

**RECENT ISSUES IN HR POLICIES : A STUDY WITH SPECIAL REFERENCE TO BPOS IN MANGALORE**

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The Indian IT industry has earned a reputation in the world in the form of developing world class software for banking sectors. The success of Indian IT industry has given birth to IT enabled services in the form of Business Process outsourcing also commonly known as BPO industry. Prior to the recession, BPO industry was the fastest growing industry in the world. This industry had revolutionized the world in the form of providing quality services with low input costs and high returns. The majority of the employees in the BPO sector is young, energetic and is able to work continuously at a very long stretch. Thus, managing the human resource in the Indian BPO industry becomes a challenge.

This Paper is thus an attempt to provide a detailed study on the dynamics of managing Human Resource through HR Policy in the BPO Industry, Mangalore by taking into account several key parameters which form the crux of the management practices. The design of the paper follows a structured approach. The study is based on Primary data collected from the employees working in BPO sector in Mangalore. The main objective of the study is to identify the HR Policy adopted by the BPO Company and also to give some suggestion for the better growth of the company.

Keywords: Human resource Policy, BPO, Challenges.

**Introduction:**

Human resources may be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in the organization. The organizations always remained concerned about the human resource and tried to design different approaches for their well being. The early part of the century saw a concern for improved efficiency through careful design of work. During the middle part of the century, emphasis shifted to the employee's productivity. Recent decades have focused on increased concern for the quality of working life, total quality management and worker's participation in management. These three phases may be termed as welfare, development and empowerment. Today, human Resource Management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization. Its objective is the maintenance of better human relations in the organization by the development, application and evaluation of policies, procedures and programmes relating to human resources to optimize their contribution towards the realization of organizational objectives. It helps diagnose the organizational and industrial problems in an organization. It helps maintain an active network with the key managers in an organization. It helps in managing performances of the employees with respect to the organizational goals. It helps in creating the right atmosphere in the organization for implementing change.

It is, no doubt, one of the toughest tasks for an HR manager in this sector, to bridge the ever-increasing demand and supply gap of professionals. He has to find the right kind of people who can keep pace with the unique work patterns in this industry. The sincerest concern for an HR manager in BPO industry in India is, however, the high attrition rate which is approximately 30-35 percent at present. Adding to this is the issue of maintaining consistency in performance and keeping the motivation levels high, despite the monotonous work.

Some of the recent HR policies of BPO companies are

- Training and development programme
- Termination policy
- Open door policy
- 3600 appraisal
- Policy of misconduct

**Significance of the Study:**

In the light of above stated facts, the relevance and significance of current research paper is enhanced as its findings will help HR managers of BPO sector who continuously strive to maintain balance between the demand and supply of competent and suitable employees for their

organizations. In order to understand the cause behind this rat race, it is necessary to understand the major challenges HR managers face due to competitive environment and their direct or indirect impact on the rate of attrition in the industry.

### **Literature review:**

Collins and Smith (2006) concluded that HR practices have a great impact towards organization's social climate, which leads to knowledge exchange resulting into improved organization performance. Mc gunnigle 2000 Employee Relations journal Organizations embarking upon the correct HRM approach shall tend to recruit individuals with most desirable behavior to fit with cultures. Consistent recruitment and selection procedures get relevant in the context. Training and developmental programs can further supplement the commitment.

Maxwell and Farquharson 2007 Employee Relations journal Bowen and Ostroff's (2004) concluded that "the strength of the HRM system affect organisational effectiveness." HRM is said to have a central role in business performance as per the theory (Richard and Brown Johnson, 2001). Thus HRM strategies are deep rooted in business needs with a firm integration with business strategy.

Harris 2007 Employee Relations journal Developing HR practices meant to make the most of individual performance have never been accorded significance in public service. There are ill-defined boundaries about HR responsibilities of managers at various levels and specializations each with different perspectives.

Othman and Poon 2007 Employee Relations journal Relationship of HRM practices is comparatively stronger with management orientation than competitive strategy. Strategy can be manipulated or changed with more ease than orientation of the management. Therefore HRM practices can contribute to a great extent towards organizational performance orientation remains in the right direction.

