

# An Systematic Research Analogy on Human Resource (HR) Policies and its Implementation at BPO in India

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**ABSTRACT:** The industry has been growing rapidly. At the present time, when the business scenario is completely ruthless due to the impending pandemic it is very hard to keep hold of the knowledge based in professional BPO industries. The BPO Industries have high friction or employee turnover rate which not only have side effects which includes decreased productivity, increased recruitment costs, avoidable time spent on training new employees, and lost sales but also businesses with high staff turnover typically experience low employee morale and productivity rates. Hence the involvement of HR policies plays a crucial role in retaining, identifying, motivating the right spirited employees and ensuring that the employees are aware of their rights and they feel safe and encouraged within the business environment. As per the findings of this paper the major problems arising in BPO sector is that employees do not know about the HR policies, they believe in positive reinforcement only and that the employees and HR professional do not see an impact of the HR policies on performance of the company as a whole. This HR Policies related study is to pave the way of BPO companies to change their views and ideologies regarding the company employees and treat them as an investment giving them their required priority.

**Keywords:** HR Policies, BPO, Attrition

## 1. INTRODUCTION:

**1.1 Background of the Study:** Human Resource policies are official rules and guidelines that businesses work along with in order to manage their employees and so thus the working environment. HR strategy, in contrast, is one step at a time instructions that signifies what measures should be taken to get along with these policies. Thus, as a matter of fact, these policies provide recommendation for a wide category of employment correspondence within the organization. The motive and importance of the HR policies hardly need any elaboration. Every working corporation requisite policies that ensures consistency in action and egalitarianism in its correspondence with employees. HR procedures often take the form of Standard Operating Procedure (SOP) documents. Human Resource Management (HRM) such as recruitment, promotion, compensation, training, selections etc. Thus they serve as a testimonial point when HR management operations are being procedurized or when decisions are being formularized about an organization's livewire. An acceptable HR policy lays out generalized enlightenment on the various approaches embraced by the organization, and so thus its employees, concerning various stages of employment. The Strategy spells out precisely whatever actions that should be taken in line along with the policies. Efficient HR practices do indeed make a difference in term of business effectiveness. Efficient HR practices are considered as those that contribute to one or more of the three C's: one is Competencies, the second one is Commitment and the last one is Culture. They need to be signified and acknowledged cost-effectively, evaluating and exploring them from time again to enhance their productiveness and successfulness. HR Practices include: HR Planning, Recruitment & Selection, and Activities beyond Statutory Requirement, Safety, Health and Environment Policy, Suggestions Scheme, Promotion & Transfers, Exit Policy. BPO is the abbreviation for Business Process Outsourcing, which refers to when companies outsource business processes to a third-party (external) company. The primary goal is to cut

costs, free up time, and focus on core aspects of the business. Processes which are indeed accomplished at the same or similarly from company to company, for example payroll or accounting, are candidates for BPO. BPO has its roots in the manufacturing industry. Manufacturers hired third-party vendors to handle parts of their supply chains after determining that the vendors could bring more skills, pace and thriftiness to that process than an in-house team could deliver. Over time, more organizations in other industries have adopted the practice.

