Chapter 2

Review of Related Studies

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Chapter 2
Review of Related Studies

2.0 Introduction

This chapter is designed to review the existing literature on human resource management policies and practices prevailing in the contemporary manufacturing business and service organizations. The purpose is to understand the development of human resource management as a distinct field of management especially from the erstwhile personnel management as most of the authors and experts in the filed felt that human resource management was of recent origin in India. The present study is on human resource management policies and practices in software industry where human beings are the most important resource. Information Technology (IT) industry is the most prominent and fast growing and dynamic knowledge industry having openings for multicultural work environment in which technical and social interdependence among people belonging to various countries or continents or locations are inevitable. In view of the above, the IT sector needs universally applicable and acceptable policies on different aspects of human resource management. As the IT industry is three decades old in the developing and developed countries, the human resource management concept for IT and ITeS gained momentum in the last two decades. Here, an attempt is made to review all the available literature on human resource management in the non-IT, IT and ITeS sectors.

2.1 Review of Related Studies

Amba Rao (1994) made an analysis of the human resource management systems of two fairly large, complex, technical organizations in India, embedded in specific external environments. The human resource management practices of the two were compared with studies of practices in India and
developing countries. Further, the practices of the two organizations were compared utilizing a US Human Resource Management Model. Findings were discussed with reference to relevant studies in India and the US. A complex view was found to have emerged from the analysis, namely 1) A mixed Human Resource Management model with US and Indian characteristics was reported to have existed in these organizations; (2) Differences in the two cases were noticed in respect of implementation and integration of human resource management activities; (3) While hierarchy and paternalism were observed, adaptability and innovation were also evident; (4) Managerial characteristics and values (status, power, orientation) were found to have played an influential role; and (5) Highlights among organizational characteristics were growth stage and professionals; and among the external factors were management groups and their member interactions. That is, in short, it can be stated that differences in respect of HRM practices are inevitable in MNCs.

Budhwar, P.S, and Sparrow, P.R (1997) evaluated the levels of strategic integration and development of human resource management in India. They studied the levels of integration of human resource management into corporate strategy and “devolvement” of responsibility from human resource management to line managers in India. They made a large questionnaire survey covering 137 firms in six manufacturing industries. The survey results were further supplemented by twenty four in-depth interviews in the same companies. The results showed a low level of integration and devolvement practiced in Indian organizations. A number of contingent variables and organizational policies were found to have determined the levels of integration and devolvement in these organizations. They also reported that in the international scenario, India is mapped on the integration-devolvement matrix of ten European countries, showing similarities with the UK, Italy and Germany. Thus, their study presented evidences for the emerging international standards in the human resource management practices in India.
An empirical research on the relationship between pay referent level comparisons and pay level satisfaction was carried out by Bordia, P. and Blau, G (1998). They relied on western samples and used a sample of 118 Indian employees from public (N=47) and private (N=71) sector organizations. This study tested for significant pay referent level comparison and pay level satisfaction relationships and differences between private versus public sector employees. The results partially confirmed the hypothesized relationship between the comparisons and satisfaction and private versus public sector differences on pay referent level comparisons and on one pay level satisfaction scale. The study has implications that the private sector employees across a number of different industries in India have recently seen a tremendous market driven increase in their pay levels, while public sector employees have not.

Further the private sector employees have higher pay level satisfaction and perceive higher external pay referents than public sector employees, supporting the use of pay to attract employees, where feasible, by leading the market, that is, providing higher salaries as opposed to lagging or meeting market level (Weber and Rynes, 1991).

Little has been reported to date on human resource aspects of International Joint Ventures (IJVs) between Australia and India. On the basis of nine case studies, this paper “The role of human resource management in international joint ventures: a study of Australian-Indian joint ventures” by As-Saber, S.M., Dowling, P.J. and Leisch, P.W. (1998) examined the influence of HR practices on selecting the IJV as an entry strategy to invest in India and the role of efficient HR management in ensuring IJV success. The case findings suggested that there was a very moderate HR related influence on the entry mode decision, whereas HR management was found to have played a significant role in IJV success. The paper also identified several HR issues in relation to Australia-Indian joint ventures which emerged during the study. The enormous market potential of India, along with the ongoing liberalization of the Indian economy, has attracted many Australian companies to invest in India.
The study found that the nature of HR practices in India had some influence on the motivation to form IJVs with Indian partners.