Tissen and others 2010 The International Journal of Human Resource Management In the recent past a wide range of studies suggested a positive relationship between HRM and the performance of organizations (including Guest 1989; Clark 1993; Paauwe and Richardson 1997; Guest 1997; Gelade and Ivery 2003). The majority of this literature is increasingly regarded as being outdated. It is viewed as 'first generation' research in which the importance of HRM is recognized, yet little or no attention is placed on what is known as the causal process between HRM and the functioning of the organization.

. Shen and Zhu 2011 The International Journal of Human Resource Management More and more organizations seek to improve their performance by using appropriate HRM policies and practices. Due to the importance of CSR to business, it is important for HRM policies and practices to address both the firm's strategic needs and the interests of internal and external stakeholders

Gellatly and others 2009 The International Journal of Human Resource Management Employee commitment should be considered as a resource by the organizations which can be used to

uphold the workforce capabilities providing sustained advantage over competitors. HRM practices can be used as a tool to inculcate the desired commitment among the employees limiting their desire to leave the organization and demonstrate higher citizenship behaviour

Teo, Clerc and Galang 2011 The International Journal of Human Resource Management Investment in human resources (HRs) through embracing human capital enhancing (HCE) human resource management (HRM) system is positively linked to organizational performance. Moreover, Front line employees are strategically significant and important source of competitive advantage.. McKenna and others 2010 The International Journal of Human Resource Management Modern HRM practices afford an opportunity to gain increasing control over line managers, other employees and their behaviour. Critical approaches to management imply the need for scepticism about the purposes of the global transferability of HR ideas and practices. Moreover, rather than focusing on whether practices can be transferred, the barriers to transfer, or how they are transferred, a key theme in a critical approach is how work is designed and people are managed to achieve the control necessary within organisational, economic and societal contexts (Delbridge 2009). Dany, Guedri and Hatt 2008 The International Journal of Human Resource Management In order to strengthen the link between HRM

**Objective of the study:**

- To Identify the HR Policy adopted by the Company.
- To highlight the challenges in respect to HRM practices in BPO sector.
- To suggest some measures for the growth of the company.

**Methodology:**

The study is based on the primary data collected by way of administering a structured questionnaire to the employees in BPO organizations in Mangalore. Some of the BPO organization where the data has been collected includes Emphasis, Infosys, and Cognizant. The questionnaire was sent to 50 employees from BPO organization in Mangalore.

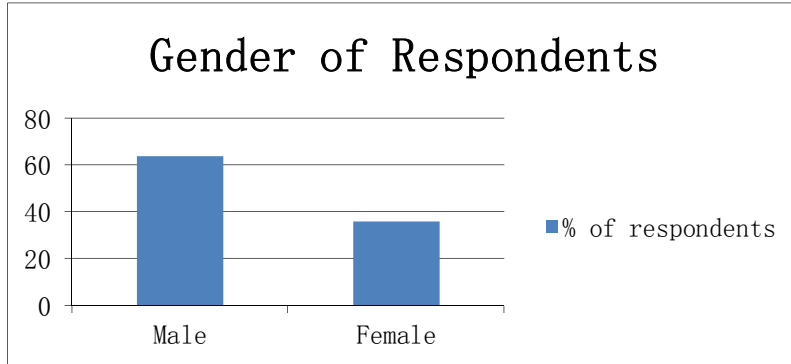
Sample and sample size: Employees from three BPO Sector in Mangalore are selected as respondents and all together 50 respondents were given the questionnaire.