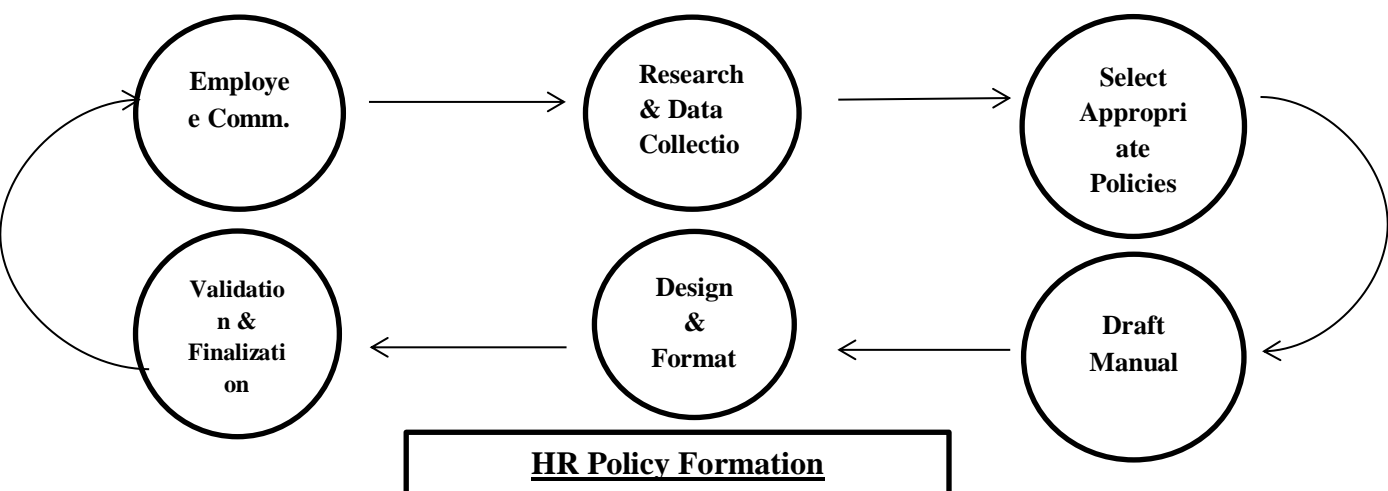
## 1.2 Research Gap:

Previous studies point out the impact of key variables on Human Resource Policies in the various industries. But in this paper I not only aim to explore the further fields of these policy but also its implementation in BPO's.

## 2. Literature Analysis:

The literature review is focused on literature that conceptualizes human resource policies, organizational culture types based on the renowned Competing Values Framework. Besides HR policies in addition to are very effectual at reinforcing and holding up the desirable organizational culture. The foundation of an HR Policy which embarks obligations, quality of behaviour, and documents disciplinary procedures, is now the graded approach in order to meet these obligations. HR policies supply frameworks within which harmonious decisions are carried out and they encourage equity in the ways in which people are tend to be treated. The HR Policy formation process is given below:

**2.1 Policy Formation :** HR policies paves down the way to decision making criteria in line with the overall purpose of the organisation in the area of Human Resource Management. These policies are procedurized by the HR manager in negotiation with the top management to guide the managers at numerous levels to deal with people at work.



**2.2 Purpose:** HR policies and procedures are advancing guidelines of the organization which are considered for adopting in order to manage its people. They fulfil certain purposes such as

- ✚ They help to acknowledge clear communication between the organization and their employees regarding their condition of employment.
- ✚ They form a fundamental principle in order to treat all employees fairly and equally.

- ✚ They are a like set of prescriptions for superintendent and managers for carrying out their behaviour with corresponding employees working within the organization.
- ✚ They provide a basis for evolving the employee handbook.
- ✚ They establish a kernel for consecutively reviewing possible changes influencing employees.
- ✚ They create a context for superintendent training programs and employee training orientation programs.

### 2.3 Specifications: HR Policies should always follow certain specified rules in order to be applicable-

- ✚ HR policies should always have the primary objective of contributing to organisational objectives.
- ✚ HR policy should create awareness among the employees of their significance and position within the organisation.
- ✚ A HR policy should always be in writing.

### 2.4 Business Process Outsourcing (BPO):

Business Process Outsourcing (BPO), is basically a kind of outsourcing in which the company subcontracts specific business processes to a third party service provider who can accomplish or carry out those processes on the customer's behalf at a certain cost. These activities could include document processing, payroll, technical support, HR, marketing, etc. BPO permits a company to save cost and also focus on the core activities.

**2.4.1.1 BPO Services in India: Look Over:** There was an unanticipated resonance in the outsourcing sector in India from 2004-2005, not just within the domestic market but also in the export market of BPO where foreign clients were off-shoring their back office and procedural functions to Indian BPOs due to the advantage of cost and work quality they are offered. The major factors of such increasing growth are cost-worthy telecommunications and easy inherence of English communicating workforce with monumental technicalities know-how in India. The foremost customers who are mainly make the most from the BPO services are the industries related to Pharmaceuticals, Insurance, Telecom, Healthcare, Automotive, Banking and Finance, E-commerce and Retail, and Airlines. Some of the leading BPO organizations, well known for their performance and service standards in India are Accenture, Tata Consultancy Services, Hewlett Packard, Infosys BPO, HCL, IBM-Daksh, Cap Gemini, Convergys, and Wipro to name a few. In a nutshell, the main reasons for the growth of business process outsourcing services in India are:

