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ABSTRACT

As the world is becoming more competitive and unstable than ever before, ITeS based industries are seeking to gain competitive advantage at all cost and are turning to more innovative sources through HRM practices. HRM practices a set of practices used by organization to manage human resources through facilitating the development of competencies that are firm specific, produce complex social relation and generate organization knowledge to sustain competitive advantage. Human Resource is the most important asset for ITeS (Information Technology enabled Services)-BPO (Business Process Outsourcing) industry. Employees' skills and competencies play a vital role in the success of the ITeS-BPO industry. Hence, the attracting, retaining and motivating of employees are the critical success factors of this industry. The multi-dimensional role of HRM posed various challenges in the people, process and technology intensive industry of ITeS-BPO in Kerala. Today the organizations are more and more concerned about the effectiveness and impact of the various HR processes and practices. Due to the dynamic nature of human resources in this industry, increasing annual growth and lack of any set rules and regulations, it is obvious that the managers of Human resources in ITeS-BPO industry in Kerala face new challenges. The HR Managers in the ITeS-BPO industry must strive to create a motivating work environment for the employees and create a culture of oneness. They have to continuously evolve ways to attract trained and qualified employees and also to device tools to retain them. The complete dynamic nature of the business requires constant involvement of the Human resource manager to provide strategic solutions for the challenges.

Keywords: Information Technology enabled Services, Business Process Outsourcing, Human Resource Management, HRM Practices.

INTRODUCTION

Human resources is the sum total or aggregate of intrinsic abilities, acquired knowledge and skills in work represented by the talents and aptitudes of the persons employed in the organization. Human Resource Management has come to be recognized as an inherent part of management, which is associated with the human resources of an organization. Its most important objective is the upholding of better human relations in the organization by the development, application and assessment of policies, procedures and programmes relating to human resources to optimize their contribution towards the realization of organizational objectives. HRM helps in procuring individual development at maximum level, desirable functioning rapport between employers and employees, employees and employees, and effective modeling of human resources as contrasted with physical assets. HRM is the process of recruitment, selection, development, utilization, compensation and motivation of human resources by the organization. Sarma (2003) describes Human Resource Management as an approach to the management of people, based on four fundamental principles. Among them first one is that the Human Resources are the most important assets an organization has and their effective management is a way to its success. Second, the success is most likely to be achieved if the personnel policies and procedures of the enterprise are closely associated with, and make a most important contribution to the accomplishment of corporate objectives and strategic plans. Third one, the corporate customs and the values, managerial behavior and organizational climate that derive from the culture will exercise a major influence on the achievement of excellence. This culture must, therefore, be managed which means that organizational values may need to be reinforced or changed, and that nonstop effort, starting from the top level, will be required to get them accepted and acted upon. Eventually, HRM is concerned with greater integration, getting all the members of the organization involved and working together with a sense of common objective.
The ITeS-BPO industry is a relatively new phenomenon and is expected to grow in the coming years. The term IT enabled Services (ITeS) and Business Process Outsourcing (BPO) are often used interchangeably. However, strictly speaking, ITeS primarily involves outsourcing of business processes that can only be packaged with IT. These services are delivered through a platform of telecommunication or data network or other electronic media. An efficient and effective workforce is a critical success factor. The Human Resource function is expected to play a very important role in these organizations. The multi-dimensional role of HRM posed various challenges in the people, process and technology intensive industry of ITeS. Today the organizations are more and more concerned about the effectiveness and impact of the various HR processes and practices. In the ITeS-BPO context, managing the peoples’ expectation has become a key challenge faced by the managers. Human resource is critical to any ITeS-BPO set-up since it involves direct interaction with clients’ employees and, with vendors’ employees. Various studies in India have shown that most of the outsourcing companies have high work pressure and stressful work environments, characterized by routine and monotonous work, lack of control over work, intense electronic performance monitoring, high performance targets, high turnover, and absenteeism. Despite all this the employees are expected to be knowledgeable in the range of products, services and systems offered by company. Moreover they are required to remain calm under the pressure of continuous stream of calls and deal with irate customers with a friendly, positive attitude, and are expected to be tactful. Further, they need to be well organized and able to locate and process relevant information quickly.