**Data Analysis:**

Table No1: Showing the Gender of respondents

	No of Respondents	% of respondents
Male	32	64
Female	18	36
Total	50	

Chart No1: Showing the Gender of respondents



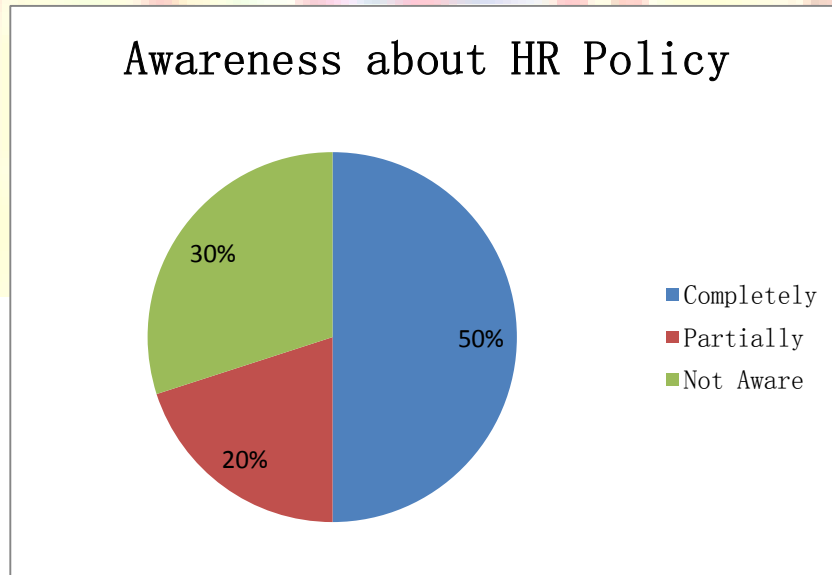
Source: Field Survey

Interpretation: The table and chart shows that among the respondents 66%of respondents are male and remaining 34% are female.

Table No 2: Showing the awareness of HR policy

	No of Respondents	% of respondents
Completely	25	50
Partially	10	20
Not Aware	15	30
Total	50	

Chart No 2: Showing the awareness of HR policy



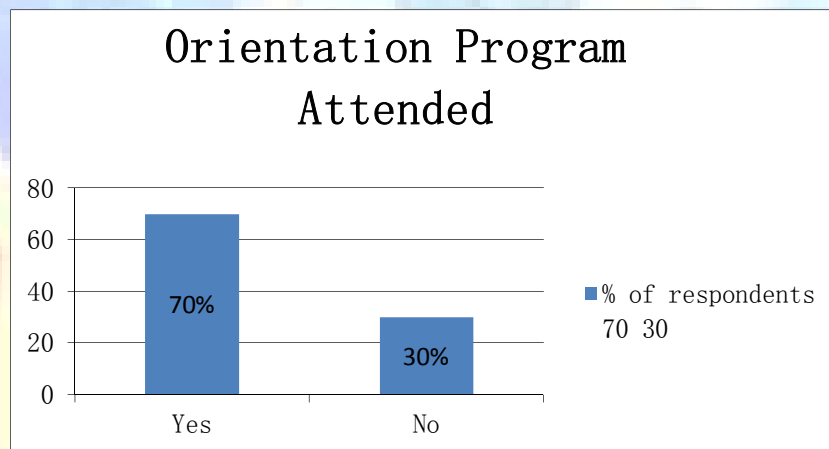
Source: Field Survey

Interpretation: From this it can be interpreted that among the respondents 50% were completely aware of HR policies in the company and 20% were partially aware and remaining 30 % were not at all aware of the HR policies in the company.

Table No3: Showing the number of people attended orientation programme

	No of Respondents	% of respondents
Yes	35	70
No	15	30
Total	50	

Chart No 3: Showing the number of people attended orientation programme



Source: Field Survey

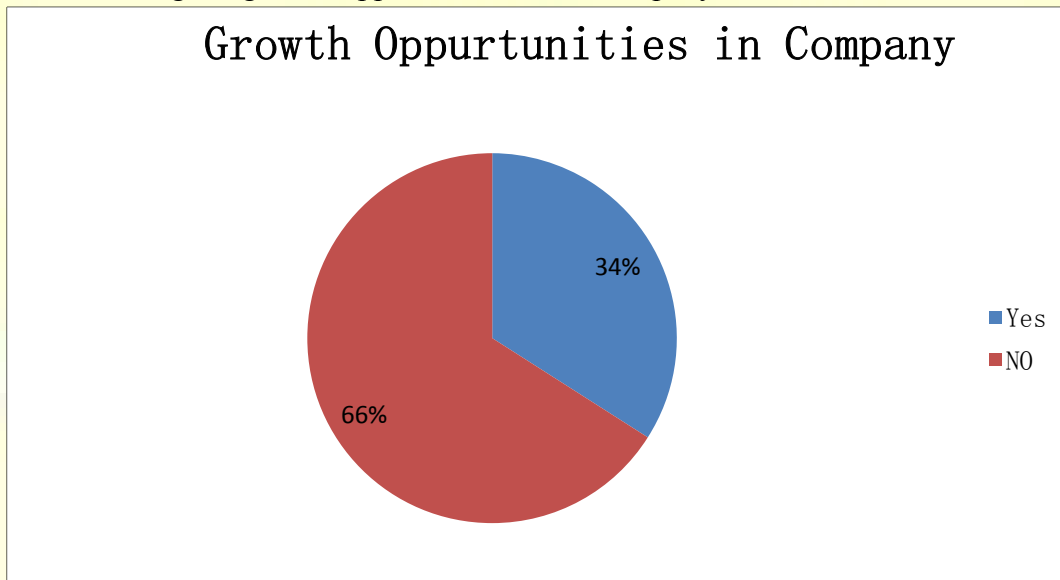
Interpretation: The data shows that 70 % of respondents had undergone different orientation programmes and remaining 30 % have not undergone any orientation program.



