
IT'S HIGH-TIME TO COME TO TERMS WITH HCM – THE SUPERSET OF HRM!

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ABSTRACT

Business Houses are started recognizing the importance of investing in their employees than ever before. Companies are now beginning to understand that, to stay on top in the global economy; they need to place more and more emphasis on enhancing the human capital and organizations appreciate the financial impact of their employees often refer to them as human capital. But, it is not the case. Human capital is an intangible asset - a valuable concept; because it recognizes that people should be treated as assets, rather than as an expense. *'Companies fail to invest in their employees will jeopardize its own success, even survival. (Laurie Bassi and Daniel Mc Murrer, Mar 2007).* The concept of Human capital has relatively more importance in labour-surplus countries, and India is one such country. The robust development of service sector of India with the export of financial services, software services, tourism services etc., and improved the Invisible balance of India's Balance of payments serves as a standing proof to the above vantage point. However, the question remain is how good are we in transforming those human resources into an intellectual human capital, in order to derive the maximum for the years to come? Isn't it a high time to realize that, conventional HR Metrics is not enough in the current context? and HCM is nothing strange, but a superset of HRM? This study has been carried out with special focus towards the IT Industry in measuring HCM, after all they are the ones deemed to be the knowledge economy and had fast realized the importance of the HCM (as its measure reflects high in this study) and its concomitant benefits ahead of others.

Key Words: Human Capital Management, Intangible asset, HR Metrics, IT Industry.

INTRODUCTION

“What gets measured gets managed!” - “A balance sheet provides a snapshot of a company’s assets at any one moment in time, but how useful is such a snapshot when a company’s currency is its knowledge and that knowledge can be transported in a split second?” In short, the affirmation is this: we have moved from an industrial society, where the primary source of wealth was machinery, to a knowledge society, wherein the primary source of wealth is none other than human capital.

The term Human Capital is defined as, **“The sum of knowledge, skills, experience and other relevant workforce attributes that reside in an organization’s workforce and drive productivity, performance and the achievement of strategic goals”**.

The transformation of raw human resource into highly productive human resource with inputs such as education, moral values, health etc., is the process of human capital formation.. HR practitioners are conscious that methods which are too closely associated with their function may not be able to secure commitment from other groups in the organization. This means that initiatives centred on human capital are often given an internal "brand". Thence, HR department shall no longer be viewed as a cost centre, but rather an asset provider

It was the Nobel Prize-winning economist **Gary S. Becker**, who coined the term “human capital,” says that **“the basic resource in any company is the people. The most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient manner.”**

In today’s context, HR professionals are expected to be familiar with not only HR operations, i.e., core competencies, but also those aspects of HR that will have the most significant impact on long-term business growth and development. These aspects include organizational development and organizational effectiveness.

During the end of the 20th century, management has come to accept that, people - not cash, buildings, or equipment, are the critical differentiators of a business enterprise”. Thus, pushes the managers to reconcile themselves that, it’s high-time to measure HCM – The superset of HRM.

What Gets Measured?

A recent study conducted by the human capital practice at Deloitte & Touche (D&T) in the United Kingdom made an interesting conclusion that: **there is much confusion about what to measure and monitor in the human capital arena**. This comes as no surprise to those individuals who are struggling with this issue. Clearly, things are changing and traditional measures have been replaced with newer ones and the role of the chief learning officer in human capital measurement has never been more important.

However, there is no 'holy Grail' in the evaluation of human capital - no single measure which is independent of context and which could accurately represent the impact of employee competencies and commitment on business performance. This is because human capital is, "non-standardized, tacit, dynamic, context-dependent and embodied in people." *Albiet*, it is entirely possible for organizations to measure and manage human capital using methodology designed to suit their own needs and goals.

Laurie Bassi and Daniel Mc Murrer argues that, Managers are fond of the maxim! **“Employees are our most important asset”** - Yet beneath the rhetoric, too many

executives still regard – and manage – employees as costs. That’s dangerous because, for many companies, people are the only source of long-term competitive advantage. Companies that fail to invest in employees jeopardize their own success and even survival. (HBR, March 2007).