It would be interesting to study the issues of HRM in the people intensive ITeS-BPO industry in Kerala, which is prone by several people related problems and a high attrition rate. This is more relevant because ITeS-BPO industry is a people intensive industry as much as technology enabled and the employee is an organizations basic resource.

**REVIEW OF LITERATURE**

- **Acharya, S.R. (1997)** in his study ‘Changing concept of labour and management – a new perspective’, observed that as a first step towards proper management of labour, the expression itself has been substituted by the term human resource and efforts were being directed for the best utilization of these precious resource by giving proper training, physical facilities and morale boosting. In the organizational interest, both the management and labour have to join hands and march ahead side by side.

- **Dhavan, R.K. (1994)** in his study ‘HRM – Human Values and Excellence’ made stress on the importance of human values to buildup attitude and behavior. In order to be an effective human being, the manager should properly manage himself, his workplace, family, society and the nation. The ingredients of manifesting human values are positive attitude, self confidence, strong will power, high goals, gaining knowledge, self help, constant practice, hard work, courage of conviction, sense of responsibility, spirit of service, empathy etc.

- **Seyed-Mahmoud Aghazadeh (1999)** in his piece of work “Human resource management: issues and challenges in the new millennium” investigated three aspects of human resource management facing future challenges, personnel, technology and globalization. Suggested that the human resource professionals in a successful business must be able to attract and retain individuals who have the ability to manage a globally responsive business. It also covered the use of technology for competitive advantage; advocated global strategies in operations management and empowerment of the individual.

- **Chauhan, Daisy (1995)** in his research work, ‘Challenges for Human Resource Development in the changing environment’ indicated that through a systematic and effective human resource management system, ordinary people could be converted into extra ordinary performers. It was necessary for the organisations to invest in human resources not only for its growth and development but also for the very survival of the organisation in an increasing competitive and fast changing environment.

- **Ashish Arora and Surendra Kumar Bagde (2006)** in their study on “the Indian Software Industry, the human capital story” have investigated how the software exports by certain states in India were influenced by local levels of human capital. The importance of availability of skilled man power in the success of Indian Software exports, has been recognized by several research studies. A note worthy feature of Indian software industry is the predominant share of engineers among software professionals in India.

- **Richard, A.S. (2008)** suggested that the management techniques and practices, the IT professionals can be customized to the characteristics, properties, and the training organization will seek the staffer, challenging tasks and objectives are often motivated. Having regard to the fact that the professional-led the technology and in many cases, technical problems, in particular, in contrast to the objectives of the project, it is proposed that the management principles and customized training organization. Objectives of the project, dependencies, objectives and timetable for the specialists should be used to emphasize greater tolerance for implementing detailed tasks.

- **Laxman Kumar Tripathy and Kumuda Tripathy (2008)** in their study “Human Resources Management Practices in I.T- industry – a Complex Adaptive System Perspective argued that HRM practices being complex and adaptive in nature, the complex Adaptive System (CAS) theory was closely aligned with the prevalent knowledge and information on the unique nature of human resources management practices of IT industries in India. As such this can be regarded as a more advanced theory on Human Resources Management in comparison to Resource Based View (RBV).
companies in Kerala face today in their operations listed below. The major HR issues and challenges that the ITeS-BPO programming skills. with more domain-specific skill sets and business analysts with of manpower, the requirement presently is for professionals From the approach of hiring anyone and everyone due to shortage companies, but intense competition has changed this scenario. Kerala. Initially the demand supply scenario was in favor of the added has resulted into huge challenges for the HR managers in maintaining human resource. In order to achieve this Human Resource Management undertakes the following activities:

- Human resource or manpower planning.
- Recruitment, selection and placement of personnel.
- Training and development of employees.
- Appraisal of performance of employees.
- Taking corrective steps such as transfer from one job to another.
- Remuneration of employees.
- Social security and welfare of employees.
- Setting general and specific management policy for organizational relationship.
- Collective bargaining, contract negotiation and grievance handling.
- Staffing the organization.
- Aiding in the self-development of employees at all levels.
- Developing and maintaining motivation for workers by providing incentives.
- Potential Appraisal and Feedback Counseling.
- Role scrutiny for job occupants, Job Rotation, Quality Circle, Organization development and Quality of Working Life.

