

Impact of Development-oriented HRD practices on Intention to Stay among IT professionals

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Abstract: *IT companies are knowledge-based organizations and their success depends upon human resources. To maintain a pool of highly productive IT professionals, organizations allocate considerable amounts in their budget for HRDP to develop and retain them. In this way, the principal point of the current examination is to explore the connection and impact of development-oriented HRDP on IT professional's intention to stay. Data were collected online through google form self-administered questionnaires from 241 IT professionals working in Indian IT companies of India. Data were analyzed through simple-regression methods using SPSS version 26. The results revealed that learning and training system, and performance guidance and development found to have a significant and positive impact on IT professional's intention to stay. Overall development-oriented HRDP have influencing power to retain them. The study has implication for HRD professionals in implementing practices that are beneficial for information technology organizations.*

Keywords: *Intention to Stay, Performance Guidance, IT professionals*

Introduction

Human resources are regarded as the only true business agents in the age of globalization, economic integration, technological advancement, and market disruption as all tangible and intangible resources ultimately depend upon human resources for their utilization. Human resources utilize tangible and intangible resources of the business in terms of adding value to these business resources, creating and manipulating the available assets within

the organization through the knowledge and competence they possessed that helps in building competitive advantages to the business(Sveiby, 2001). However, human resources are dynamic in nature and the knowledge owned by them can be lost due to forgotten by the employees or by involuntary (retirement) and voluntary turnover. Success of the organizations is contingent to the experienced employees, but the critical challenges that managers face are the development and retention of these

employees as they are crucial for sustainable growth and development of the information technology companies, primarily in developing countries like India and South Korea (Cho and McLean, 2009). It is hard to flourish in business operation for the organizations if companies cannot retain their IT professionals.

Reviews of Literature and Research Gap:

Development-oriented HRD practices help provide learning opportunities to employees that nurture their skills and expertise in the organizations. Researchers found that organizational outcomes positively relate to employees knowledge, skills, and attitude (Bakker and Demerouti, 2007). HRD practices such as employee orientation programs, training and retraining, career planning and development, job skills, mentoring programs and leadership development are positively associated with organizational outcomes (Barrick *et al.*, 2004). Additionally, studies showed that perceived investment in employee development is one of the best HRD practices that plays a significant role in enhancing job satisfaction among employees and affective commitment within the employees, which results in reduced employee's intention to leave (Hoon Lee and Bruvold, 2003). Further, various studies revealed the association between learning and development opportunities and turnover (Kalleberg and Rognes, 2000). We must consider that all development-oriented HRD practices such as mentoring programs, performance guidance and development, skills development programs, and training and learning system, are perceived equally across all types of employees working in the organization (Hoon Lee and Bruvold, 2003). The issue of intention to leave arises when employees perceive that the organization does not put considerable amount of investment for their participation in development-oriented HRD practices.

Several studies revealed that various HRD practices such as perceived level of organizational support (Hoon Lee and Bruvold, 2003), investment in HRD practices induce intention to stay with the employer among employees. Further, Fletcher *et al.*, 2018 utilized the Russel's model of the core effect to examine the association between perceived training and development and UK employee's intention to stay. Their findings uncovered that employee engagement, change-related anxiety, and job satisfaction, were significantly connected with employee's intention to stay. These factors have played a full mediating role between training and development and intention to stay among employees. Additionally, Bibi *et al.*, 2018 investigated how training and development and employee retention connected in Pakistan's academic institution with responses from 250 faculty members and their investigation uncovered that training and development and employee retention are significantly associated. When employees perceived that organization arranged appropriate training and development programs and take care of them, it build them to feel obligated to repay this by staying with the organization and helps it to achieve its goals. However, the empirical linkages between development-oriented human resource development practices and intention to stay was disproportionately understood in the previous literature, particularly for information technology professionals in Indian context. Building from this gap, this study aims to address these issues by examining the specific relationship of development-oriented HRD practices with intention stay among Indian information technology's professionals. The practices considered here are performance guidance and development, and learning and training systems, as HRD professionals may consider these to play a vital role in changing IT professionals' intention to stay within the Indian IT companies.

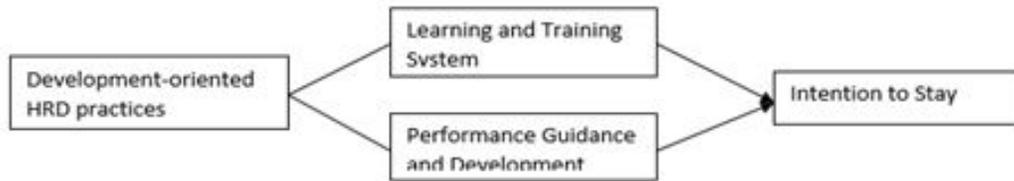


Figure I. Model showing association between Development-oriented HRD practices and Intention to Stay.

Source: Authors contribution

Hypothesis Development

Hypothesis 1: There is a positive and significant impact of development-oriented HRDP on intention to stay among IT professionals.

