

**Evaluation of Executive Development Program  
of Selected Software Development Companies  
in National Capital Region**

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**By**

**Ruchi Gupta**

**Under the Supervision of:**

**Dr. N.U.K. Sherwani**  
**Department of Commerce & Business Studies**  
**Jamia Millia Islamia, New Delhi – 110 025**

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Indian industry is passing through a crucial phase of transition and restructuring. The economic reforms program embarked upon since 1991 by the Indian Government has significantly influenced the growth and development of the economy. The industrial stagnation experienced in the 80s led to some rethinking and this resulted in gradual liberalization in the eighties. This process got further strengthened with the announcement of the New Industrial Policy in July 1991. Since 1991 there has been a clear-cut policy towards liberalization and structural adjustment program. Free service sector market, lesser barriers and a revolution in the information technology have further transformed the global economic structure.

In this context, the present study entitled “Evaluation of Executive Development Programs in selected software companies in National Capital Region of India” is an attempt to make a detailed, systematic and comprehensive analysis of executive development programs in software companies with a view to make this sector economically more viable and global. The industrial world of the 21<sup>st</sup> century revolves around trends and technologies. Therefore, progressive organizations have recognized the need to invest in systems and processes besides continuously upgrading the knowledge base and skill-sets of their managers in order to remain amongst the top few profitable and blue chip companies. It is an established fact that telecommunications have revolutionized the way of conducting business today and hence the companies that have kept pace with these changes have survived, while the rest have bitten the dust.

Global economy is also experiencing increasing clustering of some industries in the nations that have achieved disproportionate worldwide success. This has consequently resulted in swift changes in the business environment and the modern business world demands quality, ethics and excellence, properly injected into the organization at the level of person, process, product and services. To cope with these changes, core competency is identified and leverage for success and all this is made possible through competitive, skilled and professional executives. This kind of changing management requires training and development i.e. executive development. Executive development should not be viewed just as a capital investment and asset building for the future but also as a tool of employee motivation and retention. It helps contribute in job satisfaction and creates new roles and functions for existing employees of the organization. Therefore, the basic purpose of executive development program is to promote managerial performance by imparting knowledge, changing behavior and enhancing professional and attitudinal skills. Hence the knowledge is the need of the 21<sup>st</sup> century due to changing business environment not only in India but also globally.

Executive development may be referred as systematic process of growth and development by which the managers develop their abilities and managerial skills to manage. It is the result of not only participation in formal courses of instruction but also of actual job experience. Executive development programs can be organized in various situations i.e. on-the-job or off-the-job in the company or out side the company. It involves the use of many techniques e.g. decision-making skills, interpersonal skills, job knowledge, organizational knowledge, general knowledge by special courses, meetings, conferences, group discussion, seminars, get together etc. These techniques of executive development program are deployed by executive trainers, specialists, external trainers and educationists.

Evaluation of executive development programs literally means the assessment of value and work. Therefore, evaluation of executive development program may be defined as an attempt to obtain feedback on the effects of development program, which helps to improve future development programs on the basis of current experience. The important tools of evaluation of executive development programs are observation, rating, trainee survey and trainee interviews, job satisfaction, morale, promotions, results of behavioral changes such as increased sales, increased productivity and efficiency.

The entire study has been divided into six chapters.

The **first chapter** introduces the concept and importance of the executive development and the problems of executive development programs. The **second chapter** reviews the growth and development of software industry in India with a special reference to India’s top three software giants in software industry. The **third chapter** reviews the concept of executive development program in software industry in National Capital Region, Delhi - India.

The **fourth chapter** is devoted to examine the growth and development of human resource in software developing organizations. In the **fifth chapter** a detailed analysis and interpretation of the data available by

the survey through questionnaire and personal observation is provided in the modified and simplified way with the help of tables, graphs and diagrams. To make the data analysis simple and easier to understand, the researcher had split off the data into six groups. The **last chapter** of the study has been designed in such a way to conclude the whole study from chapter first to chapter fifth in order to provide suggestions and recommendations.