Amba Rao, S.C., Petrick, J.A., Gupta, J.N.D. and Yonder Embse, T.J, (2000), made an empirical study, “Comparative performance appraisal practices and management values among foreign and domestic firms in India”. Countering culture based analyzes indicating homogeneity in Indian management practices and they compared performance appraisal practices and management values in India by firm ownership. Differences in Indian private investor corporations, public sector enterprises, foreign/joint ventures and private family businesses were examined to assist managers to adapt selectively to firms in the changing Indian economy.

Ramaswamy, E. A. and Schiphorst, F.B. (2000) reviewed the human resource management, trade unions and empowerment based on two cases from India. This paper discussed the introduction of schemes aimed at employee empowerment within context of strong industrial relations in India. The pressure put on profit margins by a competitive business environment was found to have forced an increasing number of Indian enterprises to view employee empowerment as a serious strategic option. Getting workers to take responsibility for shop-floor decisions over quality, safety, productivity and material use appears at first sight an alluring prospect. It would seem that men and women at the bottom of the pyramid cannot but be warmly appreciative of power-sharing arrangements from which they have something to gain, but there are forces at work which can actively obstruct or quietly subvert attempts at redistributing power. Some of the motives a trade union might have to do so, were analyzed in depth and presented.

Budhwar, P.S. (2000) made an empirical study of the determinants of human resource management policies and practices in India. The study was designed to examine and highlight the main contingent variables and national factors influencing Indian human resource management. The investigation was based on questionnaire survey carried out in 137 Indian firms in the
manufacturing sector. The results suggested a number of significant correlations between a set of contingent variables (that is, age, size, ownership, life cycle stage and human resource management strategies of an organization, type of industry and union membership) and four human resource management functions, namely recruitment and selection, training and development, compensation and employee communication. Similarly, four national factors (namely national culture, institutions, dynamic business environment and business sector) were suggested, which influence Indian human resource management policies and practices. The study includes interviews with a number of academics and practitioners. It had also opened avenues for future research.

Reade, C. (2001) made a study of the dual identification in international corporations; local managers and their psychological attachment to the subsidiary versus the global organization. The study was conducted in India and Pakistan. It was often stated in the management literature that it was vital for MNC managerial employees worldwide to share the organization’s core values and goals, that was, to identify with the organization as a global entity. The underlying assumption was that it was possible, not to mention desirable, for the MNC as a global entity to be the main identification focus for its managers worldwide. Yet there appears to be a general preference for identification with relatively small social units, such as what the MNC subsidiary represented. This study, investigated with the aid of social identity theory, the patterns and strength of employee identification, revealed that respondents exhibited dual identification and generally identified more strongly with their subsidiary. The type of MNC subsidiary appeared to have an effect on local/global patterns of identification.

Using the core aspects of five main models of human resource management, Budhwar, P.S and Khatri, N. (2001a) investigated the dominant human resource management practices in the Indian manufacturing sector. The evaluation was conducted in the context of the recently liberalized economic
environment. In response to ever-increasing levels of globalization of business, the article initially highlighted the need for more cross-national comparative human resource management research efforts. Then it briefly analyzed the five models of human resource management (namely Matching Model; Harvard Model; Contextual model; 5-P Model; and European Model) and identified the main research questions emerging from these that could be used to reveal and highlight the human resource management practices in different national/regional settings. The findings of the research were based on a questionnaire survey of 137 large Indian firms and 24 in-depth interviews in many firms. The examination not only helped to present the scenario of human resource management practices in the Indian context but also the logic behind the presence of such practices. The findings were found to have richly contributed to the fields of cross-national human resource management and industrial relations research. It also had key messages for policy makers besides opening avenues for further research.

