The Impact of justice in SHRM practices OCB and its consequences in sustainable business development of IT Sectors Chennai

M. Munna, M. Com., M. Phil.,
Ph. D., Full Time Research Scholar,
Department of Commerce,
C. Abdul Hakeem College,
Melvisharam – 632 509.
Cell No. 9710439846
Email Id: msmunnaphd@gmail.com

Abstract: The purpose of this paper is to explain how to influence just/fair SHRM practices corporate citizenship behavior in sustainable business development of IT sectors. OCB describe actions in which employees are willing to go above and beyond their prescribed role requirement. Some studies have shown that OCB are positively related to indicators of individual, unit, organizational performance. Empirical study was conducted. This paper focuses on clearly defining the relationship between just/fair SHRM effectiveness and OCB. This paper will also discuss the implications of the OCB and try to find out how to improve OCB through just/fair SHRM practices. Result indicate that just/fair SHRM practices such as planning, recruitment and selection, training and development, performance appraisal, compensation, job satisfaction, job descriptions and grievance handling so on are all related to OCB. This research is important for any business which wants to create competence and organizational effectiveness. Organization may facilitate OCBs by improving organizational justice and raising work motivation among employees. The result of the study showed significant and positive relationships between OCB and business development of IT Sectors.

Key Words: Procedural justice, distributive justice, interactive justice, SHRM practices, Corporate Citizenship behavior and Business outcomes

──────── ◆ ────────

Introduction

IT sector has been the emergence of full service players offering traditional service like application development and maintenance to testing, infrastructure, consulting and system integration, and also niche providers offering end to end services in particular verticals or customer segments. This sector is now focusing on moving further up the value chain by positively impacting business outcomes and customer revenue people in these types of firms make the difference in revenues among them. IT sector create direct employment, indirect job creation and as a proportion of national GDP, the sector revenues have grown from 1.2 percent to 7.5 percent. According to NASSCOM strategy review, IT services segment is the fastest growing at 19 percent with export revenue of USD 40 billion, accounting for 58 percent of total exports.

Human resource management faces challenges in software industry. However, this unprecedented growth of the software industry has brought several HRM challenges like the number of employees working in the software industry increased. Entry level applicants are subjected to several tests such as logical, analytical, and communication skills and interviews before the final applicants are chosen. HRM leads spend on enormous time on staffing almost about 80 percent of their time on recruitment and selection. Potential applicants usually have two to three job offers and spend considerable time deciding which offer they should accept.

The information technology industry is a dynamic and people based organization where the role of HR management is very critical and different. It is a job creating industry. Strategic human resource practices such as planning, recruitment and selections, training and development, performance appraisal, compensation, job satisfaction, job description, grievance handling and corporate citizenship behavior carried out successfully help in achieving competitive advantage. India holds the majority share of the global market in technology and business process outsourcing. India has improved its share 49 percent in 2005 to 51 percent in 2009 and now has a 62 percent share of the global business process outsourcing market. India has managed to remain a majority share even with the emergence of multiple new low cast locations. Being knowledge based industry; high intellectual capital lends competitive advantage to a firm.

Intellectual capital is the value of a company or organization's employee knowledge, business training and any proprietary information that may provide the company with a competitive advantage. Intellectual capital is considered an assent, and can broadly be defined as the collection of all informational resources a company has at its disposal that can be used to drive profits, gain new customers, and create new products. The IT boom has brought with it , its own set of challenges to organizations like how to put in place systems and processes that are in tune with the IT revaluation, how to compete in the IT era etc. but a major challenge that the IT industry has been facing is in the field of human resource management.

Justice in SHRM practices which leads the behavior changes and the organization to perform better results in creating core competencies which is an important key to competitive success. The study showed the contribution of justice in effective human resource system in the creation of sustainable competitive advantage. Successful business leaders must also analyze

how justice in SHRM and corporate citizenship behavior will affect their business now and in the future. The IT industry is a service industry. How well are able to offer quality service to individuals and organizations will determine the success of organizations. This leads us to the fact that the creativity, innovativeness, knowledge, skills, risk taking and tolerant in convenience employees are important assets. Effective management of these assets in the challenge that capital or finance or marketing that gives it the competitive edge but rather how well your are able to manage human resources whose intellectual expertise drive business.

