Research Paper Management

Effectiveness of Training and Development in Information Technology Enabled Service Sector (Ites) in Chennai

P. Rajendran | Assistant Professor, Department of Business Administration, Annamalai University.

Dr G. Udayasuriyan | Professor, Department of Business Administration, Annamalai University.

ABSTRACT

Training and development among employees is inevitable in any modern organisational set-up. It is indeed a crucial tool for the survival of every organisation. This study aimed to assess the effectiveness of training and development provided by ITES companies in Chennai city, Tamilnadu. The research design chosen is descriptive in nature. The universe of the study is employees in ITES companies. Convenient sampling method is used for this study. Primary data collected through structured questionnaire from 100 employees who are working in ITES companies and Secondary data were collected through previous research work, journals, websites, etc., Simple percentage analysis, ANOVA, , 't'-test are used for data analysis. This research indicated that age, gender and experience has the positive influence on training and development.

KEYWORDS | Training, Development, IT, Organization, ITES

Introduction

In modern scenario there is lot of variations in nature of business. To meet these variations and adopt new technologies training is a most important tool in every organization. Training effectiveness affect the productivity, human relations and adaptation of new technologies and knowledge updation, etc. Now-a-days most of the organizations invest more on training and development programmes to train their employees in a better manner in order to improve productivity and reduce the industrial accidents. Contemporary management thinking suggests that human capital can be a competitive advantage to organizations. This advantage can be sustainable only when work force is knowledgeable and dexterous. Training and development ensures that human capital inculcate required knowledge and abilities. Thus, Training and development function is considered as significant function in any organization. In India, more importance is given to the conduction of a training program to enhance human assets of firms.

ITES -Information Technology Enabled Services

India is referred to as the back office of the world owing mainly to the Information Technology-enabled Services (ITES) sector. According to the National Association of Software and Service Companies (NASSCOM), the apex body for software services in India, the revenue of the information technology sector has grown from 1.2 per cent of the Gross Domestic Product (GDP) in 1997-98 to an estimated 5.8 per cent in 2008-09. Indian IT-BPO grew by 12 per cent in 2008-09 to reach US$ 71.7 billion in aggregate revenue. Software and services exports (includes exports of IT services, BPO, Engineering Services and R&D and Software products) reached US$ 47 billion, contributing nearly 66 per cent to the overall IT-BPO revenue aggregate. ITES, which started with basic data entry tasks over a decade ago, is witnessing an expansion in its scope of services to include increasingly complex processes involving rule-based decision making and even research services requiring informed individual judgment. It now offers services such as Knowledge Process Outsourcing (KPO), Legal Process Outsourcing (LPO), Games Process Outsourcing (GPO) and design outsourcing among others.

BPO Industry in India- A Report

Business process outsourcing (BPO) is a broad term referring to outsourcing in all fields. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process.

Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria. Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry.

Few of the motivation factors as to why BPO is gaining ground are:

- Factor Cost Advantage
- Economy of Scale
- Business Risk Mitigation
- Superior Competency
- Utilization Improvement

Generally outsourcing can be defined as - An organization entering into a contract with another organization to operate and manage one or more of its business processes. Indian BPO industries are rendering services according to the need of the society. The following are example of our Indian BPO industries services offered to Indian corporate companies and Multinational Companies (MNCs).

- Customer Support Services
- Technical Support Services
- Telemarketing Services
- Employee IT Help-desk Services
- Insurance Processing
- Data Entry Services / Data Processing Services

Sutherland, Allsec, and HCL Technologies are prominent Chennai based BPO companies.

INDIAN SOFTWARE INDUSTRIES

In India, the software boom started somewhere in the late 1990s. Most of the Indian software companies at that moment offered only limited software services such as the banking and the engineering software. The business software boom started with the emergence of Y2K problem, when a large number of skilled personnel were required to fulfill the mammoth database-correction demand in order to cope up

with the advent of the new millennium. The profile of the Indian IT Services has been undergoing a change in the last few years, partly as it moves up the value chain and partly as a response to the market dynamics. Ten years ago, most US companies would not even consider outsourcing some of their IT projects to outside vendors. Now, ten years later, a vast majority of US companies use the professional services of Indian Software engineers in some manner, through large, medium or small companies or through individuals recruited directly. Despite the global economic slowdown, the Indian IT software and services industry is maintaining a steady pace of growth. Software development activity is not confined to a few cities in India. Software development centers, such as Bangalore, Hyderabad, Mumbai, Pune, Chennai, Calcutta, Delhi-Noida-Gurgaon, Vadodara, Bhubaneswar, Ahmedabad, Goa, Chandigarh, and Trivandrum are all developing quickly. All of these places have state-of-the-art software facilities and the presence of a large number of overseas vendors. India's most prized resource is its readily available technical work force.

