A Study on Employee Awareness of HR Policies in IT Companies

Ms. Sushmitha S K

B.com with Professional Accounting, Sri Ramakrishna College of Arts & Science.
Corresponding Author: Dr. Lavanya M.R, Assistant professor of B.com with Professional Accounting, Sri Ramakrishna College of Arts & Science.

ABSTRACT
This study examines employee awareness of HR policies in IT companies, focusing on aspects such as familiarity, effectiveness, barriers, and communication channels. As the IT sector grows and evolves, Human Resource (HR) management plays a critical role in the success of organizations. Employing a descriptive research design, the study surveyed 100 employees to examine factors influencing their familiarity with HR policies. These factors include the need for clarification, preferred communication channels, and the involvement of representatives in ensuring effective policy dissemination. The findings reveal that lack of time is a major barrier to employees' awareness of HR policies. Furthermore, a significant relationship was found between employees' work experience and their familiarity with HR policies. However, the effectiveness of HR communication was not influenced by educational background.The study also identifieda significant relationship between age and responsibility for compliance with HR policies as well as between communication rating and likelihood of seeking clarification. The study concludes that more transparent and detailed communication of policies, alongside increased employee involvement in policy-making, could significantly improve the overall effectiveness of HR policies.
Key words: Employee awareness, HR policies,Familiarity, Effectiveness, Barriers, Communication channels, Work experience and educational background, Clarification, Communication rating, Compliance, Policy dissemination, Employee involvement, Policy-Making, HR communication.

I. INTRODUCTION

The Information Technology (IT) industry is characterized by rapid growth, innovation, and a highly competitive workforce. As IT companies strive to maintain their competitive edge, effective Human Resource (HR) management plays a vital role in ensuring employee satisfaction, productivity, and retention.

Employee awareness of HR policies is essential for fostering an environment of trust, transparency, and fairness. When employees are well-informed about the organization's policies, including those related to compensation, benefits, leave, grievance redressal, performance evaluation, and career development, it can significantly influence their job satisfaction, performance, and commitment to the company. Conversely, a lack of awareness or miscommunication about these policies can lead to misunderstandings, dissatisfaction, and reduced employee morale.

This study seeks to explore the level of employee awareness of HR policies within IT companies and its impact on organizational outcomes. By focusing on IT companies, which often employ a highly diverse and geographically dispersed workforce, this research aims to understand the challenges that organizations face in communicating and implementing HR policies effectively. Furthermore, it will examine the role of management, HR departments, and internal communication channels in ensuring that employees are well-informed.

II. STATEMENT OF THE PROBLEM

Despite the importance of HR policies in governing employee behavior and ensuring a positive work environment, many employees remain unaware or unclear about the policies that affect their roles, responsibilities and benefits.

The lack of employee awareness of HR policies can result in non-compliance, leading to legal liabilities, financial losses, and damage to the organization's reputation.

This study aims to investigate the level of employee awareness about HR policies and identify the factors influencing this awareness.

III. OBJECTIVES OF THE STUDY

- To gather demographic data to inform targeted strategies
- To identify knowledge gaps and areas of improvement
- To evaluate the effectiveness of HR policy communication
- To provide insights for developing targeted strategies to improve employee awareness on HR policies.

IV. REVIEW OF LITERATURE

1.Amer Abuhanttash (2018) "The Impact of Human Resource Management on Awareness employee and organization capability": This study focuses on exploring Awareness Management (AM) in organizations, focusing on employee's knowledge sharing behaviour and the role of Human Resource Management (HRM). It uses primary data that was collected through questionnaire. The findings suggest that organizations should reorder their priorities around HRM practices, focusing on employee partnership and confidence-building. This could lead to more effective awareness sharing behaviour among employees.

2.Ying Wang, Sunghoon Kim, Alannah Rafferty & Karin Sanders (2019) "Employee perceptions of HR practices: A critical review and future directions": This article clarifies the concept of employee perceptions of HR practices and reviews the research progress across its three crucial components: the 'what', 'why', and 'how' that fall under this overarching construct. It also indicates the various components of employee HR perceptions focus on different aspects of the HR process and are based on distinct theoretical hypotheticals and methodological approaches.It concludes with a suggestion that is progress in this area can be enhanced by strengthening the theoretical foundations of research, broadening the empirical focus to include aspects such as cross-cultural considerations, and adding the practical applicability of the findings.