Table No 4: Showing the growth opportunities in the company

	No of Respondents	% of respondents
Yes	17	34
NO	33	66
Total	50	

Chart No 4: Showing the growth opportunities in the company



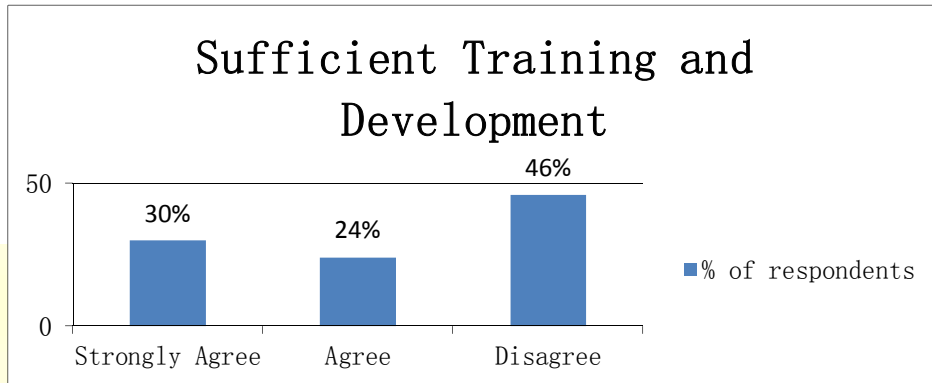
Source: Field Survey

Interpretation: Among the respondents only 34 % feel that there is growth opportunity in the company remaining 66% feel that in their company there is no growth opportunities in their organization.

Table No 5: Showing the training and development programme

	No of Respondents	% of respondents
Strongly Agree	15	30
Agree	12	24
Disagree	23	46
Total	50	

Chart No 5: Showing the training and development programme



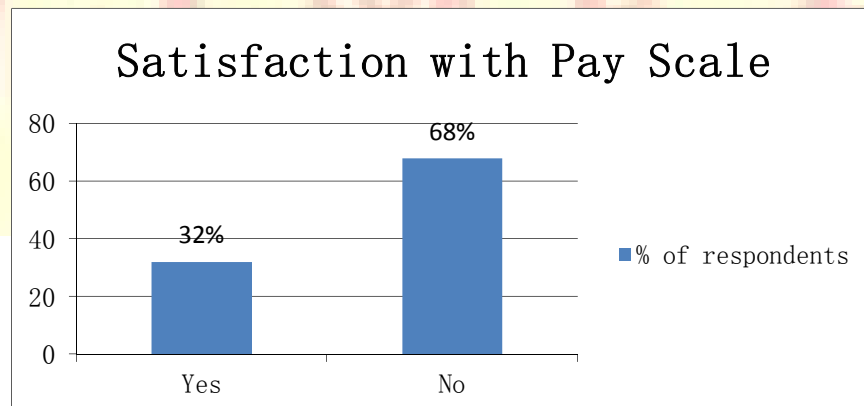
Source: Field Survey

Interpretation: From the above data it can be interpreted that 30% of respondents strongly agree that in their organization they have sufficient training and development opportunities while 24 % agree and remaining 46% disagree.