Budhwar, P.S and Khatri, N. (2001b) made a comparative study of HR practices in Britain and India. The study traced the major developments in the field of human resource management briefly and then highlighted the need for more cross-national human resource management studies. The main aim of the surveys was to examine a wide range of human resource management policies and practices in a cross-national comparative context drawing the results from two parallel surveys of matched Indian and British. The surveys were run in six industries in the manufacturing sector. The study controlled for a number of variables such as size of the organization, product, industry sector and personnel participation. Influence of a number of contingent variables (such as age, size, nature and life-cycle stage of the organization, presence of unions and human resource strategies) on human resource management policies and practices was analyzed. The study finds significant differences in recruitment, compensation, training and development and employee communication practices between India and Britain.
Budhwar, P.S. and Boyne, G. (2004) made an empirical comparison of human resource management in the Indian public and private sectors. The investigation was based on a questionnaire survey of 137 large manufacturing firms (public sector = 81; private sector = 56). The key areas of analysis included the structure of HR department, the role of HR function in corporate change, recruitment and selection, pay and benefits, training and development, employee relations and emphasis on key Human Resource Management strategies. Internal Labor Markets (ILMs) were used to make the comparative analysis. The statistical results showed a number of similarities and differences in the human resource management systems of Indian public and private sector organizations. Against the established notion, the results of this study revealed that the gap between Indian private and public sector human resource management practices was not very significant. The study further reported that in a few HR functional areas (for example, compensation and training and development, Indian private sector firms have adopted a more rational approach than their public-sector counterparts.

Singh, K. (2003) studied the relationship between strategic HR orientation and firm performance. The study had been conducted to add to the growing empirical evidence in this field. It was carried out in the Indian setting, where the importance of human resource has gained currency in the last decade. Results show that there was a significant relationship between strategic HR orientation and firm performance.

Singh, K. (2004) studied the impact of HR practices on perceived firm performance in India. The aim of the study was to find out the relationship between the human Resource management practices and firm level performance. The study conducted on 82 Indian firms indicated that there had been a significant relationship between the two human resource practices, namely training and compensation, and perceived organizational and market performance of the firms.
Ramamoorthy, N., Gupta, A., Sardesai, R.M. and Flood, P.C. (2005) collected data from 180 MBA students from the USA, Ireland and India on their Individualism/Collectivism (IC) orientations and their preferences for human resource management practices. Contrary to expectations, the Indian sample tended to be more individualistic than the American or Irish sample. Their study revealed that there were no differences on the preferences for progressive human resource management practices across the samples, and the Americans were found to have exhibited a greater preference for paternalistic practices than the Indians and the Irish. Further, they reported that the Americans also showed a greater preference for equality in rewards than the Irish and fairness in appraisals/rewards than the Indians. At the individual level, controlling for nationality, age and gender, higher individualism scores on the supremacy of individual goals and self-reliance dimensions were positively related to progressive human resource management practices. Higher individualism on supremacy of individual goals was also found to have positively related to procedural fairness in appraisals/rewards and negatively related to paternalistic human resource management practices. A higher preference for working alone was negatively related to progressive human resource management practices. Further, higher individualism on the supremacy of individual interest dimension was negatively related to progressive human resource management practices and positively related to paternalistic human resource management practices.

“Will HR professionals continue on their journey to be business leaders, with full sway and equal influence in organizational decision making, or will they take the shortcut by sacrificing professional ethics and values for a "seat at the table"?” was the question tested by Wright, P.M. and Snell, S.A (2005). The first challenge refers to value creation. Creating value in a global economy requires HR executives to clearly understand the confluence of economic, social, and technological forces that drive industry competition. The second challenge, value delivery, deals with the
pressing need for HR to demonstrate its tangible impact by aligning with and driving the issues critical to the business. Finally, living values asks us to rediscover that we are the guardians of our organizations. We guard and preserve strategic capability, people, and values. These challenges were examined and a model was provided for understanding how the competing demands placed on HR create both organizational and professional conflict. They stressed that HR leaders required the vision and courage to integrate the different value systems in an organization for its long-term viability. Although competitive realities require that HR organizations are business-oriented, HR leaders must distinguish between decisions that are driven by the business and decisions driven for the business, they quoted. HR leaders must be the guardians of our firm's strategic capability. The HR leaders must be the guardians of our ethical and moral integrity