Laurie Bassi and Daniel Mc Murrer further believes that, most traditional HR metrics—such as employee turnover rate, average time to fill open positions, and total hours of training provided—don’t predict organizational performance.

Their empirical research has revealed a core set of HCM drivers that predict performance across a broad array of organizations and operations. These drivers fall into five major categories: **Leadership Practices, Employee Engagement, Knowledge Accessibility, Work-force Optimization, and Organizational Learning Capacity.** In each of those categories, HCM practices are subdivided into at least four groups.

With HCM measurement tools, HR can start gauging how well people are managed and developed throughout the organization. In this role, HR departments can take on strategic responsibilities, acting as coaching, mentoring, and monitoring agencies to ensure that superior management of human capital becomes a central part of the organization’s culture.

Source: Maximizing Your Return on People (Harvard Business Review, March 2007)

Human Capital Drivers

Organizations’ strengths and weaknesses in human capital management (HCM) can be assessed by monitoring the performance of each of 23 HCM practices that fall within five broad HCM driver categories. In general, improvements or declines in organizational performance can be tied directly to improvements or declines in HCM practices.

HCM Drivers	Leadership Practices	Employee Engagement	Knowledge Accessibility	Workforce Optimization	Learning Capacity
HCM Practices	<i>Communication</i> Management’s communication is open and effective.	<i>Job Design</i> Work is well organized and taps employees’ skills.	<i>Availability</i> Job-related information and training are readily available.	<i>Processes</i> Work processes are well defined, and training is effective.	<i>Innovation</i> New ideas are welcome.
	<i>Inclusiveness</i> Management collaborates with employees and invites input.	<i>Commitment</i> Jobs are secure, employees are recognized, and advancement is possible.	<i>Collaboration</i> Teamwork is encouraged and enabled.	<i>Conditions</i> Working conditions support high performance.	<i>Training</i> Training is practical and supports organizational goals.
	<i>Supervisory skills</i> Managers eliminate barriers, provide feedback, and inspire confidence.	<i>Time</i> Workload allows employees to do jobs well and enables good work/life balance.	<i>Information sharing</i> Best practices are shared and improved.	<i>Accountability</i> High performance is expected and rewarded.	<i>Development</i> Employees have formal career development plans.
	<i>Executive skills</i> Senior executives eliminate barriers, provide feedback, and inspire confidence.	<i>Systems</i> Employee engagement is continually evaluated.	<i>Systems</i> Collection systems make information easily available.	<i>Hiring</i> Hires are chosen on the basis of skill; new hires complete a thorough orientation.	<i>Value and support</i> Leaders demonstrate that learning is valued.
	<i>Systems</i> Leadership-development and transition systems are effective.			<i>Systems</i> Employee performance management systems are effective.	<i>Systems</i> A learning management system automates aspects of training.

Table 1.1: Standard table meant for interpretation on the merit of HCM measure.

HCM VALUE	INTERPRETATION
90 – 100	EXCELLENT
80 – 89	VERY GOOD
70 – 79	GOOD
69 and BELOW	SCOPE FOR IMPROVEMENT

INDIAN IT INDUSTRY

India's IT Services industry was born in Mumbai in 1967 with the establishment of Tata Group in partnership with Burroughs. The first software export zone SEEPZ was set up here way back in 1973, the old avatar of the modern day IT Park. More than 80 percent of the country's software exports happened out of SEEPZ, Mumbai in 80s. The ground work and focal point for the development of the information technology industry in India was led by the Electronics Commission in the early 1970's. The driving force was India's most esteemed scientific and technology policy leader M. G. K. Menon. With the support of the United Nations Development Programme (UNDP) under project IND/73/001, the Electronics Commission formulated a strategy and master plan for regional computing centers, each to have a specific purpose as well as to serve as a hub for manpower development and to spur the propagation of informatics in local economies.