- |                             |                            |
|-----------------------------|----------------------------|
| ✚ Cost Factor Advantage     | ✚ Superior Competency      |
| ✚ Utilization Improvement   | ✚ Economy of Scale         |
| ✚ Decreasing trade barriers | ✚ Business Risk Mitigation |

### 2.5 Intention:

- ✚ To identify the various Human Resource Policies that is being acknowledged by various industries.
- ✚ To distinguish the numerous accomplishment of the HR polices on Business Process Outsourcing (BPO).

#### ✚ 2.5.1 Extent of the Research:

- ✚ Creates a viewpoint towards the HR Professionals working under various BPO Sectors.

- ✚ This study is to magnifies the belief that the HR practices are efficient and capable enough.
- ✚ This study calls attention to the significance of the existence of the HR policies and their implementation in BPO Industry.
- ✚ This study makes a way for future research and serves as source for future reference.

### 3. RESEARCH METHODOLOGY: The current study overviews the various Human Resource Policies and their implementation at BPO's.

Strength of the Sample – 150

Acquired Research Data - Primary and Secondary Methods

Tools of Research - Sampling

Statistical Tools- Percentage, Chi-Square Test, Rank Correlation

#### 3.1 Data Analysis:

**Table1. Grasping tendency of the HR Policies among HR Professionals**

S.No	Element	Density	%
1	Yes	60	22
2	No	90	78
	Total	150	100

**Conclusion:** 78% of HR professionals are unaware about HRA and only 30 % of the respondents are aware of the HRA.

**Table2. Impact of HR Policies in Decision Making**

S.No	Element	Density	%
1	Knowledge Regarding Organizational Policies	32	24
2	HR Associated Updates	45	26
3	Hiring of Personnel	26	17
4	Performance Evaluation of the Employee	47	33
	Total	150	100

**Conclusion:** 33% of the HR's realizes the effects of the Performance Evaluation of the Employee and 26% of them realizes about the HR related updates. 24% and 17% of them feel its related to the organisational policies knowledge and appointment of the employees.

**Table3. Essential HR Policies**

S.No	Element	Density	%
1	Recruitment Policy	39	28
2	Anti-Harassment and Non-Discrimination Policy	16	12
3	Rewards & Recognition	24	9
4	Career Planning	12	19
5	Leave and Time-Off Benefits Policy	15	8
6	Compensation & Benefits	10	4
7	Timekeeping and Pay Policy	13	6
8	Employee Conduct, Attendance & Punctuality Policy	21	14
	Total	150	100

**Conclusion:**28% and 19% of the respondents feel that Recruit Policy and Reward & Recognition are the best practices in the company. 14% and 12% of the respondents feel that Employee Conduct and Anti-Harassment & Non-Discrimination Policy are the best. 9%,8%,6% & 4% of the respondents are of the opinion that Career Planning, Benefit Policies, Pay Policy and Benefits are the best practices.

**Table4. Threats prone to HR Personnel at BPO**

S.No	Elements	Density	%
1	Changing Political Scenarios	23	15
2	Exceeding Customer Expectations	13	8
3	Shoestring Budgets	25	19
4	Health Concerns	16	11
5	Customer Attrition	15	9
6	Scarcity of Talent	11	7
7	Employee Attrition	29	21
8	Communication Channels	18	10
	Total	150	100

**Conclusion:**21% & 19% of the respondents feel that Employee Attrition and Shoestring Budgets are the threats faced highly by the BPO. 15% & 11% of the respondents feel that it poses a threat due to Changing Political Scenarios and Health Concerns. 10%, 9%, 8% & 7% of the respondents poses a threat because of Communication Channels, Customer Attrition, Exceeding Customer Expectations and Scarcity of talent.