Chapter-2 presents the growth and development of software industry with its production and exports from India along with the story of India's three software developing giants. In this chapter a detailed discussion has been made about the growth of software organizations by which they become India's top three software developing companies.

The last decade witnessed Indian Government initiating the process of economic reforms through implementation of various policies of liberalization and globalization. This helped India to become a nation on the move and the world noticed a new look India and its growing potentials of computer software services particularly. Today, software industry is the fastest growing segment in Indian industry both in production and exports. This sector registered for 8.2 per cent of nation's GDP in the year 2003-04 and constitutes an estimated share of 16 per cent in the overall India's export basket. Indian companies are increasingly providing wide range of software services at a global level. This sector has been able to maintain an excellent growth in exports to various parts of the globe with an outstanding average annual growth rate of 37.3 per cent during the period 1991-92 to 2004-05, is indeed a remarkable achievement, thus this sector has become an important component of our export basket.

The government of India initiated economic reforms process in early 1990s and the process boosted India to become a nation on the move and the world noticed a new look India and its growing potential in several sectors in the global market. Continuous economic reforms have brought the country in the league of rapidly growing developing countries. Out of several sectors of the economy, computer software services has put India not only on the top of global market but also percolated practically to the grass roots level within India. Introduction of new industrial and fiscal policies by the Government of India since 1991 have paved the way for greater technological advancement and international competitiveness for the Indian computer software services industry. This industry is now emerging as a fast growing industry among other industries in India, both in terms of production and export.

The Indian Software industry is on a high momentum path. Rapid growth, consolidation and a move up the value chain in terms of products and services define the sectors. Rampant growth, however, has come with its own set of challenges. Chief among them relates to skilled manpower resources-the key edge India currently enjoys in the global software services markets. Not only does the country have to sustain its vast pool of specialized software talent, it has to ensure that it remains "industry-relevant" and "rightly skilled." There is a growing need for not only software professionals but professionals that have specific expertise for different industry segments and domain knowledge.

The Indian software industries are also grappling with the crucial issue of manpower acquisition and retention. Attrition levels remain high, causing concern for organizations. Indian software players, both large and small, are struggling with a workforce crisis! People issues loom large on the agendas of companies that are attempting to position themselves as the "best career destinations," "employers of choice," and the "best places to work!"

In this uncertain and dynamic market scenario, Human Resource Development has become an important function within the enterprise and the HR chief, a key member in the team of decision makers. The NASSCOM HR Summit 2006, will take a close look at the evolving profile of HR and the transformational role it can play within the software industries, to make them more globally competitive. The focus of the Summit will be on how HR can serve as a change agent, innovator and strategic partner for the Indian software sectors and help these industries combat their workforce challenges. Attention will be given at the conclave, to leadership building within the HR community--to how HR professionals can better align themselves to the vision and business goals of the organizations they are a part of.

The aim of the Summit will be outline strategies that will help India create an HR eco-system, characterized by better quality software professionals, global-class HR leaders and value creation. The Summit, through its myriad sessions and discussion forums, will also spotlight the strategies that will help forge industry-academia linkages and better tune India's learning environment with the needs of the software industries.

The vitality of a business enterprise is largely dependent upon the vigorous men who manage. Great organizers build great dream-like enterprises with their dynamic leadership. Henry Ford once said *“Take out my machine, take over my building and capital but leave my men, again I shall become Henry Ford.”* The generation of such dynamic leadership is the crucial concern of the sample private organizations, which occupy the commanding heights in the Indian economy. This requires very efficient and effective management of the process of growing executive leadership in the private organizations and how well this is accomplished today will determine the future of the private organizations in the economy.

