effects staff's working efficiency and resulting benefit of both employees and IT companies.

In current time, use of technology has grown drastically, at the same time technologies are very dynamic and changes very fast regularly. It generates need to implement new skills in IT companies at the same time. Businesses (clients) are willing to use latest technologies for their system and they are willing to invest accordingly. However, programmers (employees) in IT companies, especially in small IT companies lack these

latest skills. Current skills of employees are not enough in context of latest technological revolutions. Hence, it is vital to keep employees upskilling and stay ahead in this competitive industry.

Career development program in IT companies supports employees and organization by ensuring employee satisfaction level remains high resulting lesser attrition rate and less drain of knowledge. From company's point of view, it is important that people who have been upskilled and have in-depth domain and process knowledge stay for longer period with organization. It not only reduces cost of hiring/retraining rather it also increases confidence and trust of clients.

There is nothing better than a responsible employee. Career development program also ensures employees grow with time and understand their responsibilities properly. Such programs also help in improving internal and external communication of team.

Software industry has witnessed a very good rise in recent period as a result of the regular upgrade of technologies. Specifically, there have been major changes in the attitude of service providing businesses (software companies). Employees' performance is key factor in meeting their objectives. Career development programs are mainly designed with a vision to strengthen the required skills for the employees from short and long aspects and responsibilities.

2. Analysis

Study was conducted on employers and employees separately. First organizations were selected and then employees and employers both were requested to provide their inputs. So, data from employees and management of the same organization can be verified in the same context. 218 employees' data was collected with Cronbach value of .894. 18 employers' data was collected with Cronbach value of 0.707. Cronbach values of both datasets show that quality representation of the data is strong and supports reliability of the data by 89% and 71% for the employers and employees respectively.

Two sets of survey questions were prepared i.e. one for employees and one for employers. Questions were categorized based on similarity. Details of both questionnaires is given below;

2.1. Questions for Employees

Main aim of developing this questionnaire for employee is to understand what do employees think about career planning, what benefits them. Responses were on scale of 5 as following:

- Strongly Agree - 1
- Agree - 2

- Can't Say - 3
- Disagree - 4
- Strongly Disagree - 5

Table 1: Descriptive Statistics Table of Factors

Item Statistics			
Parameters	Mean	Std. Deviation	N
Do you get enough opportunities to grow/develop your career in current company?	1.45	0.623	218
Does your company provide you enough learning opportunities?	1.44	0.644	218
Does your company provide internal/external trainings to help you learn new things?	1.95	0.793	218
Do these trainings help you with your career development?	1.58	0.773	218
Do your efficiency and productivity increase after attending these trainings?	1.57	0.802	218
Do these trainings help you in getting promotion or higher position?	1.67	0.902	218
After training, are you more confident in taking new responsibilities in company?	1.71	0.716	218
"New learning's" have helped you in increasing your efficiency/productivity?	1.79	0.498	218
"New technical skills" have helped you in increasing your efficiency/productivity?	1.35	0.568	218
"New technical skills" have helped you in taking more challenging roles, which give you more satisfaction?	1.35	0.566	218
"New responsibilities" have helped you in increasing your efficiency/productivity?	1.61	0.615	218
"Trust of management" motivates you to put extra efforts in work and do your best for company?	1.53	0.553	218
"Trust of management" has increased our confidence, which helped you in higher efficiency/productivity?	1.39	0.567	218
"New learning's from seniors and environment" have helped you in increasing your efficiency/productivity?	1.51	0.594	218

Money attracts you most in your job ?	1.92	0.962	21 8
"Stability" attracts you most in your job ?	1.48	0.528	21 8
Position attracts you most in your job ?	1.82	0.866	21 8
Respect / Value in company attracts you in your job ?	1.4	0.528	21 8
Money is very important for you in professional career ?	1.46	0.732	21 8
"Stability" is very important for you in professional career?	1.31	0.484	21 8
"Position" is very important for you in professional career?	1.43	0.65	21 8
"Respect/Value in company" is very important for you in professional career?	1.27	0.485	21 8
"Location of job" is very important for you in professional career?	1.97	0.882	21 8
Does your company follow some sort of development processes/best practices?	1.72	0.606	21 8
Do you get enough opportunities to interact with client?	2.09	0.645	21 8
Do you understand clients' business value, ethics and policies very well?	1.6	0.653	21 8
Do you get enough opportunities to understand full life cycle of a project?	1.65	0.717	21 8
Does your company motivate you to spend your free time in exploring latest technologies or new learnings ?	1.6	0.714	21 8

2.2. Questions for Management

Main aim of developing this survey is to understand the effect on organization's productivity when organization's plan career development of employees.