### 3.2 Chi Square Inspection:

A comparison between Respective Age and Conscious Awareness of HR Policies at HR BPO:

S.No	Respective Age	Respective Cognizance Among HR Professionals		
		Yes	No	Total
1	25-30	15	5	20
2	30-35	14	7	21
3	35-45	3	11	14
4	45-50	2	40	42
5	>50	1	52	53
6	Total	35	115	150

R5	R8	D= R5-R8	D <sup>2</sup>
5	2	3	9
8	3	5	25
2	8	-6	36
1	7	-6	36

#### Calculations:-

S.No	Observed Frequency(O)	Expected Frequency(E)	(O-E)	(O-E-0.5) <sup>2</sup>	((O-E-0.5) <sup>2</sup> )/E
1	15	0.133333	14.866667	206.4011	1548.0121
2	14	0.14	13.86	178.4896	1274.9257
3	3	0.093333	2.906667	5.79205	62.0579
4	2	0.28	1.72	1.4884	5.3157
5	1	0.353333	0.646667	0.0215	0.0608
6	5	6.933333	-1.933333	5.9211	0.8541
7	7	7.28	-0.28	0.6084	0.0836
8	11	4.853333	6.146667	31.8848	6.5697
9	40	14.56	25.44	622.0036	42.72
10	52	18.373333	33.626667	1097.3761	59.7266
					$\Sigma=3000.3262$

The Calculated Value = 3000.3262

Degrees Of Freedom (df) = (r-1)\*(c-1)  
= (5-1)\*(2-1).

#### Conclusion:

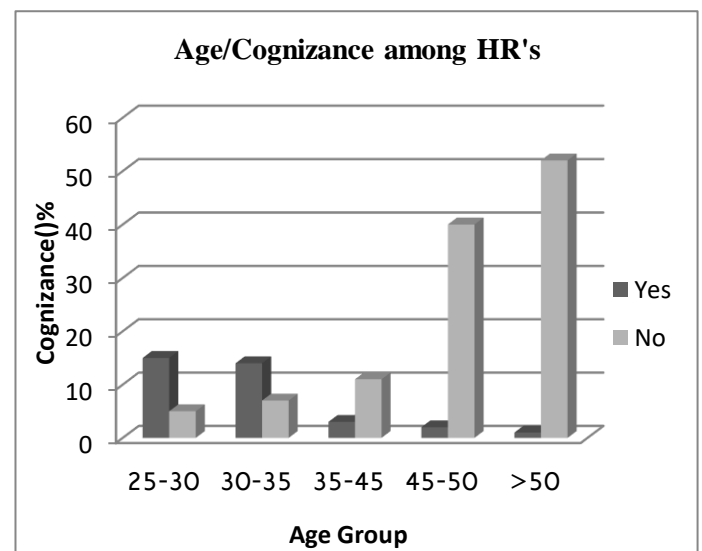
The Indexed Value of Chi-Square  $\alpha = 0.05$  for 4 df is 9.488.

Since the calculated value is > table value,

$H_1$  = Accepted




$H_0$  = Rejected

There is a remarkable difference between the Age of HR at BPO and their Cognizance of the HR Policies.



6	5	1	1
3	4	-1	1
7	1	6	36
4	6	-2	4
			$\sum D^2 = 148$
<b>R5</b>	<b>R8</b>	<b>D= R5-R8</b>	<b>D<sup>2</sup></b>
5	2	3	9
8	3	5	25
2	8	-6	36
1	7	-6	36
6	5	1	1
3	4	-1	1
7	1	6	36
4	6	-2	4
			$\sum D^2 = 148$
<b>R5</b>	<b>R8</b>	<b>D= R5-R8</b>	<b>D<sup>2</sup></b>
5	2	3	9
8	3	5	25
2	8	-6	36
1	7	-6	36
6	5	1	1
3	4	-1	1
7	1	6	36
4	6	-2	4
			$\sum D^2 = 148$

**3.3 Spearman's Rank Correlation Co-efficient:** A juxtaposition between Enlistment and Total Employee Experience towards best HR practices in the company:

-  **Rank Correlation** between Leave and Time-Off Benefits Policy & Employee Conduct, Attendance and Punctuality Policy.
-  **Null Hypothesis (H<sub>0</sub>):** There is no correlation between the factors of Leave and Time-Off Benefits Policy & Employee Conduct, Attendance and Punctuality Policy.
-  **Alternative Hypothesis:** There is a correlation between the factors of Leave and Time-Off Benefits Policy & Employee Conduct, Attendance and Punctuality Policy.