The Indian industry received a big boost in the early 1990s when the demand for skilled manpower in IT services in the developed world outstripped the available supply. India enjoys the advantages of “people attractiveness” and “location attractiveness” (Budhwar, Luthar and Bhatnagar, 2006) in the IT sector. India, during early 1990s was graduating 150,000 English-speaking engineers a year with only a limited demand for their services within the country, was well placed to take advantage of this opportunity (Ethiraj et al., 2005).

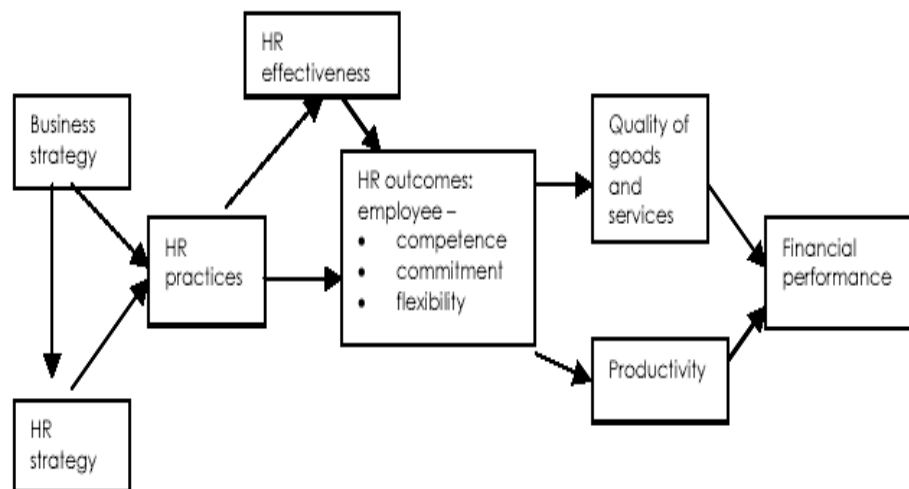
Now, the **Information technology industry in India** is deemed to be a *knowledge economy* due to its IT and ITES sector. The IT–ITES industry has two major components: IT Services and business process outsourcing (BPO). The growth in the service sector in India has been led by the IT–ITES sector, contributing substantially to increase in GDP, employment, and exports.

The major cities that account for about nearly 90% of this sectors exports are Bangalore, Hyderabad, Chennai, Delhi, Mumbai. Bangalore is considered to be the *Silicon Valley of India* because it is the leading IT exporter. Export dominate the IT–ITES industry, and constitute about 77% of the total industry revenue. Though the IT–ITES sector is export driven, the domestic market is also significant with a robust revenue growth. According to Gartner, the "Top Five Indian IT Services Providers" are Tata Consultancy Services, Infosys, Cognizant, Wipro and HCL Technologies.

REVIEW OF LITERATURE

The term HR measurement is used to describe any efforts to measure any parts of the process through which HR creates value in an organization. Typically, this process begins with measuring activities associated with the HR function, such as cost per hire, days required to fill an open position, or benefits as a percentage of revenue. While better performance on these indicators may be associated with firm success, this is not necessarily always true. Because this type of measure tends to focus on the activities of the HR *function*, as opposed to the actual employee behaviors that drive *strategy*, their linkage with actual value creating behaviors of the workforce can be ambiguous. Thus, while these measures are relatively easy to collect and can be benchmarked across firms, in the long run they are not likely to help differentiate the firm from its competitors, as they are not linked to the firm's unique strategy implementation process.

Guest conducted a study on the link between HR strategy and financial performance for UK companies for the “**Future of Work**” programme, and came up with the following model.



Business strategy would determine to HR strategy and practices that would make HR more effective, leading to higher quality of goods and services, and higher productivity, that would lead to superior financial performance.

The investment in the human resources department is another key measure, which shows how much an organization is willing to invest in the HR staff that spends most of their time analyzing, coordinating, developing, and implementing programs to improve human capital. The learning and development expenditures are usually included in this measure.