Hypothesis 1a: There is a positive and significant impact of training and learning opportunities on intention to stay among IT professionals.

Hypothesis 1b: There is positive and significant impact of performance guidance and development on intention to stay among IT professionals.

Research Method

The respondents of this study were the IT professionals working in Indian IT companies. Judgmental sampling is adopted in selecting IT companies, and the Convenience sampling technique is used to collect responses. The current study sample comprises 241 IT professionals working in IT companies as software engineers, project managers, IT analysts, system engineers, business development managers, software developers, administrative personnel, and digital marketing executives with educational qualifications in engineering, management, and computer science. To collect responses, structured questionnaires in print form has been distributed to 400 IT professionals working in 10 IT companies and out of which 241 return the duly filled questionnaires, which generate a response rate of 60.25%, which was considered for further analysis. Simple regression method was employed to analyses data with the help of SPSS-26.

Measurement of Variables

Five point scales were used to get responses for both development-oriented HRD practices

and intention to stay. On a five-point scale ranging from strongly disagree denoted by 1 to strongly agree denoted by 5, participants were asked to provide their level of agreement or disagreement.

Both the development-oriented HRDP were measured by using scale provided by (Rao, 2008). Taken 6-items of LST and 5-items of PGD having Cronbach's alpha 0.909 and 0.911 respectively. Overall development-oriented HRDP were composite of LST and PGD having Cronbach's alpha 0.912.

Intention to Stay (IS): Intention to stay was measured from the scale provided by the Michigan Organizational Assessment Questionnaire (Cammann *et al.*, 1979), consisting of 3 three-items and the scale provided by Price & Mueller, 1986 which contain four items, has been altered as per requirement for the current study. Total 5-items have been adapted, which generated Cronbach's alpha 0.905.

Respondents' Profile

The sample of 241 respondents consisted of 80.5 percent males and 19.5 percent females, with the majority (56.8 per cent) belonging to the age group of 25-29 years. Approximately 37 percent respondents having service tenure with current organization below 2 years. About 41 per cent of respondents having total work experiences between 4-6 years, which was maximum. Major portion of respondents are unmarried (55.6 per cent). All demographic variables were used as control variables. Detailed summary of respondents profile is portrayed in Table I.

Table I: Summary of Respondent's Profile

Variable	Categories	Frequency	Percent
Age (Years)	20-24	19	7.9
	25-29	137	56.8
	30-34	65	27.0
	35 and above	20	8.3
Gender	male	194	80.5
	female	47	19.5
Marital Status	unmarried	134	55.6
	married	107	44.4
Service Tenure (Years)	below 2	90	37.3
	2-3	66	27.4
	4-5	34	14.1
	6-7	28	11.6
	8 and above	23	9.5
Total Work Experience (Years)	below 4	60	24.9
	4-6	98	40.7
	7-9	40	16.6
	10 and above	43	17.8
	Total	241	100.0

Results

Means, Standard Deviations, Correlations, and Reliability Coefficients of the Variables

Table 2 showed the mean, standard deviation and correlation among development-oriented HRDP and its sub-variables, LST and PGD, and with dependent variable IS. Table showed that PGD is more highly and significantly correlated with development-oriented HRDP than LST,

which indicates that PGD was more important practice of HRDP. PGD is highly associated with intention to stay denoted that it was more influencing practice toward intention to stay. All the values of Cronbach's alpha were between 0.905 to .912 which indicates that all scales were highly reliable. Mean value of HRDP sub scale was 3.27 to 3.30 which was moderate to high. IS meaning value was about 3.42, indicating that development-oriented HRDP influences respondents to stay as long as possible.

Table 2. Descriptive statistics, Correlation and Reliability

Variable	Mean	SD	HRDP	PGD	IS	LST
HRDP	2.8359	.65158	(.912)			
PGD	3.3066	.82411	.962**	(.911)		
IS	3.4147	.92424	.787**	.695**	(.905)	
LST	3.2714	.78065	.941**	.839**	.666**	(.909)

** . Correlation is significant at the 0.01 level (2-tailed). Cronbach's Alpha under bracket

Hypothesis Testing

Simple regression was employed to test the impact of development-oriented HRDP and its sub-variable separately with the intention to stay as shown in Table 3. When development-oriented HRD practice is taken as overall practice, the main hypothesis H1 evidently showed that about 62 per cent variance in intention to stay among IT professionals while controlling age, gender, marital status, service tenure and total work experience. LST is significantly and positively

influencing intention to stay among IT professional and accounted for variance in IS 44.3 per cent while controlling the effect of age, gender, marital status, service tenure and total work experience as R² was 0.443, hence supported hypothesis 1a. Hypothesis 1b also supported as PGD significantly impacted IS and accounted for 47.7 per cent variance in IS while controlling other demographic variables. Further, the effect of performance guidance and development ($\beta = 0.690, p < 0.001$) is larger than that of learning and training system ($\beta = 0.665, p < 0.001$) as shown in Table 3.