The term Executive Development is used essentially as an indication of a complex process of “raising managerial ability in order to improve the effectiveness of management actions”. Executive Development is the planned experience, guided growth and training opportunities provides for those who perform the management functions. This includes all members of management from the president through all supervisory levels and staff personnel.

Executive development is an attempt to promote managerial performance by imparting knowledge, changing attitudes and increasing skills of managers. For the past few years the focus of the executive development has been shifting from preparing managers to fill higher level positions to preparing them to meet the challenges of managing in a fast paced environment. Therefore, the emphasis is on developing a manager’s ability to learn and make decisions under conditions of rapid changes. The ultimate aim of such development program is of course, to enhance the future performance of the organization itself.

By executive development programs, an executive gets unprecedented growth and has come to acquire an added relevance and a more central role in business operations and enterprise management. Development programs offer a window of opportunity and provides a platform for young executive development professionals to present innovative and new ideas that could further stretch the envelope for executive development, besides also helping to devise effective strategies for cracking perennial evaluation issues of the development programs like retention and compensation patterns, improvement in taking the managerial decisions and skills, value creation in employee-employers relationships and bridging the generation and gender gap.

Development program gives the executives extra energy and motivation at work. The professionalism of its management and their ability is to create and re-create company’s corporate values in the attitudes and behaviors of employees. This is a vital but intangible element in the company’s continuing success. In the field of Human Resource Management, the training and development function is part of rather than separate from mainstream management responsibilities, and plays a crucial role in maintaining the high quality of a company’s employees. Executive development programs are planned learning experience that teaches the executives how to perform their current as well as future jobs more efficiently and effectively. Executive development programs are designed to improve the organizational performance through enhancing knowledge and skills of the executives. It is essential that all the activities relating to executive development programs should be in time with the specific needs of both the organization and the executives. Identifying the development program needs thus forms the major crux in any organization. A variety of development programs are available and used by development institutions and organizations.

Chapter-4 has been designed to take and present an overview of Human resource functions in Information Technology and Software Developing Companies in India.

Recruiting and retaining good talent has always been a challenge in revolving door culture of the software companies, where a vast gap between demand and the right supply is the norm and pre requisite rather than an exception. At one end there are hordes of wannabes joining the net bandwagon in the hope of striking it rich, while on the other there are only a handful of ‘E-talented’ people around. With the executive becoming software companies’ most valuable asset, human resource managers are now playing a cat-and-mouse permutation game with their People Practices Policies. If the customer is the king, the employee is the emperor, and while research and development and marketing together are the king, human resource is definitely the new emperor. Today’s HR boss is the software company’s forest guard. His mission: “Keep out poachers.....After all; it’s jungle out there.”

The problem of inadequate supply of software professionals in the companies leads to the problem of knowledge obsolescence. Technology in the 21<sup>st</sup> century is developing at a rapid pace. To meet out this challenge, it is important for a company to develop their executives who are eager to learn, unlearn,

relearn and take the challenge of technology up gradation in a positive manner. Retaining talent is today at the top of to-do list in every Indian software firm, large or small. Retention doesn't mean you have to keep everyone around. Retention means retaining the right knowledgeable people, i.e. the good performers. In the software industry, retention is extremely targeted and *sine quo non* for its survival. Competitive business environment has compelled the organization to think speedily to innovate and excel for their survival. Corporations need to shift from physical technology to information technology, from capital centered economy to human centered economy, from material growth to sustainable development and from hierarchical to decentralized organizations and further, from conflict to cooperative working relationship. The structure and functions of software industries are largely different from the conventional organizations that demand a different rule of the game to manage effectively. Businesses are increasingly demanding that IT become more accountable for business deliverables and the bottom line. HR has an important role in enabling the software organization to meet its full potential and also is clearly charged with recruiting and hiring high-quality staff and assisting IT in devising programs aimed at retention. Moreover, the concentration is more on competency building and development as it obsolesces people very fast, making them redundant. The change in IT is faster than any other process in the organization. This demands tomorrow's knowledge for today's practice. As the people are the integral part of the whole system of the software industry, it is obvious that selection of the best talent, developing and retaining them for a longer period are most crucial.