 The global explosion in market opportunities in the IT sector, the shortage of manpower both in numbers and skills is a prime challenge for HR professionals. Some of the HR challenges that the IT industry faces are in recruitment of world class workforce and its retention, compensation management, training and development, employee turnover, technological obsolescence and HRM as a whole.

Justice in recruitment has become an important sub system in HR especially in the IT industry. When perceived that human resources are major assets, it is important that quality people join in the organizations. When exist justice in recruitment systems organization can recruit people are a perfect fit for the job. The challenge does not stop with recruitment the right persons but extends to the performance management of employees and training and development.

Training and development is a key focus area in the IT industry training takes a new connotation. It is just identifying training needs giving the required training, but also fore seeing and anticipating the require and develop suitable training so that the employees are well equipped to handle the challenges beforehand. Proper management of employees is crucial for service organizations, because employees interface directly with customer who makes evaluative judgment of the quality of service delivered by employees. Therefore it is extremely important for IT sectors to comprehend specific organizational factors that influence employee's attitudes and behaviors that may in turn influence how customers evaluate service quality.

Drawing on organizational justice, SHRM practices and corporate citizenship behavior, we present a model and a set of hypotheses regarding the relationship among employee justice perceptions of SHRM practices, citizenship behavior and business outcomes of IT industry. The

aim is to assist in identifying desirable SHRM practices that IT sector should seek and engage in and undesirable once to avoid creating and maintaining high level of strategy practices and citizenship behavior necessary for business outcomes.

The Indian constitution of labor law, minimum wage act, labor relations act, basic condition of employment act and many others that are too numerous to list here are legislation meant to ensure justice, equity and fairness all that guarantee fundamental human rights. These legislations also specify the right and responsibilities of employees and employees and are aimed at advancing justice, fairness and democratization of the workplace. Specifically they deal with unfair labor practices like unfair dismissals, minimum wages, heavy work load, threatening and punishment etc., which leads to absenteeism, turnover, conflict, poor performance, dissatisfaction, increase cost of recruitment and training programs, negative attitude towards organizations and ultimately impact productivity or services.

When employee perceived that exist justice in SHRM practices which leads to motive employees perform well in the organization and change behavior of employees at work place. Justice represented by procedural justice, distributive justice and interactive justice. Procedure justice refers to the perceived fairness of the policies and procedures used to make decisions. Such as appropriateness of the allocations process, all employees are treated the same, no person or group is singled out for discrimination, decisions are based on accurate information, appropriate stakeholders have input in to a decision and norms of professional conduct are not violated. Distributive justice refers to the perceived fairness of the outcomes than an employee receives from organizations. Such as rewarding employees based on their contributions, providing each employee roughly the same compensation and providing a benefit based on one's personal requirements. Interactive justice concerns perceptions of employees about the treatment they have received during the application of organization procedures.

The HRM literature identifies the following activities as common to all HRM systems of organizations: recruitment, selection, compensation, performance rewards, rewards, training, development, promotion and grievance handling. IT sector is on how well these activities are carried out in work place so that the outcomes can lead to quality service delivery. This means hiring recruitment and selection the right person, appropriate compensation, appropriate remuneration, appropriate rewards for performance, opportunities for training, development and

promotion, proper performance management and appropriate grievance handling. This leads to job satisfaction and corporate citizenship behaviors like altruism, conscientiousness and civic virtue and high level of business outcomes.

Altruism refers to the voluntary behaviors. It occurs when one employee aids another employee in completing his task under unusual circumstances. For instance, solving work related problem, improve relations among employees, and service quality. Conscientiousness refers to the extent of behaviors to which someone is punctual, high in attendance and goes beyond normal requirements or expectations. Civic virtue refers to enhance policy debates, enhance quality performance, co ordinations and express one's opinion.

Citizenship behaviors are associated with perceptions of fairness in the work place. Procedural fairness will be important to employees of IT sectors because it will offer them some assurance of fairness of HRM practices such as promotion, performance evaluation, grievance handling, etc., positive perceptions of both procedural and distributive justice can be enhance by involving employees in decision making. Interaction justice is about the quality of interpersonal treatment in the implementations of organizations decisions. Three forms of justice correlated with among others, like SHRM practices, corporate citizenship behaviors and business outcomes like Innovation, profitability, customer satisfaction, service quality, profit generate per employee, return on assets, share holder value and Income growth.

