



## A STUDY ON “HUMAN RESOURCE PROCESS ATTRIBUTION ANALYSIS: A CASE STUDY OF AN IT SERVICES ORGANIZATION IN BENGALURU”

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### **Abstract**

*Human Resource (HR) attributions are causal explanations that employees make regarding management’s motivations for using particular HR practices. Employee’s HR attributions have important consequences for their commitment and satisfaction..In the case of HR attributions, many of the principles which explain the way people arrive at causal explanations for behavior or episodic events cannot be generalized. The study is being carried out in in an IT services organization in Bangalore, .Hiring, Training and Development, Compensation and welfare and Performance Appraisal were the measures used for the study All the respondents unanimously felt that there was no work pay parity in the organization. Even though clear job instructions were given, holistic training needs were not addressed by the organization.*

**Keywords:** *HR Attributes, IT Services Sector, HR Processes.*

### **Introduction**

HR attributions are important because they help us to understand the employees better. Better understanding of employees in turn will help in better HR policies. Better Human resources policies will help in dealing with the employees in a better fashion ensuring their satisfaction. Employees are affected by both external and internal attributions and understanding both the external and internal attributions will help us understand the requirement of employees better. This will help them frame better HR policies.

Attribution theories are concerned with specific attributions that people make in a particular life domain. Causal principles that people use to explain people’s behavior or events are addressed in attribution theory. Attribution theory thus is primarily concerned with the generic attributions. Some of the basic building blocks of attribution theory may be useful for thinking about attributions. While some of the building blocks are useful to the attribution of HR practices, others are may not be so. This is particularly true because attribution theory focuses on causal explanations for one’s own behavior, others’ behavior, or episodic events, whereas construct of HR attributions refers to employees’ causal explanations for HR practices to which they are exposed on an ongoing basis. Thus to the case of HR attributions, many of the principles which help explain the way people arrive at causal explanations for behavior or episodic events do not generalize.

The study was being carried out in an IT services organization. Indian, IT services industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, with several global IT firms setting up their innovation centers in India, India is also gaining prominence in terms of intellectual capital.

The organization chosen for the study offer a wide range of IT consulting and outsourcing solutions & services. The organization believe that they will find their outsourcing solutions as indispensable as their existing clients have found to be for their enhance performance and agility the organisation have a balance between people and approach towards the work. Each player of the team has an area of expertise that colligates ideas as the process develops. Creative and planning sessions are intense, and the end product always reflects the passions and commitment of the people involved. They deliver solutions that make clients communications clearer, more effective and more successful.

The select organization is a web site style and development company with seven years of Golden expertise in implementing solutions like internet style, internet development, Content Management System web site style, Content Management System integration, implementing blogs like Blogger and WordPress , Software Program improvement and such connected services.. They tend to create use of open supply software package like WordPress, Blogger and E-Commerce to form nice trying and practical websites.



## 2.0 Literature Review

HR Attributions can be defined as causal explanations that employees make regarding management’s motivations for using particular HR practices. Employees’ HR attributions have important consequences for their commitment and satisfaction. Consistent with existing attribution theories (Jones & Davis, 1965), distinction can be made between internal and external HR attributions. This is because external attributions have been found to be less influential for observer attitudes and behaviors than internal attributions. Some earlier work has differentiated between internal and external causal explanations for HR practices, Koys (1991) suggested that Human Resource Management(HRM) activities that are done “out of a spirit of justice” or “to attract and retain employees” at their companies represented internal attributions, while perceptions that HRM activities were done to “encourage individual or organizational performance” or “to comply with government relations” were examples of external causal explanations. Although it is unclear why Koys chose this particular set of causal explanations to study, and why “to encourage individual or organizational performance” represents an external attribution. Koys empirical results largely confirmed the hypothesis that internal causal explanations are positively related to commitment while external causal explanations are unrelated to commitment.

Nishii, Lepak and Schneider (2008) tried to build on Koys’ (1991) work. They did so by also making a distinction between internal and external HR attributions, but beyond this distinction, they argue that internal attributions are likely to be multi-dimensional. They tried to develop a typology of internal HR attributions. Strategic Human Resource Management (SHRM) literature was used to identify the often-discussed causes for why management adopts the HR practices that it does. Two main themes, which differ from those proposed by Koys (1991), emerged as being particularly relevant.

The first involves the strategic or business related goals that underlie HR practices. The SHRM literature is full of discussions concerning the distinction between “quality enhancement” and “cost reduction” strategies (e.g., Arthur, 1994). This has been with the assumption that employers adopt HR practices that are most likely to channel employee attitudes and behaviors to be aligned with the business strategy (Jackson & Schuler, 1995). HR attributions reflecting the “service quality enhancement” and “cost reduction” strategic focus in their typology.

Second, SHRM researchers have also differentiated HR systems based on the underlying employee-oriented philosophy held by management (e.g., Lepak, Taylor, Tekleab, & Marrone, 2002; Osterman, 1994). A philosophy aimed at maximizing employee well-being has been differentiated from a philosophy aimed at maximizing employee efficiency. Thus, we include HR attributions related to each of these philosophies in our typology, depicted in Table 1. It is important to note that while managerial reports of both the strategic goals and employee oriented philosophies underlying HR practices have been examined, research has yet to focus on employees’ perceptions of the extent to which these factors motivate HR practices..