Table No 6: Showing the satisfaction level of employees with pay scale

	No of Respondents	% of respondents
Yes	16	32
No	34	68
Total	50	

Chart No 6: Showing the satisfaction level of employees with pay scale



Source: Field Survey

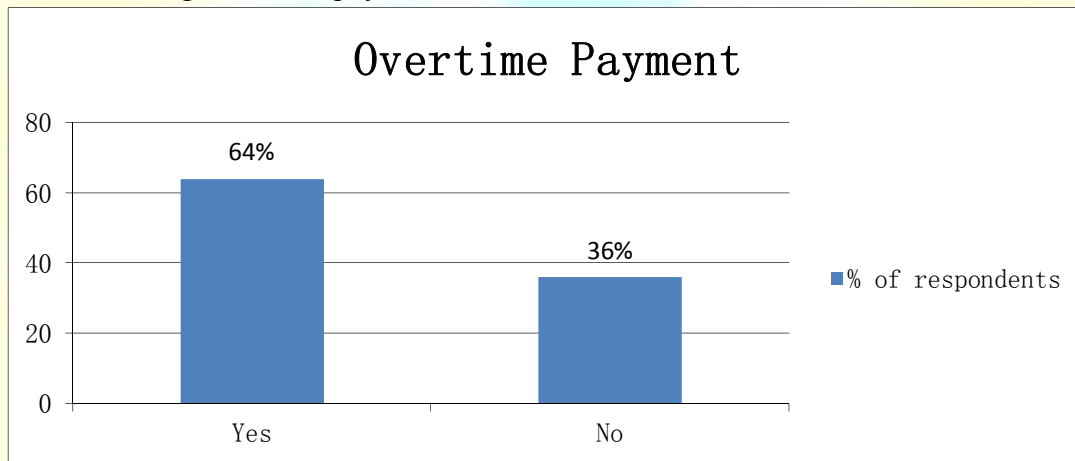


Interpretation: Data shows that 68% of respondents are not satisfied with their pay scale and remaining 32% are satisfied with their pay scale.

Table No 7: Showing over time payment

	No of Respondents	% of respondents
Yes	32	64
No	18	36
Total	50	

Chart No 7: Showing over time payment



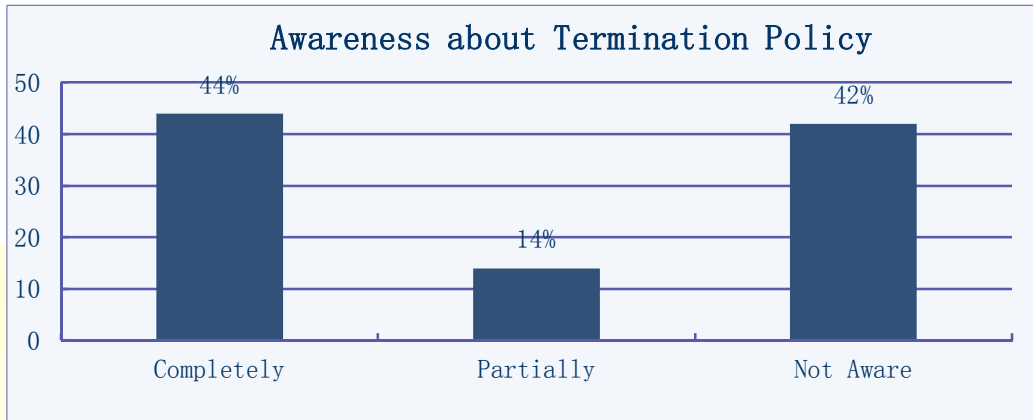
Source: Field Survey

Interpretation: Among the respondents 64% of the respondents said that they are paid for the overtime work and remaining 36 % said that they are not paid for the overtime work.

Table No 8: Showing awareness about termination policy

	No of Respondents	% of respondents
Completely	22	44
Partially	7	14
Not Aware	21	42
Total	50	

Chart No8: Showing awareness about termination policy



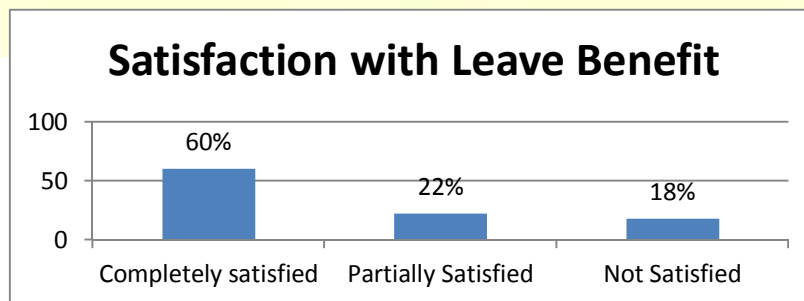
Source: Field Survey

Interpretation: From the data it can be interpreted that 44% of the respondents are completely aware of the termination policy of the organization while 14 % said that they are partially aware and remaining 42 % are not aware of the termination policy of the organization.