REVIEW OF LITERATURE

Review of literature is one of the important part of research. It is an essential for actual planning and execution of all research projects. It helps the researcher in studying similar studies, methodologies; statistical tools used the data collected, analysis and interpretation.

In this research study the researcher has collected literature regarding Human resource management practices and corporate culture.

Mohammad Hadisi, Dr. Habib Ebrahimpour and Dr. Mohammad Feizi (2013) conducted a study on surveying the relationship between organizational justice and employees job performance of gas company in Ardabil province. The main purpose of this study is to investigate the relationship between organizational justice and employee job performance of Gas Company in Ardabil. An empirical study was conducted. Statistical tool like descriptive statistical method are used and pearson correlation coefficient and linear regression were used.

The result reveals that there is a relationship between organizational justice and employees job performance its detentions.

Abbass Ali Rastgar and Nina Pourebrahimi (2013) made a research study on relationship between organizational justice and turnover intentions: evidence from Iran. The aim of study to analyses the relationship between organizational justice and turnover intentions. An empirical study was used for the hypothesis. Structural equation model are used for analysis the hypothesis. They found that organizational justice has a significant negative influence on employee turnover intention. The manager of organization should consider distributive procedural and interactional justices in organizational which lead to low level of turnover intentions among employees

Sajjad Najafi, Ali Noruzy, Hcmin Khezri Azar, Sajad Nazari – Shirkouhi and Mohammed Reza Dalvand (2011) conducted study on investigating the relationship between organizational justice, psychological empowerment, job satisfaction, organizational commitment and organizational citizenship behavior: The aim of the study is to determine relationship between organizational justice psychological empowerment organizational commitment job satisfaction and OCB. An empirical study was conducted and statistical tool like mean standard deviation and correlations among variable involved in the model. They found that organizational justice directly influences job satisfaction and psychological empowerment which are directly and positively influence job satisfaction Job satisfaction positively influences organizational commitment and OCB. The result reveals that organizational commitment have positive correlation to organizational citizenship behavior

Mahdi Shariati Feizabadi, Bahador Zakizadeh, Mahmound AFshardoust and Tahere Moosavi Rad (2013) conducted study on the relationship between organizational perceived justice and organizational citizenship behavior among the sport organization experts of Tehran municipality. The purpose of this study is to investigate the relationship between organizational perceived justice and organizational citizenship behavior among the sport organizational export of Tehran municipality. For data analysis some statistical techniques (Kolmogorov – Smirnov, Pearson correlation and multiple regressions were used. They found that positive and significant relationship between OCB and organizational perceived justice such as interactive justice procedural justice distributive justice and organizational justice

Dr. Neha Arora (2013) made a research study on sustainability of organizational resources in development. The purpose of this study focus on how incentives, job satisfaction, performance appraisal systems, stress removing factors helps organization getting sustainable in the developing environment. Descriptive study was conducted. He Suggest that organizational effectiveness depends on having the right people in the right jobs at the right time to meet rapidly changing environment. HRM practices incentives, job satisfaction, and performance appraisal systems strategic have been identified as essential for organizational success

Christine Oliver (1997) studied sustainable competitive advantage: Combining institutional and resource based views. The purpose of this study is to provide a model of firm heterogeneity and sustainable advantage that incorporates the social context of resource selection. Descriptive study was conducted. He Suggested that both resource capital firms strategic, asset, technological capability, brand management, superior channel access, a favorable cost structure and institutional capital competency sharing, decision support systems, training program are indispensable to sustainable competitive advantage

Objectives of the study

To get picture of dominate ethical culture patterns that is Niti, Nyaya, Matsanyaya,and Sutta Metta prevailing in soft ware firm in realm HR strategies

To examine in the nature of relationship between ethical culture patterns and corporate citizenship behavior

To ascertain the linkage between cultural patterns, corporate citizenship behavior and business outcomes in soft ware company

Methodology

The study was complied with help of primary data and secondary data. Primary data was collected through direct personal interview by means of the questionnaire. Section B five dimensions of ethical motives are used like Niti, Nyaya, Matsanyaya,and Sutta Metta and none of the above, section C five choices are given like never, once or twice in your service, once or twice per month, once or twice week and every day and section D company outcomes may be rated on the scale like Excellent, good, average, bad and worst. It is believed to be an easier approach to collect data

