

Study of HR administration in business process outsourcing companies

¹Mr. Mulakala Srinivas, ²Dr. Rajesh Rathore

¹ Research Scholar, ² Research Guide

Faculty of Commerce and Management, Madhav university, Pindwara Sirohi

Email: mulakalasr@gmail.com

Abstract: We know that Globalization presents many difficulties to existing organizations around the world. Associations understood that so as to survive and develop, they needed an economical upper hand and need to concentrate every one of their energies and assets on building this favorable position. Prahalad and Hamel (1994) expressed through their hypothesis of center ability that organizations ought not attempt to be great at everything except for rather ought to focus on their center capabilities, leaving the rest to other people who are best at doing that. Globalization additionally implied that organizations must be cost proficient. In the event that you don't concentrate on costs, somebody who is cost focused will take away your clients by conveying a similar incentive at a lower cost. Therefore, organizations started to rebuild their organizations in such an approach to concentrate on their abilities and make the procedure more cost effective. As a measure to remain comprehensively focused, organizations began outsourcing.

Key Words: Business, Outsourcing, Human Resource, Administration.

1. INTRODUCTION:

The term IT enabled Services (ITES) and Business Process Outsourcing (BPO) are often used inter-changeably. However, strictly speaking, ITES primarily involves outsourcing of business processes (domestic or offshore) that can only be packaged with IT. These services are delivered through a platform of telecommunication or data network or other electronic media. ITES is therefore a subset of BPO. Although, usually BPO is associated with lower end call center work, there has been an evolution over the past few years in the outsourcing business to include higher end knowledge process outsourcing (KPO). This study for convenience uses ITES as a broad term to include ITES, BPO outsourcing and off shoring.

2. OBJECTIVES:

- To comprehend the general working dynamics of ITES-BPO industry
- To profile the human resource issues related to ITES-BPO

3. METHODOLOGY:

The essential requirement of primary data as well as secondary data study is that the sample selection should be done in such a fashion that the sample selected is representative of the population and the results obtained can be generalized. The sample for this study consisted of current employees and few former employees from the ITES-BPO industry spread across geographic areas where there is a concentrated prevalence of this industry. The data was collected from employees of 10 different organizations spread across Bengaluru, Hyderabad, Pune, Ahmedabad and Gandhinagar.

- Mean
- Weighted Mean
- Factor Analysis
- One Sample T-test
- One Sample Kolmogorov Smirov Test

4. ANALYSIS:

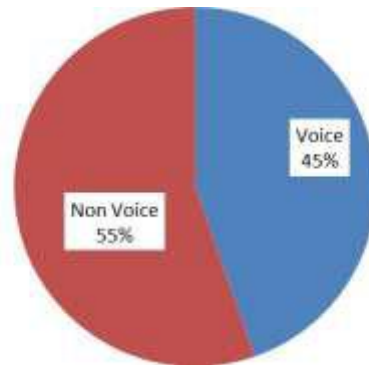


Fig. 1 Employees in voice and non-voice segment (%)

Table 1: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	12.376(b)	1	0	-	-
Continuity Correction(a)	11.059	1	0.001	-	-
Likelihood Ratio	13.956	1	0	-	-
Fisher's Exact Test	-	-	-	0	0
Linear-by-Linear Association	12.293	1	0	-	-
N of Valid Cases	149	-	-	-	--

- a) Computed only for a 2x2 table
- b) 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.14. Since chi square value .000 (SPSS shows .000 for the values which is less than .001), which is less than .05, so we should reject null hypothesis. That is, they are dependent.

Table 2: Course preference by gender

Gender	Courses chosen for higher studies				Total
	N/A	M Com	M Sc	M B A	
Male	167	23	20	122	95/332
Female	42	83	26	20	49/171
Total	209	106	46	142	144/503

The course preference for the male respondents were found to be MBA while the female respondents preferred to acquire a post-graduate degree such as M.Com or any other qualification that best progressed their previous qualification.