	Elements	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	
S.No		No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	Total
	R1	1	3	4	7	5	6	2	8	
	Recruitment Policy	22	24	35	19	16	14	11	9	
	R2	4	3	1	2	7	5	8	6	
	Anti-Harassment and Non-Discrimination Policy	11	18	26	39	20	15	12	9	
	R3	6	4	3	1	8	5	7	2	
	Rewards & Recognition	29	25	19	13	16	12	19	17	
	R4	8	2	4	5	3	1	7	6	
	Career Planning	25	23	15	17	28	14	13	15	
	R5	5	8	2	1	6	3	7	4	
	Leave and Time-Off Benefits Policy	12	20	17	23	25	27	19	7	
	R6	7	4	8	5	3	2	6	1	
	Compensation & Benefits	19	24	21	15	29	31	7	4	
	R7	3	8	6	7	5	2	1	4	
	Timekeeping and Pay Policy	26	14	13	21	22	27	8	19	
	R8	2	3	8	7	5	4	1	6	
	Employee Conduct, Attendance & Punctuality Policy	15	18	23	9	27	29	13	16	
	Total	150	150	150	150	0	150	150	150	
		Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	
S.No		No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	No. of Respondent	Total
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	Recruitment Policy	22	24	35	19	16	14	11	9	
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	R3	6	4	3	1	8	5	7	2	
	Rewards & Recognition	29	25	19	13	16	12	19	17	
	R4	8	2	4	5	3	1	7	6	



	Career Planning	25	23	15	17	28	14	13	15	
	R5	5	8	2	1	6	3	7	4	
	Leave and Time-Off Benefits Policy	12	20	17	23	25	27	19	7	
	R6	7	4	8	5	3	2	6	1	
	Compensation & Benefits	19	24	21	15	29	31	7	4	
	R7	3	8	6	7	5	2	1	4	
	Timekeeping and Pay Policy	26	14	13	21	22	27	8	19	
	R8	2	3	8	7	5	4	1	6	
	Employee Conduct, Attendance & Punctuality Policy	15	18	23	9	27	29	13	16	
	<b>Total</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>150</b>	

$$r_p = 1 - 6 \sum D^2 / n(n^2 - 1)$$

$$= 1 - 6 * 148 / 8(68 - 1)$$

$$= -0.76190$$

R5= Rank given to Leave and Time-Off Benefits Policy

R8=Rank given to Employee Conduct, Attendance & Punctuality Policy.

Decision for n = 8

**Conclusion:** There is a correlation between the factors of Enlistment and Employee Conduct, Attendance & Punctuality Policy. Hence the recruitment and selection has an impact over performance management.

$r_p$  = Spearman's Rank Correlation

n= No. of Observations, d= deviations

## 4. Discovery of the Research:

78% of the majority of the HR professionals at BPO are not aware of the HR policies and only 22% people are do aware of the policies.

A supreme portion of 33% of the HR's sense that it affects the decision making on the performance evaluation of employees and 26% HR domain up gradations. A little amount of 24% and 17% of them feel its impacts related to organization policies knowledge and recruitment of the apt personnel.

28% and 19% of the respondents feel that Recruit Policy and Reward & Recognition are the best practices in the company. 14% and 12% of the respondents feel that

Employee Conduct and Anti-Harassment & Non-Discrimination Policy are the best. 9%,8%,6% & 4% of the respondents are of the opinion that Career Planning, Benefit Policies, Pay Policy and Benefits are the best practices.