India is among the three countries that have built supercomputers on their own. The other two are USA and Japan. India is among six countries that launch satellites and do so even for Germany and Belgium. India's INSAT is among the world's largest domestic satellite communication systems. India has the third largest telecommunications network among the emerging economies, and it is among the top ten networks of the world.

To become a global leader in the IT industry and retain that position, we need to constantly keep moving up the value chain, focusing on finished products and solutions, rather than purely on skill sets and resumes. We need to be able to package our services as products, rather than offering them as raw material. We need to be able to recognize and build up on our strengths and work on our weaknesses.

Software Industry in Tamil Nadu

Tamil Nadu is one of the leading state in the growth of software as well as ITES of all the South India's states. Tamil Nadu government and STPI have given more importance for the development this software and ITES sector. The strength of Tamil Nadu's IT industry based on various factors. Some of these factors are

- The largest pool of technically qualified high class IT manpower in India - Out of annual Turn-out of 136,000 Engineering Graduates from 355 Engineering colleges in Tamil Nadu, 37% are with Computer Science or IT or Electronics & Communication discipline.
- Enormous skilled human resource compared to developed countries leading to lower manpower cost nearly one tenth of those in developed nations, thus giving Tamil Nadu a big comparative advantage.
- Offers a wide range of services from support / data processing to sophisticat ed software systems etc.
- Rich experience of working with large global companies and enjoy high credibility.
- Expertise on a wide variety of platforms.
- 28 operational IT SEZs in Tamil Nadu.
- 234 IT Parks in pipeline in Tamil Nadu with a built-up space of 131 million sq. feet in Tamil Nadu.
- 1683 Software Exporting units with an export performance of Rs.36680 Crores (US $8120 million) employing about 285,000 Software professionals.
- Tamil Nadu had the highest Growth rate in software exports in India: 29.04%.
- Chennai has the largest bandwidth in India - 13.52 tbps through two submarine OFC cables linking Chennai with the rest of the World.
- Tamil Nadu exported 58% of its total IT exports to USA followed by UK (12%).[6]

for IT-ITES with an Integrated International Convention Center on 25.27 acres of land in Kanagam village and Thiruvanmiyur Village in Chennai District. The project would have minimum built up space for IT&ITES and commercial activities of about 4 million sq.ft., and an Integrated International Convention Center to seat 1500 delegates along with 275 Serviced Apartments and Suites. The consortium led by M/s. TATA Reality & Infrastructure Limited is the joint venture partner for implementing this project. The project is estimated to cost Rs.3000 Crores and provide employment to over 50,000 persons. TIDCO is establishing a IT-ITES SEZ at Sholinganallur, Tambaram Taluk, Kancheepuram district through a joint venture with Nuziveedu Seeds Limited (NSL), Secunderabad, to build about 73 lakh sq.ft. for ITES Space, residential, retail and a 150 room hotel in an area of 66 acres of land.

According to NASSCOM software and services exports (including exports of IT services, BPO, engineering services and R&D and software products) reached US$ 47 billion in FY 2008-09, contributing nearly 78 per cent to the total software and services revenue of US$ 59.6 billion. India's domestic market has also become a force to reckon with, as the existing IT infrastructure evolves both in terms of technology and depth of penetration. The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise. According to a report prepared by McKinsey for NASSCOM, the exports component of the Indian industry is expected to reach US$ 175 billion in revenue by 2020. The domestic component will contribute US$ 50 billion in revenue by 2020.[8]

Previous research and studies

Ogunu (2002) revealed that facilities for staff training were adequate for effective training of management staff, training programme for management staff were relevant to the jobs they performed, and the training programme undergone by staff did indeed improve their performance and effectiveness at works. Hunt and Baruch (2003) highlighted that some organizations invest a great deal of time and effort in elaborate training programmes designed to improve the so-called soft skills of managing.