**Table 1 Typology of HR Attributions**

	Internal Attributions		External Attributions
	Business/strategic goal underlying HR	Employee-oriented Philosophy	
Commitment- Focused	Service quality	Employee Well- Being	Union Compliance
Control-Focused	Cost Reduction	Exploiting Employees	

**Source: Nishii, Lepak and Schneider (2008)**

As shown in the table 1, HR Attributions regarding the business goals and employee-oriented philosophies underlying HR practices are internal attributions, which refer to the perception that actions are due to factors for which the actor (management) is responsible, or over which the actor has control. In contrast, an external attribution would be one in which management is perceived as a passive recipient of external, environmental, forces (i.e., the perception that HR practices are adopted not as a function of management’s voluntary intentions but because management has to adopt certain HR practices due to external constraints). Constraints mandated by union contracts may be the most common and salient for unionized employees, although other possibilities include laws, institutional norms, the pressure to conform to HR practices being offered by competing organizations, etc.



### **Need of the study**

The study tries to apply the logic of HR practices, to establish the relationship between HR practices and employee attitudes and behaviors, and ultimately organizational performance, which may depend on the attributions employees make about the motives underlying the HR practices they experience. Hiring, Training and Development, Compensation and welfare and Performance Appraisal were the measures used for the study.

### **Objectives of the study**

The core idea in this research is that employees respond attitudinally and behaviorally to HR practices based on the attributions they make about management's purpose in implementing the actual HR practices.

While some research attention has been paid to the desired attitudinal and behavioral reactions to HR practices (e.g., commitment, satisfaction, discretionary behaviors, productivity, absenteeism), little attention has been paid to employees' attributions about the why of specific HR practices, the attributions upon which the attitudinal and behavioral reactions are likely based.

According to social attribution theory, people can attach different meanings to social stimuli. Based on the way that they process these stimuli, their attitudinal and behavioral responses to that information may differ. Hence, to understand the employee responses, the following objectives was chosen:

1. To find the HR process attributes in the select organization.
2. To assess HR process attributions in the organization.
3. To provide suggestions based on the study conducted.

### **Research Methodology**

The study is being carried out in an IT services organization, where there were 48 software development employees. All these 48 employees formed part of the sample under census techniques of sampling. Survey method will be used to collect responses.

**Data Collection tools:** Structured questionnaire will be used containing 25~30 questions divided into segments. HR Attributions such as Hiring, Training and Development, Compensation and welfare and Performance Appraisal were the measures used for the study.

**Data Collection Procedure:** The researcher personally administered the questionnaire. Respondents were allowed sufficient time of five working days to complete the questionnaire. The questionnaires contained a series of structured questions which were related to the research work and directed to respondents with the aim of gaining first-hand information. The questionnaire consisted of both open ended and close-ended questions. Thus, in some cases, respondents were to choose the option that best reflected their opinions.

### **Research Findings and Discussion**

**Demographic Information:** Most of the respondents (84%) were in the age group of 25-35 years, 10% were in the age group of 18-24 yrs.

**Hiring:** All the respondents fact that selection was based on Merit. Most of the respondents felt that there is a match between the job and personnel in the company. And most of the respondents strongly agreed to the fact that clear job instructions were given during recruitment about the job.

**Training and Development:** Majority of the respondents felt that training needs are not addressed in the organization. Approximately 62.50% of the respondents strongly disagreed to the fact that holistic training needs were addressed in the company.

**Compensation and welfare:** The respondents disagreed to the fact that the job was challenging. All the respondents unanimously felt that there was no work pay parity which might be due to the fact that it is private organization and availability of human resources in Bangalore. The respondents felt that there were no fair pay increments in the organization. There was strong agreement among all the employees that the payments were on time in the organization.

**Appraisal:** 48 respondents strongly disagreed with the performance appraisal and felt that the pay did not match performance. 52.08% of the respondents agreed to the presence of competitive pay practices in the company. The respondents strongly agreed that benefits were received regularly by the employees



### Recommendations

1. It has been observed that the employees were not given information as to the job needs and specifications during recruitment. It is advised that there should be proper dissemination of information to the candidates during recruitment.
2. When designing the training schedule, the organization should take into consideration that it addresses the needs. It has been observed that the needs are not matching the training.
3. Challenging jobs was one of the issues faced by the employees. The company should try to push the employees more towards challenging jobs which will help the employees realize their potential.
4. Pay parity is the biggest issue in the organization. There should be compensation system which is clear and addresses the parity issues. This issue should be addressed as this will lead into much attrition.
5. Employees felt that there were no fair increments. This should be addressed so that the employees are retained.
6. There need to be a transparent performance appraisal system where the employee knows their standings.
7. Appraisals should be holistically done so that the employees are aware of their positions.

### Conclusion

Strategic human resources management (SHRM) researchers have sought to understand the ways in which a firm's human resource (HR) practices are associated with its performance, and they have amassed impressive research on the topic over the last two decades. Research has generally supported the notion that when appropriately designed, HR practices can help organizations enhance their performance. This research has contributed little to our theoretical understanding of how HR practices and performance relate much more research that examines variables that might be involved in the proverbial "black box" between HR systems and organizational performance

Although scholars have converged in their belief that HR practices are associated with organizational outcomes through their influence on employee attitudes and behaviors, have recently suggested that the causal chain may be more complex. They suggest that employees' perceptions of HR practices are likely to precede the employee attitudes and behavior links in the causal chain. That is, in order for HR practices to exert their desired effect on employee attitudes and behaviors, they first have to be perceived and interpreted subjectively by employees in ways that will engender such attitudinal and behavioral reactions. But if, people perceive reality differently than one can expect that not all employees will interpret HR systems similarly. This suggests that the effect of HR practices is not likely to be automatic and always as expected; instead, their effect will reside in the meanings that employees attach to those practices.

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