**Varma, A., Pichler, S. and Srinivas, E.S.** (2005) studied the role of interpersonal affect in performance appraisal, collecting evidences from two samples - the US and India. The interpersonal relationship, a like-dislike relationship between a supervisor and his/her subordinate, has traditionally been conceptualized as a source of bias in performance appraisals. As reported by them that some researchers have argued that the interpersonal affect may not be a bias, especially where it develops as a result of past performance. This field study used data from 190 supervisors in the US, and 113 supervisors in India. The study delineated the relationship between interpersonal affect and performance ratings. In both samples, interpersonal affect and performance level were found to have significant effects on performance ratings. It was noted that the results from the US sample indicated that raters are able to separate their liking for a subordinate from actual performance when assigning performance ratings, suggesting that interpersonal affect does not operate as a bias in the appraisal process. They have shown again that Indian sample suggested that supervisors normally inflated ratings of low performers* suggesting that local cultural norms may be operating as a moderator.
A study by Bhatnagar, J and Sharma, A. (2005), “The Indian perspective of strategic HR roles and organizational learning capability”, had its focus on the strategic HR roles and organizational learning capability. Line and HR firm performance was further analyzed. The sample size consisted of 640 managers in India. Standardized questionnaires were used as tools for the managers’ perception of the two variables and their link to data collection. Statistical results indicated that correlation coefficients were mostly significant and positive for the variables and sub-variables of strategic HR roles and organizational learning capability. Discriminate functional analysis reflected that line and HR managers differed significantly in their perception of both variables. Stepwise regression analysis indicated that both the variables of strategic HR roles and organizational learning capability predict firm performance.

Mehta, M. (2005) made a study of the “Value Orientations of HRD Professionals in India”. Just as values are like beacons for an individual, so they are for a profession, especially for HRD - a value-based management profession. Given the sweeping changes in the business environment, it is plausible that the value orientation of HRD professionals have also changed. In an attempt to understand this, the study identified 11 value orientations, with ethico-moral, customer and quality orientations the three top ranking value orientations of HRD professionals. The study also discussed respondents' rating of their organization on the encouragement provided to employees in their job to practice the values they considered, guiding their professional life. The study concluded that though: (a) professionals still value strong humanist-oriented values, business-oriented values seem to have taken priority over the same; (b) organizations encourage practice of all the 11 value orientations, they have come a long way from the traditional welfare approach or paternalistic attitude. The findings suggested that it was a combination of professional as well organizational values that might help HRD professionals as well as the profession itself to thrive. The study had implications for management
academicians in that the framework could be further developed and used for ingraining professional values among Human Resource Development professionals-to-be.

The study by Woldu, H.G., Budhwar, P.S. and Parkes, C. (2006) examined the cultural value orientation (VOs) of employees (managerial and non-managerial) working in three categories of organizations (professional, technical and local services) in India, Poland, Russia and the USA. The analysis was conducted at both the national and organizational levels. The paper hypothesizes cultural differences at the country level and cultural similarities among employees working for professional and technical oriented organizations and divergence in the VOs of employees working for local services organizations. It also hypothesized differences in the VOs of managerial and non-managerial employees in the four countries. The investigation has been conducted with the help of a questionnaire survey of 1,852 respondents. The outcomes of the analysis have shown that there were both cross-country cultural differences and similarities among VOs of employees of the four nations. Further, significant cultural convergences emerged in the VOs of employees working for both professional and technical organizations. It was reported further that there were no significant cultural similarities or differences observed for employees of service-based organizations in the four countries. There have been some similarities emerging between managerial employees in the countries where research was conducted. The research and its findings contributed to the fields of cross-cultural management, international management and international human resource management.

Srinivasa Rao, A (2007) conducted an empirical study to examine the effectiveness of the performance management systems in selected Indian companies. The study focused on the factors responsible for effectiveness of the performance management systems and its alignment with organization goals. As part of the study, antecedents and the consequences of effective
implementers of performance management systems in the Indian context were also examined. It was found that managers having good academic backgrounds with high profiles are effective implementers of the system. Also, it was found that personality characteristics/consequences such as system discipline, exposure to the system, effective interpersonal relations and team working are essentially required for the effective implementation of the system. The study recommended that a separate empirical study on performance management process comparing MNCs/new technology firms vis-a'-vis traditional Indian organizations would be worth considering for further research. The effect of relative importance of ascriptions over achievements on performance is also an important area for research.

In some Indian organizations there is a mature, transformational and decision analytics based Human Resource Information System (HRIS), while in most organizations it remains a transactional process. This study, by Bhatnagar, J. (2007), “Looking from the Organizational Learning (OL) lens at technology enabled HR in Indian Organizations” reflects on how OL capability was enhanced by these systems and explored the implementation and design of these systems in India. Some organizations have implemented the HR architecture through the technology driver. Analysis in terms of type of learning need, IT impact, level of learning, role of HR and need had been conducted for three cases.