Hypotheses

There are no significant different among Niti, Nyaya, Matsanyaya,and Sutta Metta in the matter of HR strategies

There is no significant linkage between corporate citizenship behavior and business outcomes

There are no significant linkage among ethical cultural patterns , corporate citizenship behavior and business outcomes

Limitations of the study

Some of the respondents were not cooperate to attend interview and they ignore to glance the questionnaire even. This made to reduce the response rate. Hence, companies were chosen convenient sampling and the study is limited in and around Chennai, because most of IT industry professionals are working in Chennai. This made researcher to choose Chennai.

Reliability and validity

Before applying statistical tools, testing of the reliability of the scale is very much important us it shows the extent to which a scale produces consistent result if measurements were made repeatedly. This is done by determining the association in between scores obtained from different administrations of the scales. If the association is high, the scale yields consistent result, thus it is reliable. Cronbach's alpha is the most widely used method. It may be mentioned that its values varies from 0 to 1 but the satisfactory values is required to the more than 0.6 for the scale to be reliable (Malhotra, 2000; Cronbach, 1951). In the present study we therefore used cronbach's alpha scale as a measure of reliability.
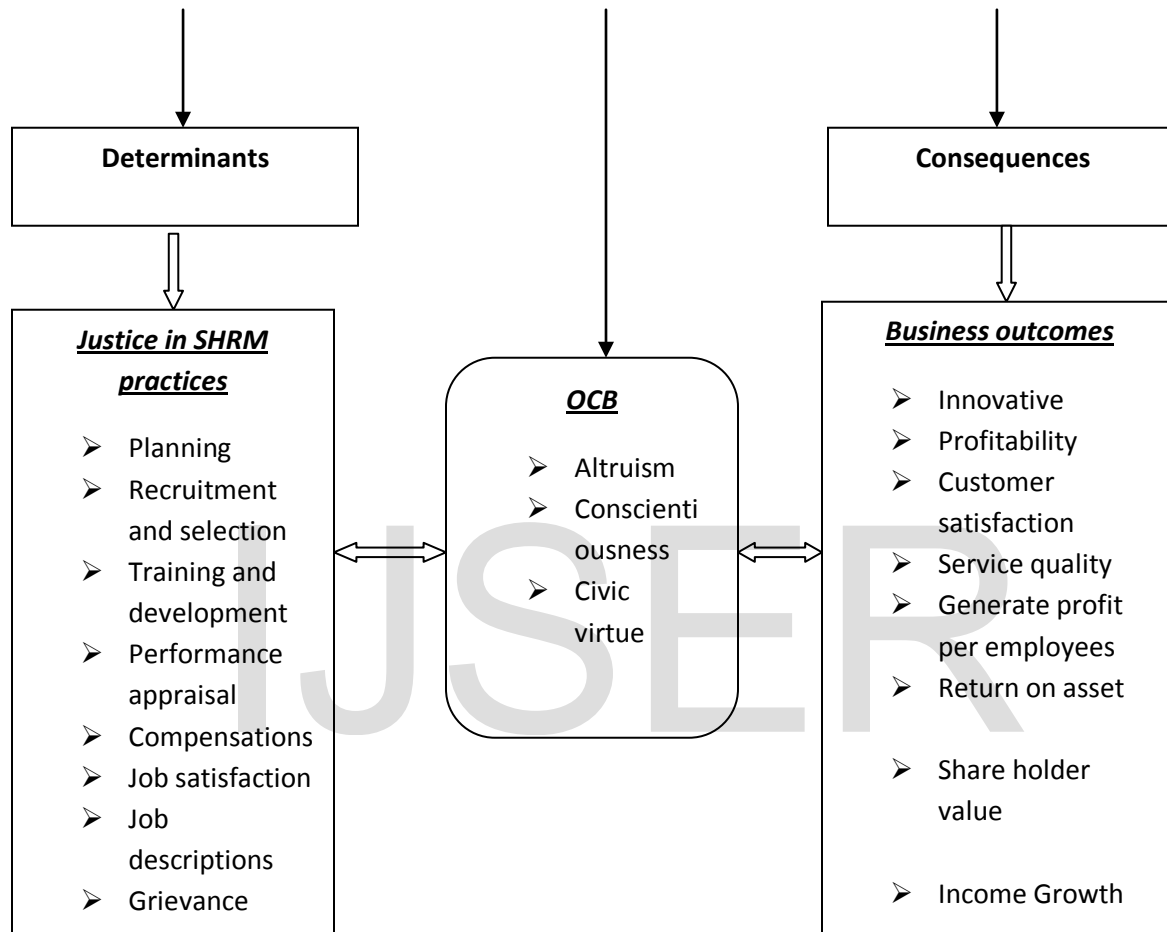
Table 1 Reliability value of the scale