One of the major hurdles, which come in the way of HR department, is the swift changing technological environment. The IT sector thrives on new technology. But it is essential that the employees should be fully aware and comfortable with the fact that the introduction of a new technology, say for example, a Pentium 6 processor requires them to update their skills, knowledge and keep in touch with the ongoing development. Companies are investing huge resources in the new technology to avail competitive advantage. However, as reported by many firms of case studies, and as done by Shoshana Zuboff and Wanda Orlikowski, an important issue in the new technology development would be the development of a shared culture where the employees learn to embrace the change amicably. Thus, the HR professionals need to work with the technical staff and help the employees cope with change. Another issue is that the employees are scared of new developments, as they know that their performance evaluation and assessment depend on the successful implementation of latest executive technology. Therefore, the seniors should groom their subordinates to get comfortable with the impending technological advances and development. The managers must also take care as to train the employees in the art of conducting business over the net. The everyday office culture not only provides a sense of physical attachment to the office but also imbibes an emotional component of safety and security in the workforce. In a physical setting, the presence of co-workers and seeing them face-to-face makes the employee comfortable and provides a sense of belonging to him. However, in the IT sector, with the growth of virtual organization, one needs to understand that the employee still craves for the same security and sense of belonging. Thus, it is the responsibility of HR department to provide the employees with these in course of operations of the company. The training is provided to the employees on the "netiquette" to be followed by them. While answering the fax and e-mail, they need to follow a code of conduct so that there is no communication gap. This requires adequate training of the employees.

As the proverbial saying goes, marriages are made in heaven; but the younger generation is apparently not satisfied with this reasoning. They feel that marriage is an institution and it is one's own responsibility to ensure its success. Career in organizational sector is like a marriage between the individual and the organization without a biological relationship. It is a mutual responsibility of both the employee and the organization to identify the degree of compatibility in terms of the mutual expectations right at the beginning and also during the continuity. Recruitment or acquisition of human resource is basically a ceremonial function of career marriage in most of the organizations. Invariably due to mismatch, it leads to separation or divorce in a very short span of time. In most of the organizations, the selection of human resources is basically an elimination process. The process of eliminating prospective candidates of the organization is the embedded life interests of the candidates and the psychology of work satisfaction. Certain visible criteria are set usually with a set of hidden criteria. Hidden criteria are basically internal, unexpressed but expected by the organization. Sometimes in some companies, they do not have any agenda also. Similarly, the candidate is also not in a position to understand his embedded interests and whether those are in line with the organization's expectations. Precisely, this leads to job dissatisfaction and in turn, quitting the company.

The most important functions of human resource manager in software organizations are basically **the 3B's—Buying talents, Borrowing talents and Building talents.**

Chapter-5 presents study based on the survey of practicing executives in selected software companies in respect of different executive development programs implemented in such companies. The basic objective of the study is to examine the views of practicing executives regarding the fruitfulness and the worth of the executive development programs in their professional as well as their personal life. Hence an endeavour is made in case study to promulgate envisage of executive development program for long-range benefits for the executives as well as the companies.

The sample of executives has been selected from reputed and well-known software companies in National Capital Region, Delhi-India. Selection of companies is based on convenience and judgment sampling. The selection of companies was made in such a way that it might represent the characteristics of population as closely as possible. When population elements are selected for inclusion in the sample based on ease to access, it is called convenience sampling. While in judgment sampling, the researcher's judgment is used for selecting items that he/she considers representative population. Practicing executives are the best judges to weigh the significance and utility of executive development programs in complex business decisions. In software companies, various executive development programs were held to update the skills and knowledge of their executives to cope up the challenges of innovative technology. Therefore, a detailed analysis of the views of professional executives forms one of the most vital components of the present study. Thus, an effort is made to evaluate the executive development programs of selected software companies in National Capital Region, Delhi-India.