Abraham, M. (2008), in the research work on “Globalization and the Call Center Industry”, reported that the call center industry is one of the most rapidly growing areas of work globally. Drawing upon a multidisciplinary and collaborative approach to studying call centers, the book and report reviewed by the author provided sociological insights on the process of globalization and the transformation of work and labor relations. Issues addressed included resource strategies, managers and management, jobs and job skills, women's careers in call centers, worker control and autonomy, and union organizing. The studies illuminated the need to rethink some of the logic that
drives work organization in the call center industry and offer strategies for collective mobilization, including the role of unions in protecting the rights of workers within and across nations.

**Nicholson, B. and Sahay, S. (2008)** in their research work on “Human Resource Development policy in the context of software exports: a case evidence from Costa Rica” espoused that the software industry development was acknowledged as an important engine of economic growth for many less developed countries. The role of national policy had been identified by various researchers as a catalyst to software industry and software exports development. Software development is a service that is both labor and knowledge-intensive, and thus an important aspect of related policy is concerned with the provision of appropriately educated and trained human resource in sufficient quantity. Their study provided an analysis of the human resource issues facing policy makers in less developed countries engaged in software exports policy formulation. The complexities in this respect were highlighted through the case study of Costa Rica, where there is an ongoing national strategic planning effort to increase the software exports.

**Romero, E. and Pescosolido, A. (2008)** in their research entitled “Humor and Group Effectiveness” expressed the view that despite the importance of groups in the workplace and the demand from workers for a fun work environment, there was no model that explains how successful organizational humor can impact work groups. The purpose of this article was to present a model, based on Hackman's framework of group effectiveness that could be used to understand the relationship between successful organizational humor and group effectiveness. They explored the ability of successful organizational humor to impudence groups through its positive impact on group productivity, viability and learning. Based on the literature from several disciplines; they proposed that successful organizational humor could have a positive impact on a variety of group processes (e.g. effective communication, development of group goals, management of
emotion, etc.) and outcomes (e.g. group productivity, group viability, and development of group members), which contributed to overall group effectiveness. The model had the potential to both advance theory on organizational humor and to offer value to practicing managers by providing an understanding of how two seemingly unrelated factors (humor and group effectiveness) were in fact related in a meaningful fashion.

Som, A. (2008) made a study of “Innovative Human Resource Management and Corporate Performance in the context of economic liberalization in India”. The research was carried out in the context of economic liberalization. The Indian economy was forced to adopt a structural adjustment programme in the beginning of 1991. The structural adjustment programme or liberalization initiated the process of the opening up of an otherwise closed economy of India. Liberalization created a hyper-competitive environment and to respond to this turbulence, Indian organizations adopted innovative changes in their human resource management practices. This research showed that human resource management practices are important for enhanced corporate performance but little has been reported on the effect of human resource management practices and corporate performance in the context of economic liberalization of India. This study tried to understand the role of innovative human resource management practices and specifically questions how human resource management practices, such as the role of HR department, recruitment, retraining and redeployment, performance appraisal and compensation, enhance corporate performance during the change process. A multiple respondent survey of 69 Indian organizations was undertaken to study the impact of innovative human resource management practices on firm performance. The survey found that the innovative recruitment and compensation practices have a positive significant relationship with firm performance. It was observed that recruitment, the role of the HR department and compensation practices seem to be significantly changing within the Indian firms in the context of India’s economic liberalization. The synergy between
innovative human resource management practices and corporate performance was not significant in enhancing corporate performance during the liberalization process.

Wright, P.M. and Kehoe, R.R. (2008) in their study, “Human Resource practices and organizational commitment: A Deeper Examination”, examined newer conceptualizations of human resource management practices in the HR-performance relationship as well as newer conceptualization of commitment. Juxtaposing these categories of HR practices and types of commitment provides a clearer theoretical rational for at least some ways that HR practices can influence organizational performance, be that positive or negative. They made a detailed discussion on the implications of the research findings.