Within the context of human resource management (HRM), a firm's approach to managing people can help provide a competitive advantage by lowering costs, increasing sources of product and service differentiation, or by both (**Porter, 1985**). Achieving competitive advantage through HR requires that these activities be managed from a strategic perspective (**Lengnick-Hall & Lengnick-Hall, 1988**). However, investing in both people and people management systems incur costs. Thus managers need to analyze the ability of HR practices to meet strategic business needs; otherwise they may be excessive and inefficient, and result in less than optimal organizational effectiveness

(Barney & Wright, 1998).

On top of it all, **Adam Smith** said, in the *Wealth of Nations*, that “When any expensive machine is erected, the extraordinary work to be performed by it before it is worn out, it must be expected, will replace the capital laid out upon it, with at least the ordinary profits. A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, may be compared to one of those expensive machines.

Put it all in a nutshell, in theory, **the larger the HR department expense, the more productive the organization!**

THE PRESENT STUDY

The level of intent expressed by the corporate houses towards the measurement and management of HCM is still in the nascent stages, as far as Indian Inc is concerned. Having said that, there exist a compelling need in accepting and acknowledging the inevitable truth that, **“Indeed, the gap between the importance of intangible assets, and our ability to monitor and control them, appears to be widening (Lev, 2001)”**

The present study is a small attempt to bridge the gap with special focus on IT Industry. The specific objective of the study is to ascertain whether the organizations are having a measurement system, which would optimize the HCM and organizational performance with the help of the HCM measurement tool suggested by *Laurie Bassi and Daniel Mc Murrer*, wherein the HC drivers namely *viz.*, ‘Leadership Practices’, ‘Employee Engagement’, ‘Knowledge Accessibility’, ‘Work-force Optimization’ and ‘Organizational Learning Capacity’ will play the role of measuring parameters, and under each of these parameters there are four factors (actually the practices), and is as follows.

1. Parameter 1: Leadership Practices

- a) Factor 1 : Communication
- b) Factor 2 : Employee Participation
- c) Factor 3 : Supervisory Skills
- d) Factor 4 : Succession Planning

2. Parameter 2: Employee Engagement

- a) Factor 5 : Job Design
- b) Factor 6 : Commitment to Employees
- c) Factor 7 : Time Factor
- d) Factor 8 : System

3. Parameter 3: Knowledge Accessibility

- a) Factor 9 : Availability
- b) Factor 10 : Team Work
- c) Factor 11: Information Sharing
- d) Factor 12: System

4. Parameter 4: Workforce Optimization

- a) Factor 13 : Work Conditions
- b) Factor 14 : Accountability
- c) Factor 15 : Hiring Decision
- d) Factor 16 : System

5. Parameter 5: Organizational Learning Capacity

- a) Factor 17: Availability
- b) Factor 18: Training
- c) Factor 19: Value and Support
- d) Factor 20: System

Data has been collected through a structured questionnaire comprising 32 questions, on a five pointer likert scale, wherein 1 denotes Strongly Disagree and 5 denotes Strongly Agree, (barring a few more at the beginning, aimed at gathering information on socio-economic variables about the sample respondents) covering all the 20 factors, thus inturn, leads to encompass all the 5 parameters, obviously.

OBJECTIVES OF THE STUDY

1. To ascertain the Socio-economic characteristic of the sample employees.
2. To find whether the organization has a measurement System, this would help to optimize the HCM and the organizational performance or not?
3. To measure the HCM value. *and*
4. To trace the significance of correlation coefficients between the HC drivers.

HYPOTHESES OF THE STUDY

(I) Test for Significance of the Correlation Co-efficient

Table 2.1 : list of hypotheses

p1 : p2	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 1 and Parameter 2
p1: p3	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 1 and Parameter 3
p1:p4	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 1 and Parameter 4
p1:p5	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 1 and Parameter 5
p2:p3	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 2 and Parameter 3
p2:p4	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 2 and Parameter 4
p2:p5	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 2 and Parameter 5
p3:p4	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 3 and Parameter 4
p3:p5	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 3 and Parameter 5
p4: p5	Ho: p = 0	H1: p ≠ 0	Ho: There is no significant correlation between the correlation coefficients of Parameter 4 and Parameter 5

METHODOLOGY

Research Design

This research is an empirical investigation aimed at realizing the above set objectives, and has been carried out at Coimbatore city.