Table 3: Time taken to get to reach office

N	Valid	503
	Missing	3
Mean		53.06
Median		60
Mode		60
Minimum		5
Maximum		120

• **Recruitment Process**

Respondents were made a request to express their favored enlistment process and rate on a size of 1 to 5 with 1 being slightest favored process and 5 being the most favored. Referral from current workers is the most favored technique for enrollment, trailed via preparing offices which have practical experience in ITES-BPO related trainings. This inclination could be disclosed by the need to instruct and acquaint the new candidate to the workplace and help them settle on an informed decision to join the business with a specific end goal to stay away from future jumble of desire further bringing about worker turnover.

Alternate sources are arrangement experts, daily paper promotions, stroll in and grounds meet. All strategies are turned to locate the correct aptitudes. The vast majority of the studied organizations don't have a rehire approach and they consider rehiring on a case to case premise. The enrollment is directed on need premise at general interims. The candidates CVs are viewed as dynamic for six months in the database and utilized if an opening emerges amid that period.

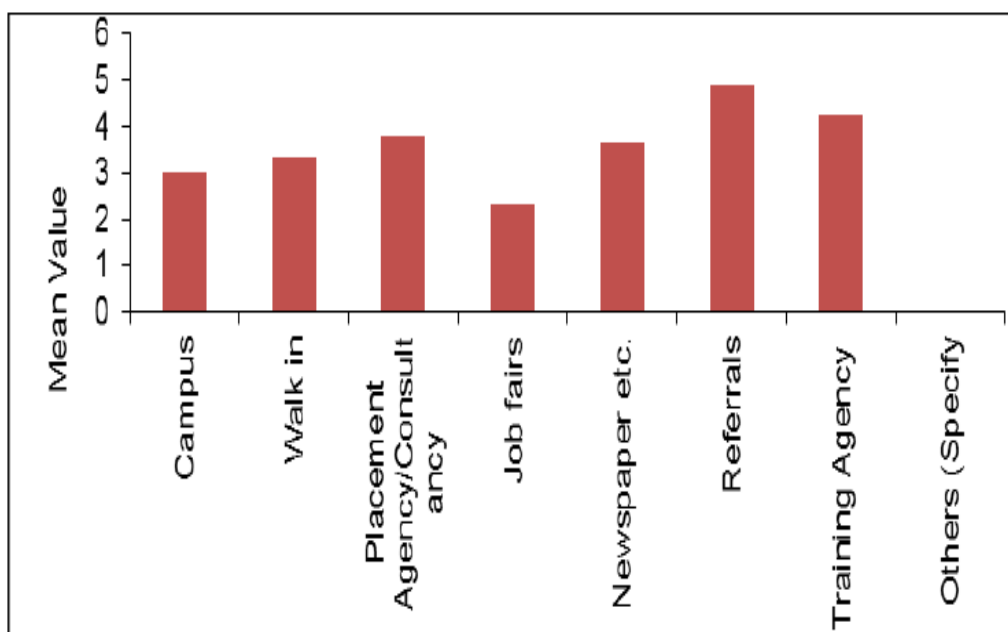


Figure 2.: Recruitment process

• **Selection Test**

Figure 2. represents that the most common methods of selection test are oral, written, psychological and technical test. This provides evidence that the selection criteria is kept strict and rigid, so as to assess job fitment and select the right candidate suitable for the job.