### **Status of companies surveyed**

The present chapter is based on the data collected from five units of software industry located in National Capital Region, Delhi-India. A sample of 150 numbers of executives has been drawn on the basis of random sampling. Out of 150 executives, 52 executives were from HCL Technologies Limited, Noida and Gurgaon, 34 executives were from Tata Consultancy Services (TCS), Noida and New Delhi, 28 executives responded from NIIT Technologies Limited, New Delhi, 19 executives responded from Satyam Computers Services Limited, Gurgaon and 17 executives responded from Wipro Infotech, New Delhi. This sample is exhausted to provide sufficient information about the utility of executive development programs.

### **Status of executives surveyed**

The required information was collected with the help of a questionnaire, personal interview and through internet also. 150 executives were covered in the survey in which 10% were General Managers, 20% were Regional Managers, 10% were Senior Project Manager, 20% were Project Leaders, 10% were Software Engineers, 10% were Sales Managers, 10% were Business Development Managers and rest 10% were Senior Sales Executives. The five units studied were located in Nodia, Gurgaon, and Delhi. All the units are joint stock companies.

To sum up the case studies of five well known software developing companies in National Capital Region, Delhi-India, it is obvious that proper and well prepared executive development programs can go a long way in achieving the substantial growth of organization and executives individually, the image of which can be seen in the mirror in the form of financial position and market value of the organization. A balanced and sustainable growth rate of an organization shows a bright future and a long journey for the organization and executives itself. However, there is general feeling of executives over the quality of prevailing executive development programs in India is still not satisfactory. A lot of space exists for the improvement in the quality of executive development programs in India. It is quite encouraging that practicing executives believe that India has the capacity to produce global executives but to achieve this feat they point towards moulding of development programs in such a manner that it may fit the complex socio-economic environment of the country.

By the analysis and interpretation of the data collected from the respondents of practicing executives it reveals the strong and weak points of the executive development programs. According to most of the executives the strong point of executive development programs are relevant day-to-day functioning and it helps in meeting management whereas its main weak point is the follow-up program whose road map is not clear.

The planning for manpower resources is a major managerial responsibility in today's industrial world. At the earlier stage of economic development, quantities of manpower available were frequently in excess of

needs or demand, and few special qualifications required consideration. However, in modern internalized nations, with rapid technological changes and persistent demand for higher and higher levels of up gradation of skill has achieved top most priority.

In this context it is essential to emphasize the preparation of human resources on one hand and elimination of human obsolescence on the other through well designed executive development programs. Therefore, the main objective of the development department should be to maintain the required level of skill and competence of executives in the light of the requirements of their jobs. This purpose can only be achieved and fulfilled when the human resources are fully trained and developed. No one is perfectly fit at the time of hiring. So, good training and development programs must take place.

In today's competitive environment, a question, which comes up frequently, is "why are some organizations more successful than others?" Recent studies and experiences of organizations suggest that their growth and success depend upon developing the skills of their executives. Some organizations have been successful in turning around through the development oriented culture. However, many amongst them have found it difficult to sustain continued growth. Several industry leaders of yester years, envied by many, are rarely talked about now and have gone out of business. Few others have survived and many new ventures have performed well. What is it that makes an organization turn around and develop in the present turbulent environment? What factors and processes contribute to the development of high performance culture in organizations? How do organizations prevent peak and troughs in their performance over a period of time? These questions have always been important but they have become critical in the emerging competitive environment of business.

To solve the above mentioned queries an endeavour is made in this study to unveiled envisage of executive development program for long range benefits.

From the analysis of responses of practicing executives of five well known software developing companies in National Capital Region (NCR) of India, it is obvious that there is almost a consensus that proper and well prepared executive development program can assist in achieving the sustainable growth rate personally and professionally, the image of which you can see in the mirror of an organization as a drastic and balanced growth which shows a bright future and a long journey for the organization and executives. However, there is general feeling of unhappiness over the quality of prevailing executive development programs in the country.