Table 3. Simple linear regression models of the dependent variable on the different independent variables

Simple Regression Model	Independent variables	Control Variable	Dependent Variable	Standardized Beta	Significance of t	Adjusted R ²
1.	LST	Age, Gender, Marital Status, Service tenure, and Total work experience	Intention to Stay	.665	.000	.443
2.	PGD			.690	.000	.477
3.	HRDP			.785	.000	.619

Discussion and Conclusion

This study proposes that development-oriented HRD practices and its sub-variables would significantly predict IT professionals' intention to stay. Our all hypotheses were supported in Indian IT industry context. Furthermore, between the two dimensions of development-oriented HRD practices, the learning and training system showed a stronger effect on IT professionals' intention to stay.

The findings revealed that learning and training opportunities have positive and significant

impact on intention to stay among IT professionals which is consistent to our proposed hypothesis. This finding is consistent with the findings of Bibi, Ahmad, & Halim Abd Majid, 2018; Choi & Dickson, 2009; Saritas, 2007. Their findings revealed that employer provided training is associated with enhanced skills, knowledge and abilities to perform their job effectively that provide competitive advantage but on the other hand, employees with these skills become attractive to the other organizations and hence reduce retention rate. The finding was also consistent to the social-exchange theory which

state that if the employees receive benefits from employers in the form of proper training and development, they are more satisfied and feel an obligation toward the employer, to repay, in the form of positive attitudes and devotion (Hoon Lee and Bruvold, 2003).

Moreover, the current study also revealed that performance guidance and development has a positive and significant association with intention to stay among information technology professionals. The current finding is consistent with the findings of Gulzar et al., 2017 and Agarwal & Mehta, 2014. Employee's intention to stay would enhance if the line managers help employees with performance guidance and spend needed time with them. In the organization, if appraisals system helps in recognizing and encouraging high performance, and appraisers are objective in their appraisals, then it encourage employee's intent to stay with the organizations for longer duration. Both practices are on the view of social exchange theory. Social exchange theory stated that when employees get benefits in the form of proper training and learning opportunities, and proper guidance from the line manager regarding their performance, then employees feels obligation to repay to the employer in the form of retention with the company for extended duration. Furthermore, from the two dimensions of development oriented HRD practices, learning and training system shown stronger effect on IT professionals' intentions to stay.

Practical Implications

Based on the findings revealed in the study, we suggest few suggestions and implications for the HRD practitioners and retention strategy's makers of informational technology companies. Theoretically, the present study has suggested empirically and evidently that there is an association development-oriented HRD practices and IT professional's intention to stay. Further its sub-variables such as training and development, performance guidance and development have significant association with employee's intention to stay. Both the

development-oriented practices have significant impact on intention to stay. It indicated that development-oriented practices purpose is to boost the capabilities of employees and attach them to their organization emotionally (Gellatly et al., 2009).

Moreover, this study's findings revealed that training and learning opportunities is utmost important and significant predictor contributing to the intention to stay among IT professionals. This is because employees from IT sectors have a perception regarding human resource development practices that it enhance their potential and capabilities to perform job that can help them to in career planning and pathing within and out the company. Studies in developed countries revealed that training and learning opportunities significantly associate with employee retention, intention to stay, turnover intention and employee turnover (Martin, 2003; Dysvik and Kuvaas, 2008; Aguinis and Kraiger, 2009) Training and learning system is one of the important tools with the employer to motivate them to stay with the company. Therefore, organizations should consider the training and development opportunities for changing the attitude and behaviors of employees in favor of the organization.

One of the crucial findings of the study is that performance guidance and development is significantly enhances the intention to stay among IT professionals, leading to a higher employee retention rate that was the practical importance of the study for strategy's makers and HRD practitioners. Further, there are few implications for management and policymakers in IT industry of India as how to allocate resources to retain skilled employees. First, finding revealed that line managers should help the subordinates with performance guidance and development and spend the time needed by employees. According to the present study, performance guidance and development is one of the main tool for enhancing intention to stay, leading to a higher employee retention rate. Therefore, HR department needs to ascertain that there are proper performance guidance and development for the company's IT

professionals as when they perceived that organization provide them adequate and proper guidance, they intend to stay for longer period with the company (Uraon, 2018).

Limitations of the study

There are some limitations exist in this study despite adopting appropriate methodology because social science is a field that have some limitations. First, Indian information technology industry is one of the major revenue-generating industry that design and implement the human resource development practices efficiently and effectively because their employees are skilled in terms of specific knowledge and skills, that's why the findings from this study cannot appropriately be generalized to other industry and sector. Secondly, the employees in information technology industry are highly qualified with degree in professional knowledge, so their perception regarding development-oriented HRD practices may be different from the employees of other sector where set of knowledge and skills are different. Therefore, the present study's results are not capable to be generalized to other sectors. Finally, the data collected for this study at a particular point of time i.e. data for the current study is cross-sectional in nature, therefore the data cannot be applied to analyses the behavior of the employees over a period of time.

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