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**GLOBAL OUTSOURCING: INFLUENCING HR
DEVELOPMENT IN CORPORATE WORLD**

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Global Outsourcing: Influencing HR Development in Corporate World

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Abstract – Globalization has a major impact on the management of human resources in developing countries including African Countries. It has led to homogenization and convergence in organization strategies, structures and processes as well as in consumer choice. With accelerating globalization, organizations have had to change and new trends have set in even in the management of human resources. Globalization has led to changes in organization design and organization structures are leaner thus improving efficiency but having a negative impact on staff numbers which have had to be reduced. This means employees have been retrenched in many sectors like telecommunications, public service sectors like banks in order for those organizations to gain competitive advantage. Reward management systems have changed and even the human resource planning strategy is to have a leaner staff in the core areas and to hire part time workers in a bid to reduce costs and to enable the business to run profitably and efficiently. The non-core jobs have been outsourced which has led to an increase in independent contractors to service industries. However, the homogeneity that results from globalization has had a major effect in developing countries because of brain drain. Global outsourcing can therefore be said to have had a phenomenal impact on a developing economy in both positive and negative aspects as studied in this paper which is the major objective of the study of this paper.

Key Words: Globalization – Outsourcing – Homogenization – Employee Efficiency – Phenomenal Impact – Competitiveness.

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INTRODUCTION

Globalization was defined by Giddens as the 'intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring miles away and vice versa'. This definition embodies some interrelated ideas, of "accelerating interdependence" of "action at a distance" and of "time-space compression" according to Harvey. 'Accelerating interdependence' is understood to be the growing intensity of international enmeshment among national economies and societies, such that developments in one country impacts directly on another country. 'Time space compression' refers to the manner in which globalization appears to shrink geographical distance and time. In a world of near instantaneous communication, distance and time no longer seem to be major constraints on patterns of human organization and interaction. Globalization is leading to homogenization and convergence in organizations' strategies, structures and processes and in consumer choice, along with a new global division of labor that

widens the income gap between the 'haves' and 'have not' both within and between societies.

Today's world is organized by accelerating globalization, 'which is strengthening the dominance of a world capitalist economic system, supplanting the primacy of the nation state with transnational corporations and organizations, and eroding local cultures and traditions through a global culture. From the social theory perspective, globalization involves the flows of commodities, capital, technology, ideas, forms of culture and people across national boundaries via a global networked society. The transmutations of technology and capital, work together to create a new globalized and interconnected world

GLOBALIZATION AND OUTSOURCING

As a result of globalization, the employed workforce is made up of part time, temporary, freelance, or independent contractors and is growing. According to Clot, the basic idea about outsourcing is that if a firm does not specialize in a certain function which it does

not consider core, it will outsource the work and therefore be able to offer better cost and quality.

Global outsourcing has altered the work in companies. Initially outsourcing was only done for the peripheral services such as janitorial services, but now outsourcing has been extended even to the core functions such as final product assembly, customer service, financial services and technological services. The service sector comprises three different sorts of work: highly skilled, 'professional' and 'knowledge work'. The other group is the traditional professions which include, semi skilled workers who comprise of routine back office work which is heavily reliant on operating IT packages (for example call centre work, data inputting in financial services). The last category is the semi or low-skilled front line customer or client facing work (for example, holiday reps, care workers, hairdressers) which involves a high level of personal skills and emotional labor.

OUTSOURCING AND MIGRATION

Migration is defined as, "the temporary or permanent movement of persons between countries to pursue employment or education (or both) or to escape adverse political climates" (Goldin and Reinert, 2007). It is to note that migration causes brain drain, which is the loss of educated and highly skilled citizens to other countries.

NASSCOM HR Survey Report 2011

The tremendous growth of the BPO industry in India over the past 5 or 6 years was the main highlight of the NASSCOM HR latest survey report that was published recently. The findings of the report indicated the changing trends in the industry and threw light on the key workforce categories and employee orientations of the field.

Employee Benefits offered to Outsourcing Employees

On the employee development schemes it was found that around 90 per cent of the BPO companies were providing certification programmes for their employees and of these around 80% were offered as internal training and certification programmes. 70% of the companies surveyed claimed that they offered sponsorship for higher education to their employees. The job prospects in this sector is poised for rapid strides as per the report and it was found that almost every company engaged in this segment is planning to increase its employee head count by 10% this year (2011).

Outsourcing Company Rankings

On the company rating and ranking scales the salt to software business conglomerate Tata group's IT offering TCS was ranked No 1 in recruiting. TCS was

closely followed on its heels by Infosys and Wipro who occupied the 2 and 3 spots in the ranking.

| NASSCOM TOP 20 BPO EMPLOYERS IN INDIA FY 2010-11 | |
|--|--|
| Rank | Company |
| 1 | Tata Consultancy Services Ltd. |
| 2 | Infosys Limited |
| 3 | Wipro Technologies Ltd. |
| 4 | Cognizant Technology Solutions India Pvt. Ltd. |
| 5 | HCL Technologies Ltd |
| 6 | Mphasis Ltd |
| 7 | Genpact Ltd |
| 8 | Capgemini India Pvt. Ltd. |
| 9 | Tech Mahindra Ltd1 |
| 10 | Aegis Limited |
| 11 | Mahindra Satyam1 |
| 12 | Intelenet Global Services Ltd* |
| 13 | Firstsource Solutions Ltd* |
| 14 | CSC, India |
| 15 | WNS Global Services (P) Ltd* |
| 16 | Syntel Ltd |
| 17 | Patni Computer Systems Limited2 |
| 18 | Hindulja Global Solutions Ltd* |
| 19 | Exl Service.com (India) Pvt Ltd* |
| 20 | L&T Infotech |

Several foreign giants like IBM and Accenture stayed away from the survey in order to avoid criticism for outsourcing work outside their parent countries which they are currently facing on a big scale thanks to the remarks made by the US President himself.

CONCLUSION

Globalization has its positive side as well as its negative side. It affects the economic dimensions; that is trade, finance, aid, migration and ideas. Increases in these dimensions of globalization, if managed in a way that supports development in all countries, can help alleviate global poverty under certain conditions. However as much as globalization is said to lead to job creation, the jobs created are not as good as those lost in the formal sectors. Again due to high competition in the informal sector the survival rate of firms is low, making jobs in these sectors insecure. The challenge for any developing country as a result of migration is the growth of skilled labor pools. This is a challenge due to the income differentials between the developed and the developing countries. The global labor market is increasingly integrated for the high-skilled corporate executives, scientists, entertainers and many others who form the global professional elite who have high mobility and wages. Again globalization has led to cut throat competition which means that organizations have had to manage their performance very strictly in order to survive. It is from this backdrop that organizations in developing countries.

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