ANALYSIS OF THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE IN CALL CENTRE INDUSTRIES

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ABSTRACT

This paper discusses the study conducted by the authors to find out the determinants of Organizational performance in the call centre industry in Bangalore. Questionnaire was designed to elicit information pertaining to various facets of human resource practices prevailing in the call centre industry. The questionnaire contains eight independent variables and one dependant variable. Using random sampling method 364 call centre executives were considered for the study spreading across 9 top-notch call centers. Regression analysis was performed on the data to arrive at the predictor variables influencing the organizational performance.

Key words
Organizational Performance, Call centre industry, Human resource practices

1. INTRODUCTION

The human resource of an organization constitutes its entire work force. The concept of human resource management implies that employees are resources of employer. “Human resource management” is responsible for selecting and inducting competent people, training them, facilitating and motivating them to perform at high levels of efficiency. It is also an art developing people and their potentialities for their personal growth and for the growth of the organization. It is a process of bringing people and organizations together to ensure that individual and collective goals are closely aligned. Human resource management is playing a great role in helping organizations gain and keep an advantage over competitors by becoming high performance work systems.
2. CONTEXT OF THE RESEARCH STUDY

A considerable amount of research has been carried out to establish the link between Human Resource Management and firm performance. The messages from research are that HR can make an impact by leading or contributing to: (i) Development and successful implementation of high performance work practices, particularly those concerned with job and work design, flexible working, resourcing, employee development, reward and giving employees a voice, (ii) The formulation and embedding of a clear vision and set of values, (iii) Development of a positive psychological contract and means of increasing the motivation and commitment of employees, (iv) Formulation and implementation of policies which can create a great place to work, (v) Provision of support and advice to line managers on their role in implementing HR policies and practices and (vi) Effective management of change. Many HR related issues in BPO industry have been discussed in the recent times. However, there is no confirmed study trying to link the human resource management practices in the industry and the influence on organizational performance. This part of the research tries focusing on the determination of the variables having an influence on organizational performance in business process outsourcing industry.

3. METHODOLOGY OF RESEARCH

A questionnaire was designed to elicit information from the call centre executives. The factors considered for the study include communication, continuous improvement, customer focus, organizational culture, decision making authority, strategy & commitment, employee satisfaction & job security, training & development, recruitment & hiring, performance appraisal and organizational performance. Each of these variables consisted of several sub-variables affecting them. The final questionnaire is designed in consultation with the executives and academicians in the field of human resource management. The input is also obtained from the contact centre executives during the pilot study conducted on fifty executives. A 5-point response scale with 2.5 being "Strongly Disagree", 10 being "Strongly Agree" and 0 being “Not Applicable” was used. A total of 500 respondents as a good representative of the target population of approximately 15000 employees were reached over a three-month period. Of the 500 approached the study team received responses from 364 executives, thereby making the response rate a good 72.8%. The respondent population was spread across nine major call centers in Bangalore. Stepwise regression, a method by which each predictor variable is selected for inclusion in the model based on the significance of t-statistics in a step-by-step selection, was chosen for analysis. A default $\alpha$ (alpha) of 0.05 was used to determine the level of significance. The software used for the analysis is SYSTAT.

4. RESULTS & DISCUSSION

Based on the ten-point scale used, the minimum OP rating was 3.438 and a maximum of 9.688 and this gives a range of 6.250. The median OP rating value was 7.813 with a standard deviation of 1.444. The mean OP rating was 7.360 implying that overall the level of OP is good. As depicted in the correlation Table 1, OP is positively related to Organization Culture ($r = 0.701, P = .001$), Communication ($r = 0.807, P = .001$), Employee Satisfaction ($r = 0.740, P = .001$), Customer Focus ($r = 0.639, P = .001$), Recruitment ($r = 0.734, P = .001$), Strategy ($r = 0.504, P = .001$), Training ($r = 0.529, P = .001$), Decision Making Authority ($r = 0.560, P = .001$), Performance Appraisal ($r = 0.727, P = .001$), Continuous Improvement ($r = 0.558, P = .001$).
Regression analysis was conducted to find out the factors influencing Organizational Performance. The analysis showed that five predictor variables were found to be of significance in explaining Organizational Performance. The five predictor variables are Communication, Organization Culture, Employee Satisfaction, Performance Appraisal and Recruitment. As depicted in the coefficients table below the estimates of the model coefficients for $\beta_0$ is 0.384, $\beta_1$ is 0.237, $\beta_2$ is 0.202, $\beta_3$ is 0.162, $\beta_4$ is 0.155 and $\beta_5$ is 0.186. Therefore, the estimated model is: 

$$Y (OP) = 0.384 + 0.237 (X_1) + 0.202 (X_2) + 0.162 (X_3) + 0.155(X_4) + 0.186 (X_5) + E$$

where $X_1$= Communication, $X_2$= Organization Culture, $X_3$= Employee Satisfaction, $X_4$= Performance Appraisal and $X_5$= Recruitment.

The R-squared of 0.791 implies that the five predictor variables explain about 79.1% of the variance in the OP. This is quite a respectable result. Based on the collinearity diagnostic table obtained, none of the tolerance value is smaller than 0.10. This indicates that there is no serious multi-collinearity problem among the predictor variables of the model and hence, it is reasonable to conclude that the estimated multiple regression model is valid.
5. CONCLUSION

From the analysis conducted in call centers, it is observed that Organizational Performance is influenced by Communication, Organizational Culture, Employee satisfaction, Performance appraisal and Recruitment. It is a known fact that the work in call centre is highly monotonous and the environment is absolutely live. This puts lot of pressure on the employee which inturn leads to increase in stress levels of the employee. The organizations need to devise policies and implement them for creating a work environment and Culture that provide an opportunity for employee empowerment and involvement and is conducive for the employees to work effectively. The philosophy of transparency in communication process can enable the organization to have synchronization of employee goals and organizational objectives. The performance appraisal mechanism should not be viewed as a tool for punishment; rather it should provide a basis for further development of the employee skills, knowledge and other competencies. This study can provide a basis for many more researchers to take this issue further and suggest suitable measures to create a motivating and satisfying environment for the BPO executives to contribute effectively and efficiently.

6. REFERENCES

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