SCALE	NO.OF ITEMS	CRONBACH'S ALPHA
Ethical motives of HR strategies	30	0.844
Attachment with company corporate citizenship behavior	20	0.761
Business outcomes	8	0.616

Source: Survey Data

From the table 1, it is seen that reliability value was estimated to be 0.616 – 0.844 between the scale. If we compare our reliability value with the standard value alpha of 0.6 advocated by cronbach (1951), Nunnally and Bernstein (1994), and Begozzi and Yi's (1988) we find that the scales used by us are highly reliable for data analysis. Validation procedures

DETERMINANTSTS AND CONSEQUENCES OF   ORGANISATIONAL

involved initial consultation of the questionnaires. The experts also judged the face and content validity of the questionnaires as adequate. Hence, researchers satisfied the content and construct validity.

Determinants		Consequences

Justice in SHRM practices

- Planning
- Recruitment and selection
- Training and development
- Performance appraisal
- Compensations
- Job satisfaction
- Job descriptions
- Grievance

OCB

- Altruism
- Conscientiousness
- Civic virtue

Business outcomes

- Innovative
- Profitability
- Customer satisfaction
- Service quality
- Generate profit per employees
- Return on asset
- Share holder value
- Income Growth

Discussion of Finding

SHRM practices and business outcomes of IT employees

The correlations coefficient between planning and business outcomes factor is 0.444 which indicate 44.4% positive relationship between planning and business outcomes factor and is significant at 1% level. The correlations coefficient between recruitment and selection and business outcomes factor is 0.502 which indicate 50.2% positive relationship between recruitment and business outcomes factor and is significant at 1% level. The correlations

coefficient between training and development and business outcomes factor is 0.474 which indicate 47.4% positive relationship between training and development and business outcomes factor and is significant at 1% level. The correlations coefficient between performance appraisal and business outcomes factor is 0.399 which indicate 39.9% positive relationship between performance appraisal and business outcomes factor and is significant at 1% level. The correlations coefficient between compensation and business outcomes factor is 0.488 which indicate 48.8% positive relationship between compensation and business outcomes factor and is significant at 1% level. The correlations coefficient between job satisfaction and business outcomes factor is 0.548 which indicate 54.8% positive relationship between job satisfaction and business outcomes factor and is significant at 1% level. The correlations coefficient between job description and business outcomes factor is 0.436 which indicate 43.6% positive relationship between job description and business outcomes factor and is significant at 1% level. The correlations coefficient between grievance handling and business outcomes factor is 0.371 which indicate 37.1% positive relationship between grievance handling and business outcomes factor and is significant at 1% level. The correlations coefficient between overall corporate culture and business outcomes factor is 0.671 which indicate 67.1% positive relationship between overall corporate culture and business outcomes factor and is significant at 1% level. This found that there is interrelated HRM practices with business outcomes is significant at 1% level.

Unique strategy plans help to the management to achieve business goals and sustainable competitive environment in the market. Success of the business outcomes crucial unique strategic human resource management practices. Strategic is a futures oriented plan for interacting competitive environment to achieve organizations objectives. SHRM practices such planning, recruitment and selections, training and development, performance appraisal, compensation, job satisfaction, job description, grievance handling interrelated each others.

The result reveal that planning 44.4%, recruitment and selection 50.2%, training and development 47.4%, performance appraisal 39.9%, compensation 48.8%, job satisfaction 54.8%, job description 43.6%, grievance handling 37.1% and overall corporate culture 67.1% correlations between SHRM practices and business outcomes of IT sectors.