ISSUES AND CHALLENGES IN ITeS-BPO INDUSTRY IN KERALA

According to the Indian IT-ITeS Industry Report of NASSCOM, about 200 personnel are hired every working day of the year by the Indian ITeS-BPO industry. The sheer numbers being added has resulted into huge challenges for the HR managers in Kerala. Initially the demand supply scenario was in favor of the companies, but intense competition has changed this scenario. From the approach of hiring anyone and everyone due to shortage of manpower, the requirement presently is for professionals with more domain-specific skill sets and business analysts with programming skills.

The major HR issues and challenges that the ITeS-BPO companies in Kerala face today in their operations listed below.

Nature of the Job

The work processes are monotonous and not providing a challenging work environment make it difficult to sustain interest in the long term. Employees work in isolation where work is de-skilled and allocated automatically using scheduling systems and is monitored and controlled by the management. The jobs in ITeS-BPO are typically characterized as ‘dead-end’ and offer few career prospects.

Generating Motivation and Increasing Efficiency

It becomes difficult to keep the motivation level of the employees considering the fact that the job is repetitive and routine in many ITeS-BPO operations. This is a huge challenge for HR managers. This is particularly important part of India’s value proposition as the outsourcing destination is based on productivity and quality - factors that critically depend on motivation.

Huge Training Costs

The ITeS-BPO companies usually provide three types of training; soft skills training, Pre-process training, Product, process and Helpdesk training. Start-ups will face a higher training cost as they need to outsource the accent and soft skills training. The Process training in the start-ups is usually done by process trainers from the customers’ side and the BPO Company bears the expenses. However, on reaching a stable growth stage, companies are able to build up a resource base and avoid outsourcing. The HR managers have to continuously evolve job paths, stimulate their employees and create a culture of oneness, which will act as a retention tool in future.

High Level of Attrition

Even though India enjoys a large talent pool in terms of students passing out from graduation and engineering schools, they are not equipped with the skill sets that can be useful to the organizations. This shows that while there is abundance of supply at the initial stage (voice processes), but there are huge demand-supply gaps in the middle management and senior management levels. This has lead to increased levels of attrition cases. Presently, the average attrition rate faced by this industry is somewhere around 30-35% in Kerala.

Lack of Career Commitment and Mismatch of Expectations

From an employee’s long-term perspective, the value of ITeS work has been questioned on the grounds that it is monotonous and lacks career opportunities. The important area of concern for HR managers is that most employees working in a call centers or ITeS-BPO setup do not see this industry as a serious or long-term career option. Expectations mismatch leads to higher attrition, this is partly due to the perceptions created in the general public with respect to the career development, kind of work, compensations offered, stiff competition, etc.
Communication Issue

Lack of effective communication is another contentious issue and this problem emerges due to large number of employees being part of the company. Good communication practices are at the heart of every successful venture. Without proper and successful internal communications, work processes may sluggish or crush to a halt and customers are not served properly. The absence of regular and effective two-way communication between agents, their immediate team managers and the senior management is one of the reasons for high attrition rates in the industry.

CONCLUSION

ITeS-BPO industry in Kerala has experienced phenomenal growth in the recent years contributing significantly to the economy as well as providing employment opportunity to the educated youth on a large scale. This drastic change also presents many challenges to the organizations. One of the most primary challenges is the management of the human resource. HRM helps in attaining maximum individual progress, attractive and strong working relationship between employers and employees, employees and employees, and effective modeling of human resources as contrasted with physical assets in the industry. It is important to identify the right candidates at the time of recruitment itself, so that they identify with the organization and stay on proving to be an asset for the organization. The HR Managers in the ITeS-BPO industry must strive to create a motivating work environment for the employees and create a culture of oneness. They have to continuously evolve ways to attract trained and qualified employees and also to device tools to retain them. The complete dynamic nature of the business requires constant involvement of the Human resource manager to provide strategic solutions for the challenges. HR must constantly be conscious of the business strategies and the opportunities and threats facing the organization. It is also of significant importance that the top management also fully involve in executing the processes sincerely and to add value to the organization.

REFERENCES