Gopal (2008) stated that evaluation of training is not exactly the end point in the training function, it is a starting point. Nagar (2009) revealed that training programmes of the respondent organizations are generally effective with respect to course duration, library facilities, trainer, teaching and computer aided programme and infrastructure facilities.

Ramachandran (2010) revealed that employees differed in effectiveness of training programme on the basis of demographic characters. It is also inferred that experience and education of the employees of the organization is predominating and determining factor in training programme. Saharan (2011) highlighted that most organization are taking feedback from employees for training effectiveness to maximize its benefits. In the ceaseless drive for a competitive edge, companies subscribe to the belief that smarter, better trained workers increase chances for success.

Raja Abdul Ghafoor Khan et. al., (2011) stated that training and development, on the job training, training design and delivery style have significant affect on Organizational performance and all these have positively affect the organizational performance. It means it increases the overall organizational performance. Henry Ongori and Jennifer Chishamiso Nzonzo (2011) indicated that training and development of employees increases organisational effectiveness and enhances competitiveness.

Rohan sing and Madhumita Mohanty (2012) found that training has a significant role to play on productivity. But there are other dominant market forces which reduces its significance. Francis Boadu et. al., (2014) revealed that management and employees faced peculiar problems during training and development exercises. Management complained about funds whilst employees' expresses concern about the time allotted to various training and development programmes. Job Ayodele Ekundayo (2015) found that there is significant positive

relationship between training/development and workers productivity and also significant positive relationship between training/development and employees' job security.

Research Methodology

The research design chosen is descriptive in nature. The universe of the study refers to the employees of ITES companies in Chennai city. The sample size taken to conduct the research is 100 employees. The respondents were selected by using convenient sampling technique. Structured interview schedule was used for primary data collection. Secondary data was collected from earlier research work, various published journals, magazines, websites and online articles. Simple Percentage Analysis, Analysis of variance (ANOVA), and t- Test are the tools used by the SPSS (Statistical package for social sciences) for data analysis.

Analysis and Interpretation

Table 1: Classification based on Personal Factors

Personal Factors		Frequency	Percent
Age	Below 30 years	41	41
	30-40 years	15	15
	Above 40 years	44	44
Gender	Male	74	74
	Female	26	26
Present experience	Below 2 years	12	12
	2-5 years	39	39
	Above 5 years	49	49
Overall experience	Below 5 years	30	30
	5-10 years	20	20
	Above 10 years	50	50

Source: Primary Data;

The above table shows that 44 percent of the respondents belong to the age group of above 40 years and 15 percent of respondents belong to the age group of 30-40 years. 74 percent of the respondents are male and 26 percent of the respondents are female. 49 percent of the respondents have above 5 years of experience in present company and 12 percent of the respondents have below 2 years of experience in present company. 50 percent of the respondents have above 10 years of experience totally and 20 percent of the respondents have 5-10 years of experience totally.

Table 2: Classification based on Study Factors

Study Factors	Opinion	Frequency	Percent
Training provided opportunities to learn and grow	Strongly Disagree	6	6
	Disagree	8	8
	Neutral	13	13
	Agree	42	42
	Strongly Agree	31	31
Training objectives suit job needs	Strongly Disagree	12	12
	Disagree	24	24
	Neutral	15	15
	Agree	10	10
	Strongly Agree	39	39
Training needs are identified through a formal performance appraisal mechanism	Strongly Disagree	7	7
	Disagree	11	11
	Neutral	22	22
	Agree	28	28
	Strongly Agree	32	32
Sent for the training for promotional purposes	Strongly Disagree	24	24
	Disagree	21	21
	Neutral	10	10
	Agree	23	23
	Strongly Agree	22	22
The objective of the training is to understand different management functions	Strongly Disagree	10	10
	Disagree	10	10
	Neutral	20	20
	Agree	29	29
	Strongly Agree	31	31
Training needs identified are realistic and based on business strategy	Strongly Disagree	9	9
	Disagree	14	14
	Neutral	18	18
	Agree	38	38
	Strongly Agree	21	21
Efficiency in dealing with problems involving human relations	Strongly Disagree	10	10
	Disagree	10	10
	Neutral	22	22
	Agree	40	40
	Strongly Agree	18	18
Training has improved decision-making skills	Strongly Disagree	9	9
	Disagree	12	12
	Neutral	21	21
	Agree	28	28
	Strongly Agree	30	30
Feel more confident and better equipped to act as a leader	Strongly Disagree	6	6
	Disagree	5	5
	Neutral	17	17
	Agree	42	42
	Strongly Agree	30	30
Relationship between associates and colleagues has improved	Strongly Disagree	13	13
	Disagree	7	7
	Neutral	13	13
	Agree	35	35
	Strongly Agree	32	32
Feel better equipped to tackle unexpected events	Strongly Disagree	5	5
	Disagree	14	14
	Neutral	20	20
	Agree	19	19
	Strongly Agree	42	42