 Corporate citizenship behavior and business outcomes of IT employees

The correlation coefficient between altruism and business outcomes factor is 0.544 which indicate 54.4% positive relationship between altruism and business outcomes factor and is significant at 1% level. The correlation coefficient between conscientiousness and business outcomes factor is 0.512 which indicate 51.2% positive relationship between conscientiousness and business outcomes factor and is significant at 1% level. The correlation coefficient between civic virtue and business outcomes factor is 0.415 which indicate 41.5% positive relationship between civic virtue and business outcomes factor and is significant at 1% level. The correlation coefficient between overall corporate citizenship behavior and business outcomes factor is 0.546 which indicate 54.6% positive relationship between overall corporate citizenship behavior and business outcomes factor and is significant at 1% level.

Organizational behavior is the study and application of knowledge about how people as individual and as group at within organizations. Positive attitude (like altruism, conscientiousness, and civic virtue) contributing in increase performance of employees. SHRM practices changes individual behaviors, increase skills and knowledge about new technology, handle new equipment, faced challenges and problem in internal environment and external environment. Training is essential to update daily knowledge to effectively uses resources like time, material, power etc., performance appraisal identify strength and weakness of individual, pay adjustment, promotion, required training need. It leads to improve their performance. Compensation provides to the employees recognition, job satisfaction, remain one concern. Ultimately SHRM practices leads to corporate citizenship behavior. Corporate citizenship behavior interrelated with business outcomes.

Conclusion

The various factor influencing behavior of employee's in workplace. Just/fair strategic human resource management practices play important role to determine behavior of employees such as just/fair planning, recruitment and selection, training and development, performance appraisal, compensations, job satisfaction, job description and grievance handling.

Positive character person desire to cooperation with others, hard work without expectation from organization, helping to other to complete their work, voluntary participation in

decision making, organization function and suggestion opinion to organizational development. The perform duty not to harm/injure another and without loss to oneself

Everyone has similar right and duties and opportunity are evenly shared. It only requires that every one's position be improved and definite efficient outcomes are arrived. Social enrichment could be achieved through the voluntary good behavior of the citizens themselves without being compelled through force. Like institutions, organizations enrichment could be achieved through the corporate citizenship behavior as well as organizational propriety. The productivity will be the too good is justice followed by the employer everywhere that too towards the employees. It will be reflected on the employee attitudes the way which he behave to the employer and in the work place is dedications, concentrate single minded benefit for both the side. While employees realized that injustice in work place / organization principle management has reason to listen and pay some attention to the view and suggestions of employees as well as to make other pay some attention to our priorities and our way of thought and in this advocacy we sometime succeed. Procedural justices have defeating negative behavior of employees and make them contribution full effect to achieve organizational goals.

IJSER

Reference:

1. Mohammad Hadisi, Habib Ebrahimpour and Mohammad Feizi, Surveying the relationship between organizational justice and employee job performance of Gas company in Ardabil Province, International Journal of Management Research and review, march 2013, volume 3, Issue 3, ISSN 2249-7196 p_p 2530-2537.
2. Abbas Ali Rastgar and Nina Pourebrahimi, A study of the relationship between organizational justice and turnover intentions, international journal of research in

organizational behavior and human resource management, Vol,1, No.2, 2013, pp 1-10, ISSN 2320-8724.

3. Sajjad Najafi, Ali Noruzy, Hemin Khezri Azar, Sajad Nazari-Shirkouhi and Mohammed Reza Dalvand, Investigating the relationhip between organizational justice, psychological empowerment, job satisfaction, organizational commitment and organizational citizenship behavior, African journal of business management, Vol 5(13), p_p 5241 – 5248, July 2011.

4. Mahdi Shariati Felzabadi, the relationship between organizational perceived justice and organizational citizenship behavior among the sport organization experts of Tehran municipality, international research journal of applied and basic sciences, ISSN 2251-838X, Vol 4(9), pp 2432-2435

5. Dr. Neha Arora, sustainability of organizational resources in development, international journalof marketing, financial services and management research, Vol. 2, No. 4, April 2013, ISSN 2277-3622.

6. Christine Oliver, sustainable competitive advantage combining institutional and resource based views, strategic management journal, Vol.18 (9), pp 697-713, 1997.

IJSER