Bjorkman, I., Budhwar, P., Smale, A. and Sumelius, J. (2008), in their study, “Human Resource Management in foreign owned subsidiaries: China versus India”, examined the human resource management practices and the role played by the HR department in foreign-owned units located in China and India. The study of 170 western-owned subsidiaries analyzed the extent to which the human resource management practices associated with the local professionals and managerial level employees resembled those of local firms versus those of the (main) Western parent organizations, and investigated the degree to which the unit’s HR department was perceived to play a strategic role. The results indicated clear differences between human resource management characteristics in western-owned units in China and India, and suggested that the use of expatriates and the background of the HR managers were important determinants of human resource management practices in the subsidiaries.

Chalofsky, N. and Vijay Krishna (2009), in their study, “Meaningfulness, Commitment and Engagement: The intersection of a deeper level of intrinsic motivation”, stated that the work motivation literature
suggested the existence of a level of motivation that was beyond the commonly known typologies of intrinsic and extrinsic motivation. Their study explored that deeper level of intrinsic motivation, meaningfulness, and discussed the connections between meaning of work and meaning at work, represented by the concepts of employee commitment and engagement. This multidimensional approach combines the individual and psychological aspects of work motivation with the contextual and cultural factors that influence employee motivation. They concluded that the connections of the concepts of meaningful work, employee commitment, and engagement could give human resource development practitioners and managers powerful tools to develop workplace strategies that could greatly improve employee satisfaction, fulfillment, and loyalty. Organizational productivity, retention, and sustainability will be enhanced, and individuals would feel good about their work and how it affects the rest of their lives.

Robertson, S.R. and Dayal, V. (2009) studied the impact of downturn economy on the human resource management in companies. They wrote in their article entitled “When Less is More: Managing Human Resource with Reduced Staff” that the economic downturn forced companies to cut the HR staff; departments could take steps to handle higher workloads through more efficient processes and programmes. The market volatility had reached unprecedented levels, with the Dow Jones Industrial Average hitting its lowest point in 5 years during the month of October 2008 and economic experts believed that the U.S. economy was entering a recessionary period that likely would continue through 2009. The result was a significant number of layoffs and the impact of the economy was already being experienced by HR departments. Already-lean HR departments have come further leaner. The ranks of the jobless rose by over two million in the 12 months ending in October 2008, according to the Bureau of Labor Statistics. The job data showed that the labor market was the worst since the two prior recessions in 2001 and the early 1990s.
Bhal, K.T. (2002) conducted an empirical study of the “perceived role of human resource management in Indian organizations” assuming that the role of HR professionals needs to undergo a radical focus shift with the changing Indian corporate scenario. A new set of roles where the focus shifts from doables to deliverables based on Ulrich (1997) study had been conceptualized and made operational in this study. The first role of HR Professionals as a “Strategy Integrator” deals with aligning business and HR strategies of an organization. The second role focuses on being an “Efficient Administrator” which would mean designing and, developing efficient transaction mechanisms. The third role focuses on the HR Professionals acting as a “Nurturing Patron” to their goals by providing them with resource and ensuring that employees are not overwhelmed by expectations. The fourth role of the HR Professional is that of a proactive “Transition Facilitator” to help organizations to anticipate change and deal with it.

The examples of these roles from Indian organizations were identified to explicate these roles. Further, a questionnaire survey of 103 respondents from 14 organizations (five from Consumer durables and nine from IT) was conducted. The key results of the study indicated that HR was not perceived to play a differentiated role in Indian organizations. The survey also found an inherent bias in the perceptions of the HR professionals vis-a-vis the non-HR professionals (from other areas) regarding the role played by HR professionals in these organizations.

Khan, N., Currie, W.L., Weerakkody, V. and Desai, B. (2002), made a research study of offshore IT outsourcing. The field work was carried out in India and in the UK to evaluate the scale and scope of outsourcing activities. Chief Executive Officers (CEOs) and Chief Information Officers (CIOs) were interviewed in fifteen supplier firms in India and two customer firms in UK, about strategic positioning in the offshore outsourcing market; benefits and risks from outsourcing; and other demand and supply-side issues. The findings suggested that, though offshore outsourcing offered new business opportunities
for IT suppliers, much of the outsourced work continued to be low risk and low value. The challenge for outsourcing suppliers was therefore to devise strategies to move from body-shopping work to low cost, high value contracts, without incurring additional risk.