Table No 9: Showing the satisfaction level with leave benefit

	No of Respondents	% of respondents
Completely satisfied	30	60
Partially Satisfied	11	22
Not Satisfied	9	18
Total	50	

Chart No9; Showing the satisfaction level with leave benefit



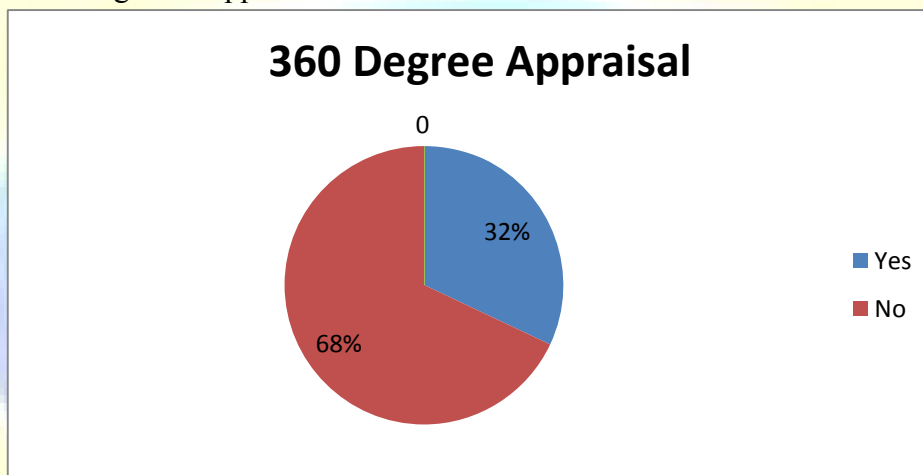
Source: Field Survey

Interpretation: The data shows that 60% of the respondents are completely satisfied with the Leave benefit. And 22% are partially satisfied and the remaining 18% are not satisfied.

Table No10: Showing 3600 appraisal

	No of Respondents	% of respondents
Yes	16	32
No	34	68
Total	50	

Chart No10: Showing 3600 appraisal



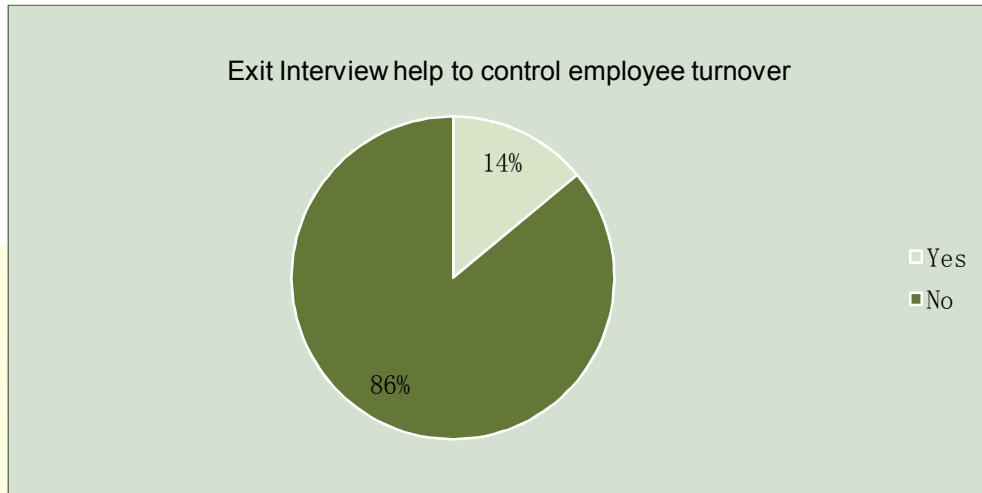
Source: Field Survey

Interpretation: Among the respondents 36% of opined that there is 3600 appraisal and remaining 68% said that the appraisal that they have is not 3600.

