Abstract

The remarkable contribution of knowledge process outsourcing (KPO) sector to India’s economy and its success over the past few years has been scripted by the superior, low cost expert services provided by its endowed workforce. In this industry lead by knowledge that vests in ‘people’, effectively managing them through favourable human resource initiatives becomes a crucial ingredient for its success. Of the meager studies on KPOs the area of human resource management (HRM) remains largely untapped. This doctoral thesis holds significance for its contribution to emergent literature on KPO. Being among the first few to venture into the rather scantily researched domain of human resource management in KPOs it endeavours to provide a view of the human resource territory in the context of Indian KPOs. The study used an extensive review of literature from multiple secondary sources and in-depth discussions with key human resource (HR) experts in KPOs to help frame questionnaires to study the human resource opportunities and challenges in this sector in India. The primary research objective was to provide useful insights into the area of HR opportunities and challenges keeping in view the present trend and practices. The research was carried out on KPO companies in India and keeping in view the requirements of the present study four questionnaires were developed to achieve the objectives of the study. The first three questionnaires pertaining to HR opportunities, challenges and practices respectively were designed for individuals representing the HR department and the fourth was developed for employees at both the junior and middle levels other than in the HR department and indirect staff, actually involved in providing knowledge intensive services. The study made use of a mixed-method approach comprising both open and closed-ended questions for key human resource personnel and employees of KPOs. The research explored the HR department’s
perspective regarding the kind of expectations KPOs have from prospective hires and what they offer in return as also the everyday challenges faced by it in people management. The study also extensively covered the prevalent HR practices in the areas of talent acquisition, compensation, training and development, performance management and talent retention in the sector and has incorporated an employee opinion survey in an attempt to identify key shortfall areas which can be focused on to improve the current level of HR practices thereby making working in KPOs an appealing and worthwhile experience for its employees. Data analysis was predominantly based on descriptive statistics along with use of Importance-Performance Analysis (IPA) technique deployed as Importance-Satisfaction Analysis (ISA) in this study. A few of the hypotheses formulated for the fourth questionnaire were tested using Paired Sample t-test, Independent Sample t-test and Analysis of Variance (ANOVA). The results highlighted a healthy state of HR practices in Indian KPOs with the presence of strong and structured practices under talent acquisition, training and performance management systems and discovered that specific areas of career planning and development along with compensation including benefits do have scope for much improvement. Career planning and development emerged as the top employee priority area demanding thoughtful analysis and consideration by KPOs. The research also shows an array of expectations by KPOs from potential hires and their offer in return along with major human resource challenges. The study concludes with specific implications and preliminary exploratory research propositions based on the findings that may be tested in the future with a more sizable sample population. The study contributes to the fields of employee opinion, KPO and HRM and adds to the body of knowledge by providing valuable information for future research in the context of HRM in KPOs.