Gross, A. and Weintraub, R. (2006), in their review on “HR situations in India: 2005 Update”, stated that the economic reforms in India effectively brought one-sixth of the world’s population into the global economy. Although the reforms have made the business environment decidedly more open and manageable than it used to be, developing a successful human resource strategy, including recruiting, managing, and retaining employees that still need improvement. They reported that finding talent in India could be incredibly difficult. While there were a number of under- and un- employed high school and college graduates in India, generally these individuals were not trained with the skills needed by multinational employers. They expressed that some Indian candidates with strong skills might not fit the needs of multinational employers because of the historical variations in work practices from those found in the West. At some levels and in some industries there were many candidates with the technical skills and not cultural skills. They also reported that there was a shortage of talent at the upper end of the employment scale, particularly in IT. There simply weren’t enough candidates with the necessary experience to fill top roles. Seasoned professionals were often in short supply. Turnover levels rose up in many industries, including IT and IT enabled sectors and to a lesser extent in advertising, marketing, and retailing. Though still below the rate of comparable industry segments in the West, turnover could be a problem, as economic growth, increased salaries, and a shortage of skilled employees at the top of the scale could tempt the best and the brightest to change jobs often. Consequently, salaries have risen dramatically in high demand sectors, especially at the upper ends of the scale. In addition, salaries in India account for less than half the value of a typical compensation package. Benefits like rent-free or subsidized accommodation, free use of motor vehicles
and/or drivers, interest subsidies on loans, and the like might all be part of a total compensation package. They argued that recruiting and retaining the right employees required a multi-pronged strategy. Good pay and benefits simply were not enough; retention of employees also required companies to address less tangible factors, such as rewarding work experience and the possibility of advancement. Most MNCs in India, as well as major local enterprises have been addressing this issue through fairly evolved HR practices.

Som, A. (2007) in his article, “What drives adoption of innovative Strategic Human Resource Management practices in Indian organizations?”, expressed the view that the crucial role of adoption of innovation in strategic human resource management had been becoming increasingly prevalent in both business and academic literature. However, few such studies had been undertaken in a liberalizing country scenario such as that of India. Hence this study was carried out to understand the adoption of innovative strategic human resource (Strategic Human Resource Management) practices in the Indian context. Drawing from strategic human resource management literature, this research report discussed five main propositions relating to national environment, organizational restructuring, legitimizing, ownership structure and culture and the adoption of innovative strategic human resource management practices in Indian organizations. It identified, analyzed and tried to underline the drivers of adoption of innovative strategic human resource management practices in Indian organizations. The study also reported that it took one decade for Indian organizations to adapt to changes.

Ghosh, P. and Geetika (2007) were of the view that people’s skill sets rather than technology drove the growth and success of software organizations, where ideas and information form the basis for profit generation and wealth accumulation. Their article “Recruiting Strategies: Exploring the Dimensions in the Indian Software Industry” was an attempt to establish the significance of recruitment strategies, especially in the Indian software industry. The size of an organization, among various other factors was reported to have played an
important role in determining the type and shape of a strategy, including human resource strategies. They empirically examined the different strategies of recruitment by software organizations on the basis of size (number of employees). They found and reported that the recruitment strategies of such organizations vary with their size and that the strategies were used to meet the short term HR requirements.

Bhatnagar, J. (2007) made an empirical study, “Predictors of organizational commitment in India: strategic HR roles, organizational learning capability and psychological empowerment”, surveying a sample of 640 Indian managers. She reported that linkages in literature were found for human resource management practices, but there was a lacuna of research linking organizational commitment and strategic HR roles, psychological empowerment as well as organizational learning capability. The study examined these linkages. The bi-variate and multi-variate analyses confirmed the hypotheses drawn from the literature and the theoretical and practical implications of the findings were also discussed.

Taylor, P. and Bain, P. (2008), in their work, “India calling to the far away towns': the call centre labor process and globalization” stated that in recent years, prominent companies have migrated call centre services to India provoking much-publicized fears for the future of UK employment. They challenged the widely-held assumption that off-shoring voice services is a seamless undertaking, principally through an investigation of the Indian call centre labor process. This enquiry was informed initially by an analysis of the political-economic factors driving off-shoring and shaping the forms of work organization to have emerged in India. A critical review of literature on call centre work organization provided a conceptual framework, through which Indian developments were analyzed. They used the empirical data collected from fieldwork conducted in India and a complete audit of the Scottish industry, through which UK trends could be evaluated. They concluded that the Indian industry reproduced in exaggerated and culturally-distinctive forms,
a labor process that has proved problematical for employers and employees alike in the UK and elsewhere.