Table No11: Showing exit interview and employee turn over

	No of Respondents	% of respondents
Yes	7	14
No	43	86
Total	50	

Chart No11: Showing exit interview and employee turn over



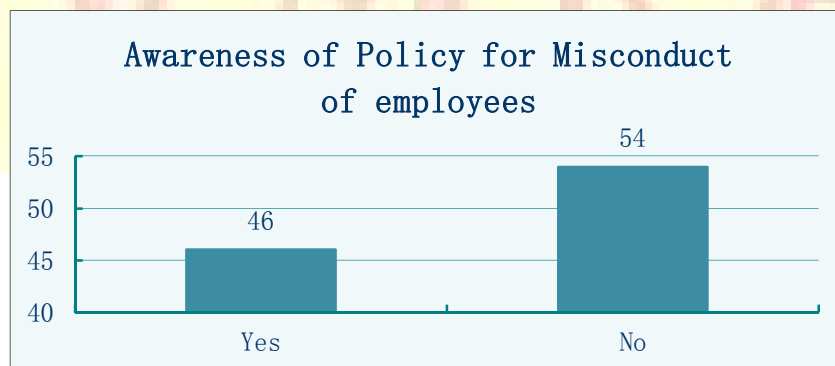
Source: Field Survey

Interpretation: Above data shows that 14% of the respondents feel that exit interview will help the company to control the employee turnover while remaining 86% feel that exit interview will not help to control employee turnover in the company.

Table No12: Showing awareness of policy of misconduct

	No of Respondents	% of respondents
Yes	23	46
No	27	54
Total	50	

Chart No12: Showing awareness of policy of misconduct



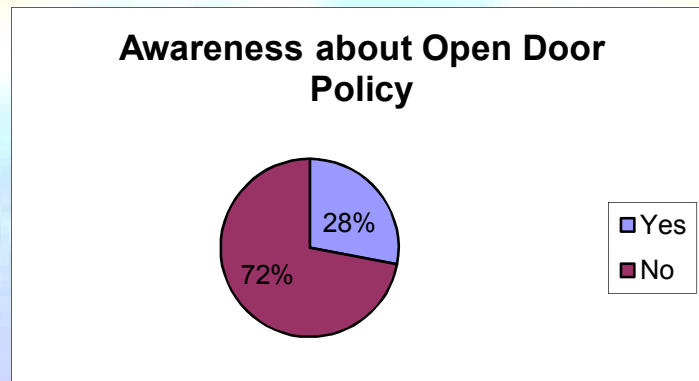
Source: Field Survey

Interpretation: It can be interpreted from the above data that 46% of respondents are aware of the policy of misconduct in the company where 54 % are not aware of the policy.

Table No13: Showing awareness of open door policy

	No of Respondents	% of respondents
Yes	14	28
No	36	72
Total	50	

Chart No13: Showing awareness of open door policy



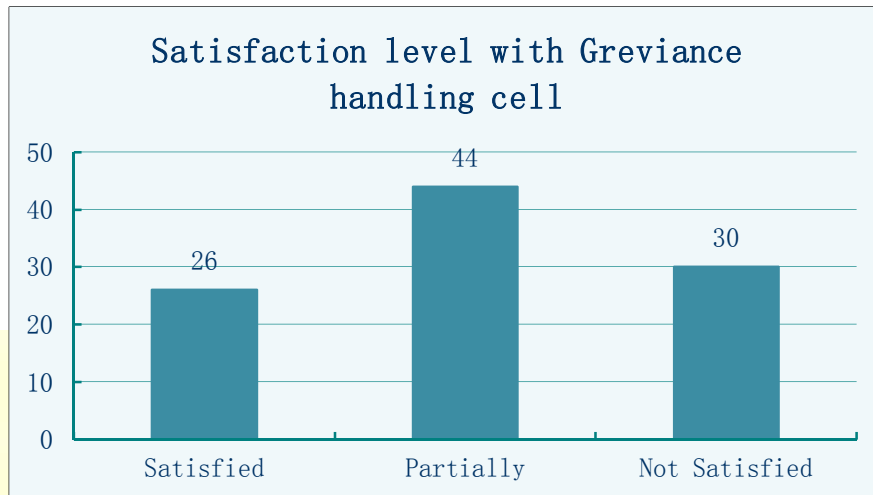
Source: Field Survey

Interpretation: Among the respondents 28% said that they are aware of open Door policy in the organization and the remaining 78% are not aware of it.