3.Jan Fekke Ybema ,Tinka van Vuuren&Karen van Dam (2017) "HR practices for enhancing sustainable employability: implementation, use, and outcomes": This article focuses on examining how organizations apply HR practices to promote sustainable employability, focusing on employees' health, motivation, and skills and knowledge from the employer's perspective.It uses primary data, which were collected from questionnaires on their

policies and practices. The data were analyzed using SPSS 20. In addition, analyses of variance and hierarchical multiple regression analyses were conducted.It concludes that investing in the sustainable employability of employees appears to be highly advantageous for associations. By enforcing effective HR practices, companies can enhance employees' health, work motivation, skills, and knowledge, eventually leading to improved employability.

4.Benish Hussain Janjua, Amir Gulzar (2014) "The impact of Human Resource Practices on employee commitment and employee retention in Telecom sector of Pakistan: Exploring the mediating role of employee loyalty": This article discusses several key relationships: first the link between HRM practices and employee commitment; second the connection between HRM practices and employee retention; third, the relationship between HRM practices and loyalty.It uses both primary (surveys) and secondary data (articles) to study the relationship.It concludes that loyalty exerts a stronger influence on employee retention than on employee commitment, and recruitment and selection have a more significant impact on employee commitment than on employee retention.

5.Isabel Ma Prieto Pastor ,Ma Pilar Pérez Santana&Celia Martín Sierra (2010) "Managing knowledge through human resource practices": This paper explores the connection between Human Resource Management (HRM) and knowledge management. It specifically investigates how HR practices influence employees' abilities, motivation to engage in knowledge management, focusing on how these practices facilitate knowledge retention and creation in organizations. This study was conducted using primary data (questionnaires) and factorial analyses. The findings show the strong correlations between the dependent and independent variables, with limited collinearity among the independent variables.

V. RESEARCH METHODOLOGY

For this study, a quantitative approach was employed, as numerical data was collected through questionnaire to assess employee awareness of HR policies. This study follows a descriptive research design. This type of design is used to describe characteristics of a population or phenomenon being studied without influencing it. This design allows for examining the current state of employee awareness of HR policies without manipulating

variables. The population consists of employees working in IT companies. Sample size and Sampling method: A sample of 100 employees from various IT companies was selected using a convenience sampling method. The primary data was collected through a structured questionnaire with both closed- ended and open- ended questions and it was distributed online. The data will be analysed using percentage analysis, chi-square test and regression analysis. These tools were employed to identify trends, relationships, and significant patterns within the data

VI. LIMITATIONS OF THE STUDY

1. This study includes only a limited number of participants, which may not be representative of the entire IT industry.
2. The study includes employees from specific departments or levels, which may not accurately reflect the views of all employees.

3. The study may not capture long-term trends in employee awareness or changes in awareness over time.

VII. ANALYSIS AND INTERPRETATION

This chapter focuses on the analysis and interpretation of the study titled "A Study on Employee Awareness of HR Policies in IT Companies." The study is based on a sample of 100 respondents from various IT companies. The collected data have been classified, tabulated, and analysed using the following statistical tools.
➢ Percentage analysis
➢ Regression analysis
➢ Chi-square test

PERCENTAGE ANALYSIS

TABLE7.1.1: DEMOGRAPHIC PROFILE

Category	High respondents	No of respondents	Percentage %
Age	20-35	90	90
Gender	Male	69	69
Education	Bachelor's degree	60	60
Job Title	Other	52	52
Years of work experience	0-2	47	47

Source: Primary data

Interpretation

The above table describes the demographic profile of 100 respondents. There were 90 respondents in the age group of 20-35, representing 90% of the total sample. Out of the total respondents, 69 are male, which constitutes 69% of the sample and 60 respondents have a bachelor's degree, making up 60% of the total sample. The 'other' option which constitutes project manager, data base administrator, technical writer, computer vision engineer and IT consultant in job title category includes 52 respondents(52%) and 47 respondents (47%) have between 0 to 2 years of work experience.

TABLE7.1.2: FAMILIARITY LEVEL WITH HR POLICIES

Particulars	No of respondents	Percentage
Very familiar	20	20%
Somewhat familiar	55	55%
Neutral	23	23%
Not at all familiar	2	2%
Total	100	100%

Source: Primary data

Interpretation

A larger group, 55%, reported being somewhat familiar with the policies, suggesting that the majority have a moderate level of awareness but may not have comprehensive knowledge. 23% of respondents felt neutral, meaning they neither consider themselves familiar nor unfamiliar with the policies, indicating some uncertainty or lack of clarity regarding the policies. 20% of the respondents consider themselves very

familiar with the HR policies, indicating a small portion of employees who have a strong understanding of the policies. Only 2% of the respondents are not at all familiar with the HR policies, reflecting a very small group with no awareness of the policies.