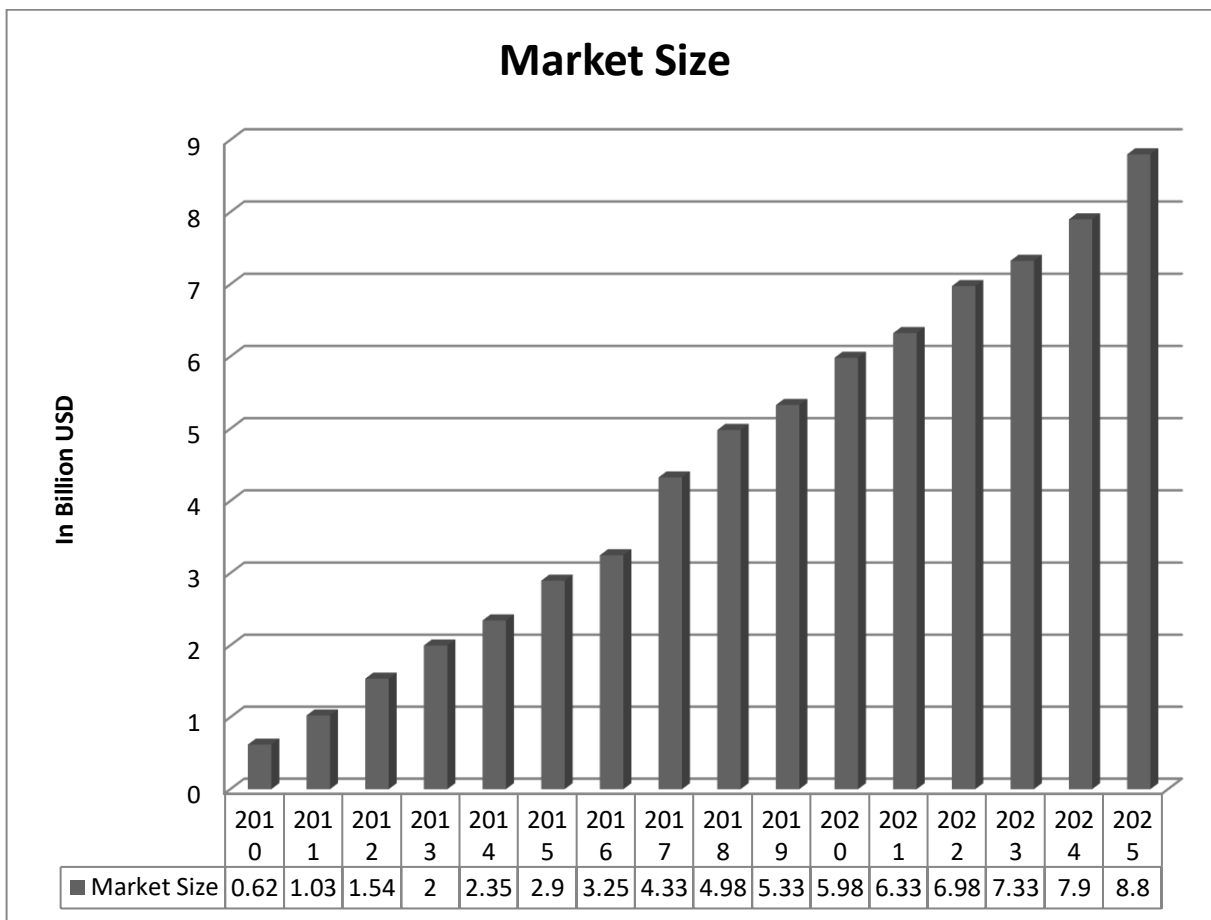
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Customer Expectations and Scarcity of talent.

The age of HR professionals and their level of awareness varies with respect to HR Policies

Hence, Leave and Time-Off Benefits Policy has a profound influence on Employee Conduct, Attendance and Punctuality Policy.

### **MARKET SIZE OF THE BPO SERVICES FROM THE PAST 10 YEARS TO THE PREDICTION OF THE NEXT 5 YEARS:**



## **5. Research Conclusion:**

Growth of BPO sector in India has been truly impressive in recent years, but things can get even better, according to market analysts. Growth of BPO Sector in India during most of the beginning part of 2007 was showing a adequate trend of magnification which is registered at 14%. 5 years ago, the maturation in this sector was quite shallow due to less contracts but the situation has worsened now. However, the growth of the BPO sectors are expected to ameliorate. The HR manager takes part in a huge role in this. The walk-on part of the factory managers and the immediate superintends are proportionately important. The rudimentary responsibility extensively would lie on the top-shelf managers, for it is they who are in control of

supervising the policy implementation; HR professionals can give counsel advice or guidance, but it is the front-line managers who are present on the spot, and have to make decisions about the people. So its their responsibility to look over the fact that professionals working under the BPO's are considered as investments and have knowledge of every advantage they are entitled to.

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