Source: Primary Data

The above table reveals that 42 percent of the respondents agree that training provided opportunities to learn and grow and 6 percent of the respondents strongly disagree that training provided opportunities to learn and grow. 39 percent of the respondents strongly agree that training objectives suit their job needs and 10 percent of the respondents agree that training objectives suit their job needs. 32 percent of the respondents strongly agree that training needs are identified through a formal performance appraisal mechanism and 7 percent of the respondents strongly disagree that training needs are identified through a formal performance appraisal mechanism. 24 percent of the respondents strongly disagree that they sent for training for promotion purposes and 10 percent of the respondents neutral mindset about sent for training. 31 percent of the respondents strongly agree that the objectives of the training is to understand different management functions and 10 percent of the respondents strongly disagree that the objectives of the training is to understand different management functions. 38 percent of the respondents agree that training needs identified are realistic and based on business strategy and 9 percent of the respondents strongly disagree that training needs identified are realistic and based on business strategy. 40 percent of the respondents agree that efficiency in dealing with problems involving human relations and 10 percent of the respondents strongly disagree that efficiency in dealing with problems involving human relations. 30 percent of the respondents strongly agree that training has improved decision making skills and 9 percent of the respondents strongly disagree that training has improved decision making skills.42 percent of the respondents agree that they feel confident and better equipped to act as a leader and 5 percent of the respondents disagree that they feel confident and better equipped to act as a leader. 35 percent of the respondents agree that relationship between associates and colleagues has improved and 7 percent of the respondents disagree that relationship between associates and colleagues has improved. 42 percent of the respondents strongly agree that they feel better equipped to tackle unexpected events and 5 percent of the respondents strongly disagree that they feel better equipped to tackle unexpected events.

Table 3: Training and development based on age

Training & Development	Age	N	Mean	S.D	ANOVA Result	
					F-value	F-value

Training provided opportunities to learn and grow	Below 30	41	3.61	1.358	4.548	0.013
	30-40	15	4.60	0.507		
	Above 40	44	3.80	0.954		
Training needs are identified through a formal performance appraisal mechanism	Below 30	41	3.56	1.433	4.716	0.011
	30-40	15	4.53	0.743		
	Above 40	44	3.48	1.045		
Efficiency in dealing with problems involving human relations	Below 30	41	2.90	1.300	8.791	0.001
	30-40	15	3.87	0.915		
	Above 40	44	3.84	0.963		

Source: Primary Data;

H_0: There is no significant difference of opinion towards training & development depending on employees' age

The above ANOVA table is employed to test the difference of opinion towards training & development and age. It shows that training provided opportunities to learn & grow, identification of training needs, efficiency in dealing with problems involving human relations are differed based on age of the employees. The P-values are significant. Hence, the stated hypothesis is rejected. Training and development is varied depending on the employees' age. Middle age group employees are differed with other groups on training provided opportunities to learn & grow, identification of training needs, efficiency in dealing with problems involving human relations.