It is quite encouraging that practicing executives believe that India has the capacity to produce global executives but to achieve this feat they point towards moulding of development programs in such a manner that it may fit the complex socio-economic environment of the country.

Executive development is an in-depth professional intervention, which enhances managerial functioning through multiple interactions with key executives, one-on-one or in groups. Development is more effective when it includes senior level officials, as it then helps change mind-set, and influence behaviour throughout their organizations. It is customized to the specific needs of employees, is based on on-the-job experience, has direct application to work situations and thrives on the feedback of participants. The exercise involves continual guidance, follow-ups and learning.

We can define the executive development as "The process of helping an executive 'develop' by turning his day-to-day work situations into learning opportunities, in a planned manner and by helping him reflect on the learning to become more capable than he previously was." However, misconception about this kind of development programs still persists.

In our country development program is confused with mentoring and is looked at in a very negative manner. It is often kept a secret, which goes against its prime objective. Executive development program usually involves three parties – the instructor, the trainee and the employer, who pays for the service. It is different from conventional training, which often does not have long-term benefits, and also the mentor hired does not feel the responsibility to execute the core values.

Some main elements of development program include 'Active Listening', 'Powerful Questions', and 'Direct communication'. The first priority for an instructor is to have an assessment done at the simplest level so that the preferred way of developing can be gauged and the best results achieved.

Developing a leader can help, change his style and behaviour and this can further enhance the effectiveness of his team. This method is also beneficial for small and budding companies to move ahead and grow in a well-planned manner. But the question arises that why a sudden need for development program? Development program helps an executive to reflect on his performance in a specific area with the assistance of an informed, objective instructor. The focus is not only on using the knowledge and skills but also on reviewing attitude and approach.

Management of most Indian companies which are striving to become major players in their sectors are immersed in day-to-day issues and often do not devote adequate time and effort to build long-term strength in their organizations. The executive developer or instructor is the catalyst encouraging and supporting the CEO and his team to build an effective management.

Executive development program embodies professionalism in executives through correct, deliberate and objective application of knowledge, skills and attitudes towards the accomplishment of a set of objectives. The purpose of executive development program is to develop this knowledge, skills and attitudes in the executives of the organization, which in turn, make them more effective and productive in their jobs and also increase their potential for higher jobs. It is not enough to procure high talents. It is also necessary to develop available talent in proper direction.

The concept of executive development program is not new to the world. It has flourished in the US and produced magnificent outcomes. However, in our country, development program of executives is still in its formative stages. The Indian mindset needs to change to adapt to this practice. A limited number of organizations have made use of this development programs. It needs to be understood that development program is not always a remedial measure but more of a developmental technique.

The experience of US and the European companies shows that executive development delivers a better return on investment than other investments in capacity building. Research indicates a spectacular improvement in performance after the development program. A more intensive use of development program will be a cost-effective way to improve the competitiveness of Indian companies in global markets.

By doing an intensive study on the various parameters to evaluate the effectiveness of the executive development programs the researcher concluded that the executives are the dynamic life-giving element in a business. The caliber and performance of managers will largely determine the success of a business. If the business wants to improve the quality of its managers, it must make a considerable investment on its human resource and introduce imaginative and systematic development schemes for them-in which managers themselves play a crucial role. All enterprises need to devote great attention to the continuous supply of their future managers, both functional and general.

Executive development program is an investment in human resource with a promise of better returns in future. A company's executive development program pays dividends to the executives and the organization by leads to enhance profitability and more positive attitude towards profit orientation. It improves the job knowledge and skills at all levels of the organization. At last, the researcher concluded that the executive development programs will return values to the organizations in terms of increased productivity heightened morale, reduced costs, greater organizational stability and flexibility to adopt the rapid changing business environment.