Pilot Study

As mentioned earlier that this study is small attempt towards filling the research gap in this arena, a PILOT STUDY has been conducted and as a pre-requisite to improve the effectiveness of the research with the employees belongs to IT and ITeS sector, who are working in Coimbatore Tidal Park and Eachanari Info Park. In the pilot test, they are asked to express their opinion for the following question.

1) Do you feel that this organization has a measurement system to optimize employees' Organizational performance?

Sampling Technique

To meet the above objectives a sample of employees belongs to IT and ITeS industry was required, and to arrive at them is no longer a herculean task, as far as Coimbatore is concerned – thanks to growing number of IT parks and IT zones. However, to get out of the possible error zone in arriving at the exact number of population, as it is ought to be finite; **Cluster Sampling** technique has been used here in order to select the sample respondents.

Sample Frame

Based on the result of the pilot study, the samples considered for the study are those

- a. Who have responded positively that, there exists a measurement system in their respective organization to optimize organizational performance.
- b. Who have three years of work experience at minimum, in the IT industry, however, not necessarily in the same organization they are currently working with, since it is believed that, this will enhance the relevance and reliability of the study in-tact.

Respondents

The final sample considered for the study comprises of data from **140 respondents(92 males and 48 females)**, who spread across the major firms operating at Eachanari Info Park and Tidal Park, Coimbatore provided they duly fulfill the criteria above mentioned under sample frame. Data were collected through self-administered questionnaire, of which the majority was collected personally, and upon the samples respondent's request, some filled-in questionnaire has been collected through e-mail. Though, as many as 183 respondents are expected to be made involved in the study (as calculated) only 140 of them were involved, purely owing to the shortcomings faced in accessing some of the employees at the Top management cadre and making them participate seems a daunting task within the timeframe. Hence, the sample size has been adjusted using the formula $n' = \frac{n}{1 + (n/N)}$ and a new adjusted sample size of 140 were considered as sampling units (or Respondents) for this study.

Data Collection:

Method : Sample Survey
Tool : Self-administered questionnaire
Scale : Dichotomous, interval, 5 pointer Likert Scale etc.,

Frame work for data analysis:

Tables → Bi-variate & Multi-variate
Tools → Mean, SD, CV, Correlation, and t-Test

Results: Table 3.1: Descriptive Statistics portray the socio-economic aspects of the respondents.

S No	ITEMS	CATEGORY	MAL E [Nm = 92]	%	FEMA LE [NF = 48]	%	TOT AL N=140	%
1	Age (in Years)	Less than 30	18	19.6	22	45.8	40	28.6
		30 - 34	32	34.8	14	29.2	46	32.9
		35 - 39	14	15.2	7	14.6	21	15.0
		40 - 44	13	14.1	4	8.3	17	12.1
		45- 49	15	16.3	1	2.1	16	11.4
		50 and above	0	0.0	0	0.0	0	0.0
		TOTAL	92	100.0	48	100.0	140	100.0
2	Educational Qualification	BE/ B Tech	59	64.1	22	45.8	81	57.9
		UG (BSc etc.,)	2	2.2	4	8.3	6	4.3
		ME/ M Tech	4	4.3	1	2.1	5	3.6
		PG (BSc etc.,)	4	4.3	3	6.3	7	5.0
		MCA	14	15.2	8	16.7	22	15.7
		Others (MBA etc.,)	9	9.8	10	20.8	19	13.6
		TOTAL	92	100.0	48	100.0	140	100.0
3	Category (based on Designation)	Technical End	51	55.4	28	58.3	79	56.4
		Middle Level Administration	27	29.3	17	35.4	44	31.4
		Top Level Managers	14	15.2	3	6.3	17	12.1
		TOTAL	92	100.0	48	100.0	140	100.0
4	Earnings per Month (in INR)	Upto Rs 19,999	19	20.7	9	18.8	28	20.0
		20,000 to 29,999	18	19.6	19	39.6	37	26.4
		30,000 to 39,999	24	26.1	15	31.3	39	27.9
		40,000 to 49,999	22	23.9	4	8.3	26	18.6
		50,000 and above	9	9.8	1	2.1	10	7.1
		TOTAL	92	100.0	48	100.0	240	100.0
6	Experience (in Years)	3 to 5	34	37.0	27	56.3	61	43.6
		6 to 10	31	33.7	11	22.9	42	30.0
		11 to 15	23	25.0	7	14.6	30	21.4
		16 to 20	4	4.3	3	6.3	7	5.0
		Morethan 20	0	0.0	0	0.0	0	0.0
		TOTAL	92	100.0	48	100.0	140	100.0