Table 4: Training and development based on present experience

Training & Development	Present experience	N	Mean	S.D F-value	ANOVA Result	
					F-value	
Training objectives suit job needs 2-5 years Above 5 years	Below 2 years	12	3.25	1.215	39.350	0.001
	39	2.23	1.224			
	49	4.37	1.014			
Sent for the training for promotional purposes 2-5 years Above 5 years	Below 2 years	12	1.00	0.000	18.186	0.001
	39	2.90	1.553			
	49	3.53	1.243			
The objective of the training is to understand different management functions 2-5 years Above 5 years	Below 2 years	12	5.00	0.000	10.225	0.001
	39	3.23	1.385			
	49	3.57	1.155			

Source: Primary Data;

H_0: There is no significant difference of opinion towards training & development depending on employees' present experience

The above ANOVA table is employed to test the difference of opinion towards training & development and present experience. It shows that training objectives suit job needs, sent for the training for promotional purpose and objective of the training is to understand difference management functions are differed based on present experience of the employees. The P-values are significant at one percent. Hence, the stated hypothesis is rejected. Training and development is varied depending on the employees' present experience. Higher experienced in present company employees are differed with others groups on training objectives suit job needs and sent for the training for promotional purpose. Low experienced in present company employees are differed with other groups on objectives of the training is to understand different management functions.

Table 5: Training and development based on Overall experience

Training & Development	Overall experience	N	Mean	S.D F-value	ANOVA Result	
					P-value	
Training needs identified are realistic and based on business strategy	Below 5 years	30	2.93	1.363	10.782	0.001
	5-10 years	20	3.00	1.338		
	Above 10 years	50	4.00	0.833		
Training has improved decision-making skills	Below 5 years	30	3.20	1.472	5.313	0.006
	5-10 years	20	3.15	1.387		
	Above 10 years	50	3.98	0.979		
Feel more confident and better equipped to act as a leader	Below 5 years	30	4.20	1.157	4.329	0.016
	5-10 years	20	4.10	0.912		
	Above 10 years	50	3.54	1.054		

Source: Primary Data;

H_0: There is no significant difference of opinion towards training & development depending on employees' overall experience

The above ANOVA table is employed to test the difference of opinion towards training & development and overall experience. It shows that training needs identified are realistic and based on business strategy, training has improved decision making skill, feel more confident and better equipped are differed based on overall experience of the employees. The P-values are significant. Hence, the stated hypothesis is rejected. Training and development is varied depending on the employees' overall experience. Higher experienced employees are differed with others groups on training needs identified are realistic and based on business strategy and training has improved decision making skill. Low experienced employees are differed with other groups on feel more confident and better equipped to act as leader.

Table 6: Training and development based on gender

Training & Development	Gender	N	Mean	S.D	t-test Result	
					t-value	P-value
Relationship between associates and colleagues has improved	Male	74	3.19	1.257	66.064	0.001
	Female	26	5.00	0.000		
Feel better equipped to tackle unexpected events	Male	74	3.41	1.215	35.390	0.001
	Female	26	4.88	.588		

Source: Primary Data;

H_0: There is no significant difference of opinion towards training and development based on gender.

In order to examine the above stated hypothesis, t- test is executed. From the test, the calculated p-values are found to be significant at one percent. Hence, the stated hypothesis is rejected. It is inferred that the training and development is differed significantly based on gender of the employees.

Results and discussion

It is found that the organization provides training and development in a better manner. Since majority of the employees agreed with training and development factors and also training has the positive outcome. Middle age group employees are differed with other groups on training provided opportunities to learn & grow, identification of training needs, efficiency in dealing with problems involving human relations. Higher experienced in present company employees are differed with others groups on training objectives suit job needs and sent

for the training for promotional purpose. Low experienced in present company employees are differed with other groups on objectives of the training is to understand different management functions. Overall higher experienced employees are differed with others groups on training needs identified are realistic and based on business strategy and training has improved decision making skill. Overall low experienced employees are differed with other groups on feel more confident and better equipped to act as leader. It is inferred that the training and development is differed significantly based on gender of the employees. Further it is suggested that the company may adopt new technologies to train their valuable employees with the help of competence faculties and also additional facilities should provided by the organization in order to satisfy the employees towards training and development. The training session should be more comfortable then only it will reach effectively.

Conclusion

In order for organisations to achieve their overall objectives, it is essential for organisations to apply training and development in their broad activities to attain organisational goals and mission. Employers need to pay serious attention and apply all the resources allocated within their budget for training and development for this crucial exercise, to enhance the performance of the organization as well as the workers for smooth co-existence in the organisation. This paper assessed effectiveness of training and development in ITES companies using primary and secondary data obtained from the employees. From the findings of the study, it reveals that the company providing very good training and development facilities to its employees and also employees' age, gender, experience are influenced the training and development.

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