TABLE7.1.3: BARRIERS PREVENTING AWARENESS OF HR POLICIES

Category	No of respondents	Percentage %
Lack of time	56	56
Lack of access to information	41	41
Complexities of policies	44	44
Lack of relevance to job responsibilities	18	18

Source: Primary data

Interpretation

The above table represents the barriers preventing awareness of HR policies for the employees. Out of 100 respondents, 56 respondents (56%) reported that a lack of time is a barrier to being aware of HR policies. 44 respondents (44%) pointed to the complexities of policies as a challenge. 41 respondents (41%) identified lack of access to information as a barrier. 18 respondents (18%) indicated that the lack of relevance of HR policies to their job responsibilities is a barrier.

REGRESSION ANALYSIS

TABLE7.2.1:WORK EXPERIENCE AND FAMILIARITY WITH HR POLICIES

Summary output

Statistic	Value
Multiple R	0.31778
R Square	0.100984
Adjusted R Square	0.09181
Standard Error	0.822307
Observations	100

ANOVA Table

	df	SS	MS	F	Significance F
Regression	1	7.443518	7.443518	11.00805	0.001274
Residual	98	66.26648	0.676189		
Total	99	73.71			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	2.564641	0.253229	10.12776	6.39E-17	2.062116	3.067165	2.062116	3.067165
X Variable 1	-0.38388	0.115703	-3.31784	0.001274	-0.61349	-0.15428	-0.61349	-0.15428

Source: Primary data
Maturity level= 2.56-0.38

Interpretation

This table represents the regression analysis of work experience and familiarity with HR policies. The regression model explains 10.1% of the variance in the dependent variable (familiarity with HR policies). The p-value for X Variable 1 is less than 0.05, indicating that the coefficient for X Variable 1 is statistically significant, meaning work experience is related to the familiarity of HR policies.

TABLE7.2.2:RESPONSIBILTY FOR HR POLICY COMPLIANCE BASED ON AGE

Regression Statistics	
Multiple R	0.221415
R Square	0.049025
Adjusted R Square	0.039321
Standard Error	0.338243
Observations	100

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.578	0.578	5.052087	0.026838
Residual	98	11.212	0.114408		
Total	99	11.79			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.263	0.076011	16.6161	2.91E-30	1.112159	1.413841	1.112159	1.413841
X Variable 1	-0.085	0.037817	-2.24768	0.026838	-0.16005	-0.00995	-0.16005	-0.00995

Source: Primary data
Maturity level= 1.26- 0.08

Interpretation

This table represents the regression analysis of age and responsibility for compliance with HR policies. The correlation coefficient (0.2214) indicates the strength and direction of the linear relationship between the independent variable (X Variable 1) and the dependent variable. The F-statistic of 5.0521 suggests that the regression model has some predictive power. Since this value (0.0268) is less than 0.05, we can conclude that the regression model is statistically significant.

TABLE7.2.3: EFFECTIVENESS OF HR POLICIES IN GUIDING BEHAVIOUR AND DECISION MAKING BASED ON EDUCATIONAL BACKGROUND

Statistic	Value
Multiple R	0.067792
R Square	0.004596
Adjusted R Square	-0.00556
Standard Error	0.610049
Observations	100

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.168388	0.168388	0.452463	0.50275
Residual	98	36.47161	0.372159		
Total	99	36.64			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.555448	0.18215	8.539366	1.77E-13	1.193977	1.91692	1.193977	1.91692
X Variable 1	-0.06378	0.094824	-0.67265	0.50275	-0.25196	0.124391	-0.25196	0.124391

Source: Primary data
Maturity level=1.55-0.06

Interpretation

The Multiple R (0.0678) indicates a very weak correlation between the independent variable and the dependent variable. This suggests that the independent variable has minimal impact on the dependent variable. The R Square (0.0046) shows that only 0.46% of the variation in the dependent variable is explained by the independent variable.

The F-statistic (0.4525) and its corresponding Significance F (0.5028) indicate that the regression model as a whole is not statistically significant. The p-value for the independent variable (0.5028) is much higher than the typical significance level of 0.05, indicating that the independent variable does not have a significant effect on the dependent variable.

CHI- SQUARE TEST
TABLE7.3:EMPLOYEE LIKELIHOOD OF SEEKING CLARIFICATION BASED ON HR POLICY COMMUNICATION RATINGS

Null hypothesis (H0): Communication ratings and Likelihood of seeking clarification are independent.
Alternative hypothesis (H1): Communication ratings and Likelihood of seeking clarification are dependent.