Following data is captured in part A of the form: Email Id, Organization Name, Organization owner, Contact and Address information of organization etc. Responses were on scale of 5 as following:

- Strongly Agree - 1
- Agree - 2

- Can't Say - 3
- Disagree - 4
- Strongly Disagree - 5

Following questions were asked to employers in survey questionnaire:

Table 2: One-Sample Statistics

PARAMETERS	N	Mean	Std. Deviation	Std. Error Mean
Is planning career development of employees' important for your organization?	18	1.17	.383	.090
Is your management always enthusiastic to discuss the employee's career goals?	18	1.59	.507	.123
Does your company identify the productive employees?	18	1.71	.588	.143
Does your company identifies the competencies of employees?	18	1.53	.514	.125
Did employees gain (acquire) new skills out of these training ?	18	1.41	.507	.123
Are employees able to accept (take) new responsibilities after these trainings?	18	1.59	.507	.123
Does your management allows the employees to take decisions?	18	1.82	.393	.095
Our organisation provides on the job training to prepare employees for next level of role	18	1.71	.470	.114
Did you achieve the desired (expected) output from these training ?	18	1.88	.332	.081
Does organisation save cost for acquisition of new skills with help of these training ?	18	1.88	.485	.118
Does organisation save cost by training the staff instead of hiring new employees from outside?	18	1.65	.493	.119
Does organisation prevent redundancy by training existing staff instead of hiring new employees?	18	1.76	.752	.182
Does same staff members take less time to complete the work after the training (more productive)?	18	1.82	.393	.095
Does it increase employees' satisfaction level?	18	1.53	.624	.151

Would new employee be equally efficient in your company as one of your long time retained employee?	18	3.59	.507	.123
Does new employee cost more than retaining an employee (existing) of same skills/experience?	18	1.88	1.111	.270
Do you trust new employee equally as an existing employee?	18	2.76	1.033	.250
Is it easier for new employee to meet client's expectation?	18	3.06	.659	.160
Is it easier for new employee to learn clients' business value, ethics and policies?	18	2.71	.985	.239
Is it easier for new employee to start following client's process without making mistakes?	18	3.12	1.111	.270
Is it easier for new employee to build historical knowledge (go through all historical discussions/learnings/mistakes) quickly?	18	3.47	.624	.151
Are clients more comfortable with existing people (your employees) they have been working with instead of new joiners?	18	1.88	.928	.225
Does an existing employee understand client expectation better than new one?	18	1.65	.493	.119
Is it easy to find a replacement of an employee (when someone is leaving)?	18	4.24	.437	.106
Do you increase salary of employees at regular frequency?	18	1.65	.493	.119
Do you increase salaries based on the new skills, new responsibilities, new roles they have taken over during the period?	18	1.94	.243	.059
Do employees justify the increase in cost by increasing their working productivity?	18	2.06	.429	.104
Would you replace employee with juniors instead of increasing their salaries?	18	4.29	.470	.114
Does your management maintain the list of more qualifiers in the company?	18	2.00	.354	.086
Does your company has ongoing assessment of employees?	18	2.00	.000 ^a	0.000
Does your company pay according to employees' performance?	18	1.65	.606	.147
Overall is it cost effective and trust worthy to upgrade existing employees instead of hiring new employees?	18	1.59	.507	.123

Would you like to retain a performing employee for another 5 years or more?	18	1.41	.507	.123
Does employee retention increase productivity of your organisation?	18	1.82	.809	.196
Does employee retention increase overall profitability of your organisation?	18	1.88	.857	.208
Are employees working in your organisation for longer period more productive than others?	18	2.00	.354	.086
If old employees leave your company, would it increase burden on you and you will become a bottleneck in progress of projects?	18	2.00	1.061	.257

3. Conclusion

From the Table 1 and Table 2 the correlation analysis applied between the employees and management respondents.

Descriptive Statistics table between Employees and Management

Descriptive Statistics			
	Mean	Std. Deviation	N
Employees	1.59	.215	28
Management	2.10	.769	37

Correlation between Employees and Management

Correlations			
		Employees	Management
Employees	Pearson Correlation	1	.093
	Sig. (2-tailed)		.638
	Sum of Squares and Cross-products	1.247	.461
	Covariance	.046	.017
	N	28	28
Management	Pearson Correlation	.093	1
	Sig. (2-tailed)	.638	
	Sum of Squares and Cross-products	.461	21.264
	Covariance	.017	.591

	N	28	37
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Here the above table show that there is a significant positive correlation between the employees and management towards the organization's productivity in small scale industries especially IT companies.

And hence employers take following actions to increase satisfaction level of employees:

Employers Parameter	Mean	Analysis
Do you increase salary of employees at regular frequency?	1.65	Employers increase their salaries time to time to match market norms.
Does your company pay according to employees' performance?	1.65	They ensure high performing employees are paid accordingly, which motivates staff to perform better all the time.
Do you increase salaries based on the new skills, new responsibilities, new roles they have taken over during the period?	1.94	Companies want their staff to acquire new skills, take more responsibilities and work in different roles.
Does your management maintain the list of more qualifiers in the company?	2.00	Companies pay more attention/focus on performing employees and some companies even have fast track for such employees.
Does your company have ongoing assessment of employees?	2.00	All the companies assess their employees' performance in very managed way once or twice a year minimum based on their appraisal cycles. Ad-hoc assessment happens more frequently.
Would you replace employee with juniors instead of increasing their salaries?	4.29	Companies don't want to lose their experience employees at the cost of salary.
Is planning team's career development important for your company?	1.17	Employers agree that it is important to plan their team's career development.

Concluding this article, it can be said that Career development of employees in small IT organizations improve organization's productivity, which further assisted in finding the role of various career development methods/programs adopted by small IT companies in effectively uplifting the skills, abilities, performance, satisfaction level and employee

morale. Paper also researched actions, which companies are taking as to increase satisfaction level of staff.

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