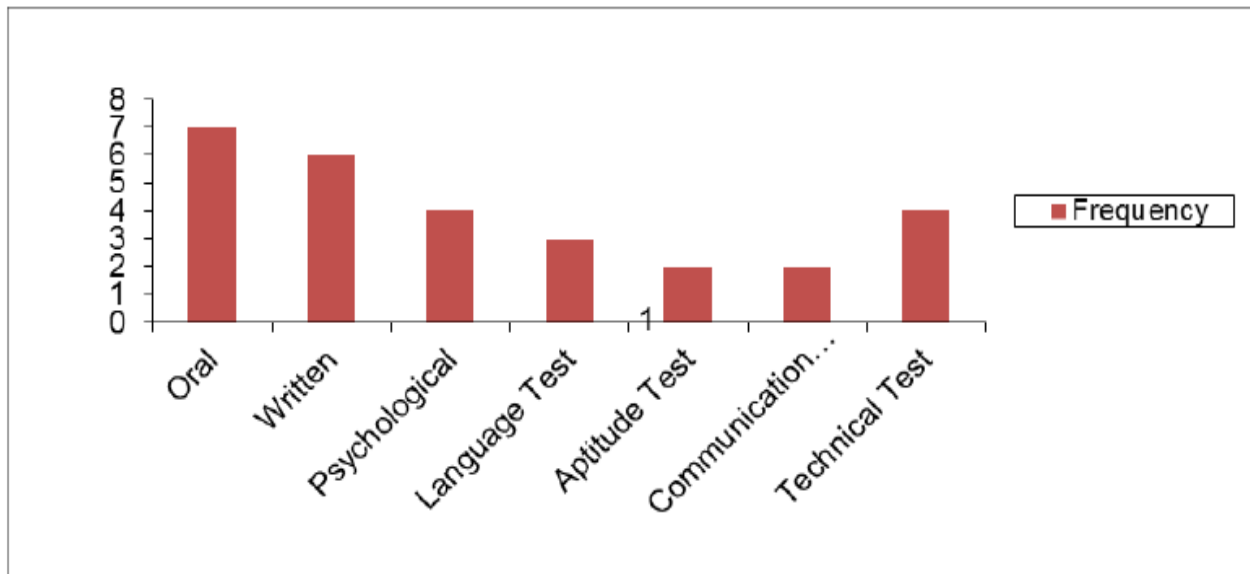


Figure 3: Types of Selection Test

However, this does not go in line with the findings of the employee survey which highlighted the importance given to communication skills.

- **Accommodation Facilities**

Figure 4 shows that providing company accommodation is not a common practice in this industry. None of the surveyed companies provide free accommodation and very few provide subsidized accommodation. Most of the employees stay in self arranged accommodation. This is in line with the findings of the employee survey which found that employees typically do not relocate to new cities to work for ITES-BPO. Hence the need for accommodation may not be so critical to retain people. However, it has been found that if need arises companies have made arrangements to provide accommodation during the initial settlement period.

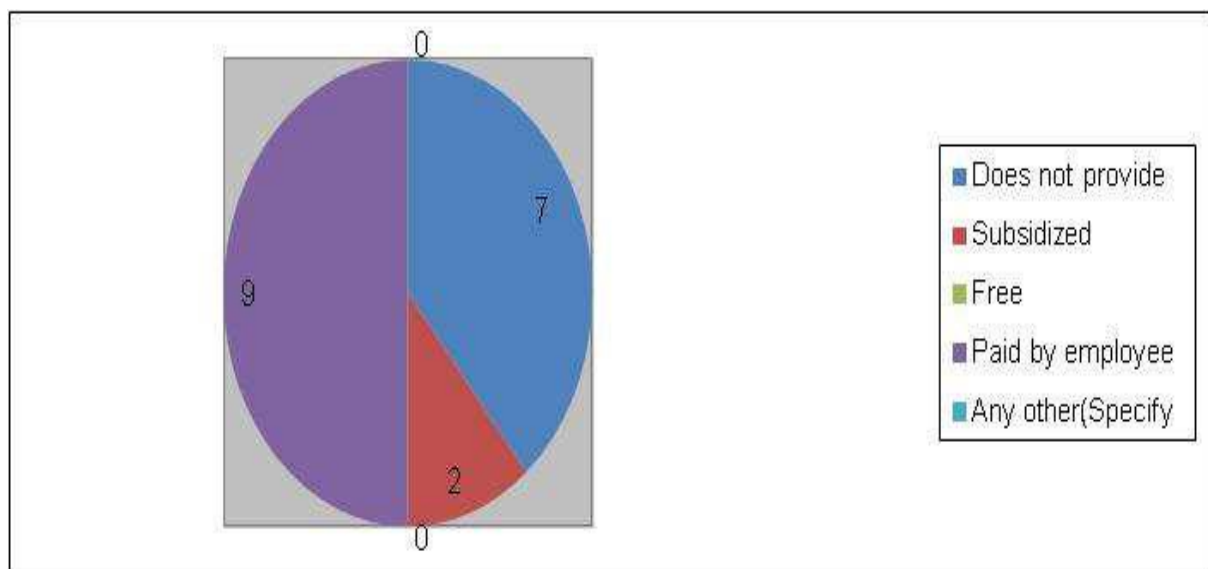


Figure 4: Accommodation Facilities Provided

- **Transportation Facilities**

Figure 5. represents that most of the companies in this sector provide free pick up and drop facility. This can be attributed to the shift timings and the demographics of employees in this industry. Another important reason is that employees prefer to opt for company provided transport as this protects them from the disciplinary actions in case of delay caused by traffic jam. Given the highly controlled environment, wherein the log in time and the work outcome of the entire day is closely monitored, it is very important for employees to maintain their punctuality and discipline.