Particulars	Very likely	Somewhat likely	Not very likely	Total
Excellent	17	10	0	27
Good	17	24	15	56
Fair	4	9	2	15
Poor	0	0	2	2
Total	38	43	19	100

Chi-square value	Degree of freedom	PV value	Table value or CV value	Significant/ Not significant	Null hypothesis
22.7236	6	0.000895	12.59159	Significant	Rejected

Source: Primary data

Interpretation

This table represents the employee likelihood of seeking clarification and HR policy communication ratings. Since the chi-square value (22.7236) is greater than the critical value (12.59159) from the table, we reject the null hypothesis. The p-value is very small, much smaller than the significance level (0.05), which confirms that the results are statistically significant. Hence, the likelihood of seeking clarification is dependent of the rating given for communication of policies and the two variables are related.

VIII. FINDINGS

1. The majority ofrespondents (90%) fall under the age range of 20-35. The respondents were predominantly male, young (20-35), with bachelor's degrees, and in the early stages of their careers (0-2 years).
2. A moderate understanding of the policies is held by 55% of the respondents, making it the majority group.
3. The most significant barrier (56%) to being aware of HR policies is a lack of time. The least reported barrier is the perceived lack of relevance to job responsibilities (18%).
4. There is a significant relationship between work experience and familiarity with HR policies of employees, which means they are related.
5. Age has a statistically significant effect on the responsibility for compliance with HR policies

which shows that age is related to responsibility for HR policy compliance.

6. There is no significant relationship between educational background and effectiveness of HR policies which means both are independent. In other words,educational background does not influence perceptions of the effectiveness of HR policies in guiding behaviour and decision making of the employees.

7. There is a strong relationship between HR policy communication ratings and the likelihood of employees seeking clarification. This indicate that clearer communication is associated with a higher likelihood of seeking clarification.

IX. SUGGESTIONS

1.Frequent Communication and Policy Awareness: Conductingregular meetings with employees to keep them informed about relevant HR policies and updates.

2.Employee-Centric HR Practices: Actively listening to employee wants and needs to ensure HR policies reflect and address employee concerns.

3.Clear and Detailed Policy Communication: Offering role-specific policies that are descriptive and tailored to different employee needs, ensuring everyone understands their rights and responsibilities.

4.Transparency: Improving communication channels between HR and employees for more frequent interaction, fostering a transparent and supportive work environment.

5.Engagement in Policy Decision-Making: Creating feedback mechanisms that allow employees to contribute to the policy improvement process, helping HR teams to continuously refine and enhance the policies based on employee needs.

X. CONCLUSION

The study on employee awareness of HR policies in IT companies reveals that while the majority of respondents are somewhat familiar with the basic HR policies, there is still significant room for improvement in terms of overall understanding and accessibility. A positive response was observed regarding the communication of HR policies, indicating that employees appreciate the existing efforts. The preference for receiving policy information via email suggests that employees value a streamlined and accessible method of communication. This underscores the importance of utilizing digital platforms to distribute policy updates and information, ensuring employees can access them at their convenience. In conclusion, while the current communication strategies for HR policies are somewhat effective, addressing barriers like time constraints and enhancing the accessibility of information will significantly improve employee awareness and engagement with HR policies in IT companies.

REFERENCES

[1]. Abuhantash, A. (2018). The Impact of human resource management on awareness employee and organization capability. A Ph. D Doctoral Thesis. University of North Texas.

[2]. Wang, Y., Kim, S., Rafferty, A., & Sanders, K. (2020). Employee perceptions of HR practices: A critical review and future directions. The International Journal of Human Resource Management, 31(1), 128-173

[3]. Ybema, J. F., van Vuuren, T., & van Dam, K. (2020). HR practices for enhancing sustainable employability: implementation, use, and outcomes. The International Journal of Human Resource Management, 31(7), 886-907.

[4]. Janjua, B. H., & Gulzar, A. (2014). The impact of human resource practices on employee commitment and employee retention in telecom sector of Pakistan: Exploring the mediating role of employee loyalty. IOSR Journal of Business and Management, 16(1), 76-81.

[5]. Prieto Pastor, I. M., Perez Santana, M. P., & Martin Sierra, C. (2010). Managing knowledge through human resource practices: empirical examination on the Spanish automotive industry. The International Journal of Human Resource Management, 21(13), 2452-2467.

[6]. Santhanakrishnan, D., Renukadevi, D., Manochithra, P., & Sathyapriya, M. (2022). An Analysis of Technology Trends and their Impact on the Globalization of Business. International Journal of Early Childhood Special Education, 14(3).