**Budhwar, P.S., Varma, A., Singh, V. and Dhar, R. (2006)** conducted an exploratory study of “human resource management systems of Indian call centres”. The study initially highlighted the rapid growth in the call centre (CC) sector in developing countries like India. The authors then made a case for the investigation of human resource management systems of call centres in India. The analysis is based on a two-phase empirical study. Phase one examined the nature and pattern of human resource management systems and phase two, the emerging issue of attrition in Indian call centres. A mixed research approach comprising in-depth interviews and questionnaire survey was adopted to conduct the investigation. Against the established norms of Indian organisations, the findings highlighted the existence of formal, structured and rationalised human resource management systems. Core reasons for the increasing levels of attrition were highlighted. The analysis further provided useful information both for academics and practitioners and opened avenues for future research.

**Budhwar, P.S., Luthar, H.K. and Bhatnagar, J. (2006),** in their research article highlighted the context within which Business Process Outsourcing (BPO) had rapidly grown in India and the critical need for investigating the dynamics of human resource management practices and systems in the ITeS sector. They made use of a mixed method approach involving both in-depth interviews and self-completing questionnaires and analyzed the nature of human resource management systems in BPO organizations operating in India. The analysis was based on a sample of 51 BPO companies, a majority of which were located near New Delhi. The results focus on the nature and structure of work and organization of Indian BPOs, as well as the strategic role played by human resource management in such organizations. Furthermore, the findings highlight the way specific human resource practices such as recruitment, performance appraisal, training and
development, and compensations are implemented. The study suggests the existence of formal, structured, and rationalized human resource management systems in Indian BPOs. A number of insights related to human resource policies and practices are shared by the HR managers interviewed shedding more light on the inner workings of the Indian BPO companies and their challenges. The analysis provides original and useful information to both academics and practitioners and opens avenues for future research on the nature of human resource management systems and practices in the Indian BPO industry.

Das, D., Dharwadkar, R. and Brandes, P. (2008), in their work “The importance of being 'Indian': Identity centrality and work outcomes in an off-shored call center in India” stated that the available studies on identity dynamics have shown that employees embodied multiple social identities, and had multiple foci of identifications at work that shaped their attitudes and behaviours. They argued that limited research had examined these frameworks in the new, emerging contexts of global workplaces. Therefore, they focussed on one such significant example of contemporary globalization: trans- national service work in the international call center industry in India. The findings indicated that national identity centrality was indeed negatively associated with employee performance and positively associated with intention to leave. The national identity centrality was also found to have moderated the relationship of organizational identification with performance and burnout. While reinforcing the importance of organizational identity and occupational identity centrality, they highlighted the hitherto ignored consequences of national identity centrality.

D'Cruz, P. and Noronha, E. (2008) made a qualitative study in Bangalore and Mumbai, India, on subjective work experiences of CC agents and uncovered four major themes addressing agents' perceptions of and responses to emotional labor demands. These included reorienting self,
balancing expectations, neutralizing stress and humoring irate customers. The findings supported the presence of normative control, the relevance of dispositional factors, the implications of coping mechanisms and the complexities introduced by global outsourcing. They also reported that intensive efforts during the induction and training phases, ongoing socialization and performance monitoring reinforced appropriate role performance. Through training, feedback, discussion, rituals, stories, myths, observation of models, the employee learnt the content, intensity and variety of emotions that should be experienced and expressed.

Using a comparative work force survey of Australian and Indian CC workers, the question of whether the outsourcing of info-service work portended a new division of labor was addressed in the paper “The next division of labor: work skills in Australian and Indian call centers” by Russell, B and Thite, M. (2008). They reported with evidence that the CC work in both Australia and India was semi-skilled in nature. The study noted that the work in India has been managed more tightly but offered greater variety. In terms of required skills, the study found that the CC employment in India was comparable to that which was conducted in house’ in Australia. The differences were mainly in the quality of labor forces.

2.2 Conclusion

From the foregoing review of the research papers pertaining to non-IT, IT and ITeS sectors, it becomes clear that the existing studies and research efforts are more focused in the sense that they address one or two HR issues in detail. A detailed study covering the entire human resource management functions is the need of the hour. Hence this study.
References