Table No14: Showing satisfaction level with grievance cell

	No of Respondents	% of respondents
Satisfied	13	26
Partially	22	44
Not Satisfied	15	30
Total	50	

Chart No14: Showing satisfaction level with grievance cell

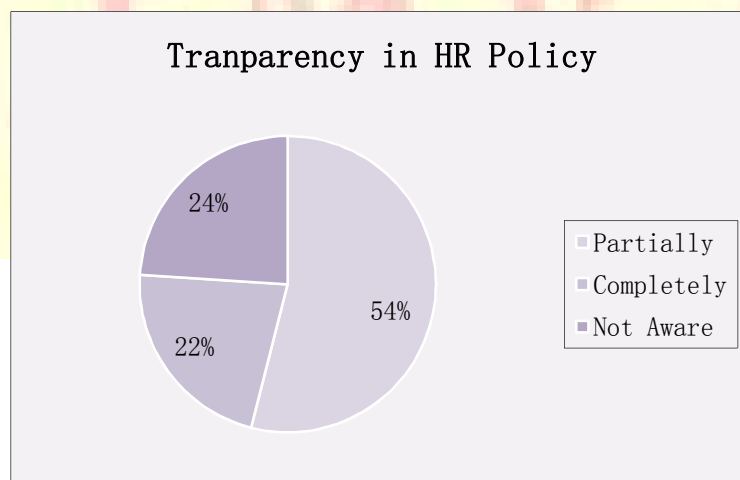


Interpretation: From the data it can be interpreted that 26% of the respondents are satisfied with grievance cell in the company while 44 % said that they are partially satisfied and the remaining 30 % of the respondents said that they are not satisfied

Table No15: Showing transparency in HR policy

	No of Respondents	% of respondents
Partially	27	54
Completely	11	22
Not Aware	12	24
Total	50	

Chart No15: Showing transparency in HR policy





Interpretation: The above data shows that 54% of the respondents feel that the HR policy in the company is partially transparent and 22% feel that it is completely transparent and the remaining 24% are not aware of the transparency of HR policy in their company.

### **Findings:**

As per the data collected majority of the respondents were Male.

Half of the Respondents are not aware of the HR Policy in the company; this may be because the company has not conducted a separate session to create awareness about HR policy.

As per the study it is found that the BPO Company is successful in conducting orientation and Induction program for the fresher.

The study shows that there is less growth opportunity in BPO sector. This is because opportunities and responsibilities are given to Senior or experienced staff and because of Insufficient Training and development program conducted in the company.

Most of the respondents are not happy with their pay scale when compared to other BPOs outside Mangalore.

It is identified that some of the employees in the BPO Company are not paid for over time because of companies HR criteria.

From the study it is revealed that many of the BPO employees are not aware of 3600 appraisal this may be because no transparency in the performance evaluation.

Employees feel that exit interview will not help to retain the employees this is because they are not convinced with the growth opportunity in the company.

Majority of the employees are aware of termination policy and policy with regard to misconduct in BPO sector. And same time it is found that some employees are not aware this is because the updated policy and the criteria are not brought to the notice of the employees.

Majority of the employees are not aware of open Door Policy this may be because the higher authorities are not freely approachable or the working environment does not support the Open door Policy.

Most of the Respondents are partially satisfied with the Grievance handling cell because the employees are kept updated with progress related working of highlighted issues.

### **Suggestion:**

The company should create an awareness of all HR Policy to the employees but conducting a separate session.

A Separate Grievance Handling cell comprising of different people from all stream would be more effective. Solved grievances should be discussed with the employees.

3600 Appraisal should be followed in the company, and criteria for performance evaluation should be clearly stated and should be made aware to the employees.

The company should adopt non monetary measure for the people who work overtime.

Company should provide Training and development to the experienced as well as fresh employees, which enable them to build their career.

### Conclusion:

As per the data analysis, it is believed that the challenges can turn out to be a real dampener in the growth of this industry if they are improperly addressed. The study helps the HR practitioners in BPO sector to get insight into the relationship between important HR challenges and their relationship with the most important issue i.e. its existence in the competitive environment so that they are able to do something about it. It also would be helpful for the HR practitioners to focus on the right cause and to get insight to choose the right practice to manage this challenge. HR managers need to put in efforts on the development of their employees, building new and innovative retention and motivational schemes (which was more money oriented so far) and making the environment challenging by providing effective leadership so that the employees get motivated while working in this environment.

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