Source: Computed. Nm – Number of Male Respondents Nf- No of female respondents

Table 3.2: Descriptive Statistics depicting Mean, Standard Deviation, Co-efficient of Variance and Correlation Matrix on Mean Values

		Mean	SD	CV	P1	P 2	P 3	P 4	P 5
Parameter 1	Factor 1	4.37	0.44	10.05	1				
	Factor 2	4.41	0.53	11.90					
	Factor 3	4.47	0.47	10.47					
	Factor 4	4.28	0.65	15.12					
Parameter 2	Factor 5	4.49	0.50	11.20	0.03	1			
	Factor 6	4.47	0.55	12.35					
	Factor 7	4.44	0.69	15.59					
	Factor 8	4.44	0.65	14.59					
Parameter 3	Factor 9	4.43	0.89	20.18	-0.46	0.73	1		
	Factor 10	4.39	0.93	21.21					
	Factor 11	4.38	0.98	22.26					
	Factor 12	4.4	0.91	20.68					
Parameter 4	Factor 13	4.41	0.60	13.61	0.11	-0.43	0	1	
	Factor 14	4.37	0.59	13.48					
	Factor 15	4.43	0.61	13.68					
	Factor 16	4.41	0.76	17.21					
Parameter 5	Factor 17	4.44	0.71	16.04	-0.16	0.94	0.68	-0.69	1
	Factor 18	4.43	0.65	14.65					
	Factor 19	4.34	0.74	16.98					
	Factor 20	4.37	0.68	15.61					

Source: Computed

Sum of Mean (of all the 20-factors)= 88.17

Table 3.3: Descriptive Statistics: Test for Significance of Correlation Co-efficient using ‘t-distribution’ for all the 5 parameters at (n-2) degrees of freedom and 5% significance level.

Parameters	Leadership Practices	Employee Engagement	Knowledge Accessibility	Workforce Optimization	Learning Capacity
Leadership Practices	*				
Employee Engagement	0.0521	*			
Knowledge Accessibility	-1.2818	5.7950	*		
Workforce Optimization	0.1952	-1.1210	0.0000	*	
Learning Capacity	-0.2919	120.1627	4.0751	-4.3541	*

Source: Computed using MS Excel

Table 3.4: Interpretation table with the help of calculated and table value of t-statistic at 5% level of significance with (n-2) d.o.f.