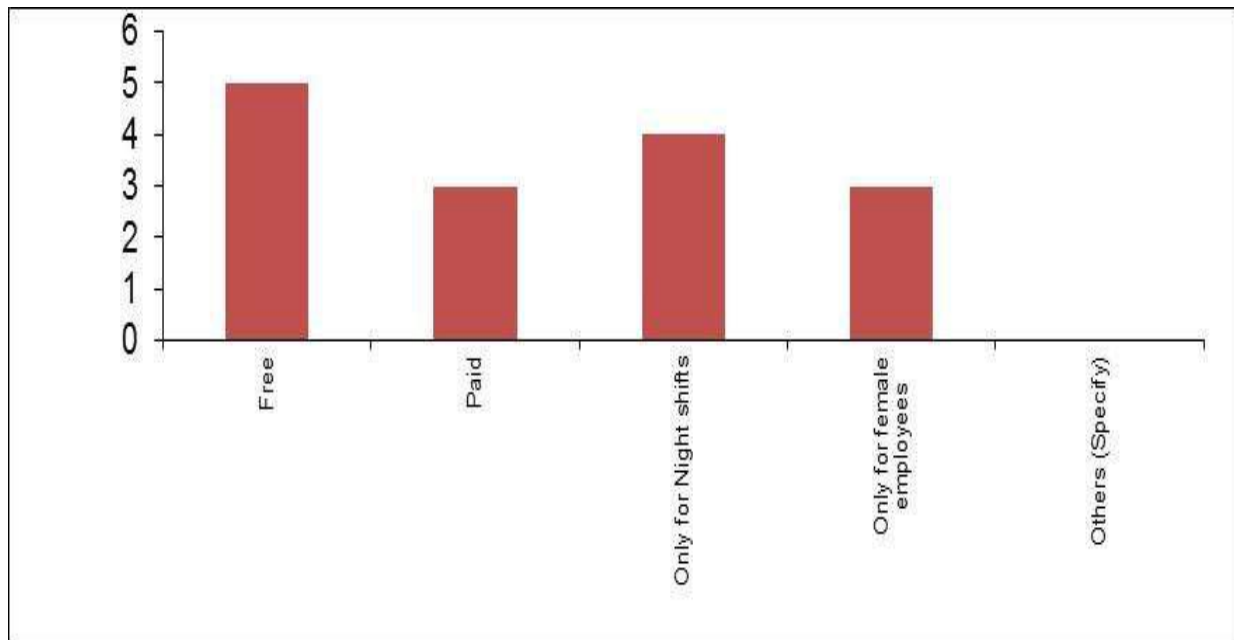


Figure 5: Transportation Facilities Provided

This facility is generally for all employees, though in some cases, it is provided selectively for female employees and for night shifts only.

5. CONCLUSION:

From the survey respondents 53% can be identified as vertical traditionalist who aspires to make a career in ITES-BPO industry itself while 28% are horizontal boundary-less, who regard their work as an opportunity to acquire skills that would lead to different career opportunity.

Though the emphasis on career development and training appears to be somewhat less in the Indian ITES-BPOs compared to their Western counterparts because the Indian industry is still evolving, and management does not feel the need to invest in employee career development, mainly due to the presence of a large number of available graduates. However, farsighted managers and policymakers were realizing that there are many human issues in the Indian ITES-BPO industry which needs serious attention if the industry has to continue enjoying its current success, including increasing attrition rates, psychological health and stress-related problems of employees, developing career-related policies, provision of more workplace flexibility, and creating a more interesting and enhanced work environment.

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