			Calculated t- Value	Table Value at 3 d.o.f	Implication
p1 : p2	Ho: p = 0	H1: p ≠ 0	0.052	2.353	Accept Ho
p1: p3	Ho: p = 0	H1: p ≠ 0	-1.282	2.353	Accept Ho
p1:p4	Ho: p = 0	H1: p ≠ 0	0.195	2.353	Accept Ho
p1:p5	Ho: p = 0	H1: p ≠ 0	-0.292	2.353	Accept Ho
p2:p3	Ho: p = 0	H1: p ≠ 0	5.795	2.353	Reject Ho
p2:p4	Ho: p = 0	H1: p ≠ 0	-1.121	2.353	Accept Ho
p2:p5	Ho: p = 0	H1: p ≠ 0	120.163	2.353	Reject Ho
p3:p4	Ho: p = 0	H1: p ≠ 0	0.000	2.353	Accept Ho
p3:p5	Ho: p = 0	H1: p ≠ 0	4.075	2.353	Reject Ho
p4: p5	Ho: p = 0	H1: p ≠ 0	-4.354	2.353	Reject Ho

Source: Computed

Note: Test for the significance of correlation coefficient has been measured with the t-Statistic, defined as $t = (r * \sqrt{n-2}) / (\sqrt{1-r^2})$ with (n-2) degrees of freedom.

DISCUSSION

Table 1 gives the descriptive statistics of the major socio-economic aspects of the sample respondents. Of them, 98 were male and 42 were female. Besides, their age, educational qualification, categorization on organizational pyramid on the basis of their designation, monthly earnings and cumulative work experience are analyzed in proportion as well, in order to have an easy look at it.

Table 2 elicits the descriptive statistics such as Mean, Standard Deviation, Co-efficient of Variance and Correlation Matrix on Mean Values on the data collected from the sample respondents through the structured questionnaire. It is found that, the sum of all means for the entire twenty factors spanning across five parameters leads to 88.17. In other terms, it may be said that, the impact of HCM measure on the organizational performance is found to be 88.2% and in comparison with the standard inference table (table no: 0) it is evident that the measures of HCM is indeed “VERY GOOD”. In addition, it reflects the scores on deviation measures such as Standard deviation and co-efficient of Variation as well, across all the 20 factors.

Not limiting to the above, Table 2 also portrays the correlation matrix on all the 5 parameters, and a on a whole, all the possible 10 inter-correlation measures were calculated and tabulated. Through which one can find that, there exist a significant positive correlation between the parameters P2&P3, P2&P5, and P3&P5; a significant negative correlation with P4 and P5; and not to forget a zero-correlation with the parameters P3&P5. Among these, however, some interesting differences emerged purely owing to the mean scores, with which the correlation co-efficient is computed.

To arrive at an answer to the hypothetical quests set at the beginning, the table 3.4 is at its service. Having tested the significance of correlation coefficients, with the help of *t-distribution* at 5 significance level with (n-2) degrees of freedom, the following conclusions are made.

1. There exist a significance on correlation coefficients between the parameters Employee Engagement and Knowledge Accessibility.
2. Similar is the case with ‘Employee Engagement : Learning Capacity’, ‘Knowledge Accessibility : Learning Capacity’ and ‘ Workforce Optimization : Learning capacity’ as well.
3. Barring the above, for the rest of the hypotheses framed, the null hypothesis that, the significance on correlation coefficients between the respective parameters does not exist.
4. Thus, once again, proving the point that the results attained with the help of simple correlation analysis holds good.

LIMITATIONS OF THE STUDY

1. It is customary to admit, as there is no denying the fact that this study is restricted to the geographical location of Coimbatore only; hence the result may not be extended for other parts of the state as well as the country.
2. Besides, the number of organizations under the ambit of ‘IT Industry’ is humungous and varies by different measures depending upon its size and nature of operations. However, this study is confined to the organizations operating at Eachanari Info Park and some select organizations at Tidal Park of Coimbatore only. Given the growth and geography of Coimbatore, this seems only a ‘tip of an iceberg’.

SCOPE FOR FURTHER EXPLORATION

Organizations should generally strive toward superior HCM across the board, the practices that have the greatest effect can vary within and across the organizations and change with time. Thence, A study aimed at

- a. Benchmarking of HCM capabilities
 - b. Measuring the Strengths and Weaknesses of HCM
 - c. Why HCM's due importance are denied in many industries even now?
 - d. How an organization overcome from its shortcomings using HCM? etc.,
- are to name a few avenues for further exploration in the days to come.

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