A Longitudinal Case-Study Examination of HRM Practices in High-Performing Work Organisations in the Indian HRO/BPO Industry

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Abstract

This research is concerned with the Human Resource contribution to High Performance Work Systems in High Performing Human Resource Offshoring and Business Process Offshoring organisations in India. Indian Business Process Offshoring organisations offer knowledge intensive services dependent on human resources for delivery. Technology underpins the delivery of services and processes; however, the employees of Human Resource Offshoring Business Process Offshoring are central to organisational resources and represent a cornerstone for value creation. The management of Human Resources is therefore central to overall performance and success. There is a lack of research on High Performance Work Systems strategies adopted and adapted by successful Indian firms in this sector. This study bridges this gap through an empirical longitudinal study.

Methodologically, longitudinal qualitative reflexive case-study examinations have been rare in management and organisation research. Previous studies have concentrated on being ‘snap-shot’ whereas this study’s longitudinal nature enabled a more holistic and contextualised view of the Human Resources processes. Fieldwork was conducted in three phases, (ten visits) over five years. Data gathering methods included interviews and focus groups. A longitudinal reflexive research methodology using inductive and deductive approaches was utilised via an innovative and robust combination of ‘template’ ‘processual’ and ‘systematic’ analysis.

Findings suggest a complex, global, networked and dynamic business context, wherein Human Resource Management is understood and enacted in different forms, characterised by 'shape-shifting', a dynamic 'entanglement' of problem-solving and strategic adoptive and adaptive approaches to attrition and performance.

Phase 1 of the research witnessed attrition anxiety drive both a focus on employer branding and perceived sophisticated Human Resources. In Phase 2, an 'attrition-centric' approach that integrated both employer branding and other Human Resources practices took hold and in Phase 3 a distinctive blend/bundles of attrition-centric Human Resources and employer branding emerged. Influences were seen to include the complexities of life cycle, leadership ambitions, economic and market fluctuations, cultural, social, socio-cultural, national, sub-national and institutional contexts. Theoretically, this phenomenon suggested a unique Human Resource Management-performance link in the Indian Business Process Offshoring industry and was grounded and premised on the ‘evolutionary resource-based view’, as an alternative to the traditional human capital versus resource-based view. This idiosyncratic theoretical form is supported by six identified dimensions including tacit knowledge, the knowledge based view, resource dependency, core competencies and core-related specificity, casual ambiguity, and social complexity, thus contributing to academic knowledge.
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Declaration

Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.
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Thesis Dissemination

Presented a poster on two models developed on: ‘The evolution and drivers of Business and Human Resource Offshoring (BPO/HRO)’ at the PBS Annual Research Conference, University of Portsmouth (UoP) - July 2007.


Presented a paper titled ‘Longitudinal Qualitative Research- Analysing Change Through Time: Discussions and Reflections’, Portsmouth Business School 6th Annual Research & Knowledge Transfer Conference, 8th June 2010


Paper titled 'Analysing 'change through time': A longitudinal study of HRM in three Indian operating case-study organisations - headquartered in US, UK and India' presented on 8th September 2010 at British Sociological Association’s (BSA)- Work, Employment and Society (WES) Conference 2010- University of Brighton.


Paper presented at the 2nd Indian Academy of Management (IAoM) Titled ‘HPWS in two Indian Public Sector Undertakings’ – held at Indian Institute of Management (IIM) Bangalore, India, 18-20 December 2011


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Chapter 1: Introduction

1. Rationale
This research is concerned with the human resource (HR) contribution to high performance work systems (HPWS) in successful HR offshoring (HRO) and business process offshoring (BPO) organisations in India. The thesis adds to research into human resource management (HRM) in India generally and into the HRO/BPO sector specifically, by focusing on the HRO ‘niche’, making use of longitudinal case study data covering six locations over a five-year period. It thus contributes to the debate about the theoretical basis of HRO strategies with implications for strategic level decision-makers, and examines the extent to which transaction cost economics (TCE) and resource based view (RBV) explanations of HR practices were evident. The argument developed here is that HR practices at the three organisations, over time, showed evidence of longer-term developmental activities appropriate for organisations that are developing, or have the potential to develop, synergistic HRO relationships contributing to resource complementarities with clients, in the form of an evolutionary resource-based approach (Mueller, 1996). This idiosyncratic approach highlights the role of both individual employees (as units of human capital) and the HRM system. Moreover, effective resource mobility barriers existed, so that skills and competencies were held and developed longitudinally within the organisational system. These arguments fitted with the findings from this study and the data indicated six dimensions that support an evolutionary RBV interpretation. The six dimensions included tacit knowledge, the knowledge based view, resource dependency, core competencies and core related specificity, casual ambiguity, and social complexity.

The complex, interlinked processes inadequately captured within the term globalisation have intensely local manifestations. The global and the local are coeval, imbricate contexts where contradictory and similar processes coexist and conflict. One context where this complex dynamic is played out is the Indian BPO industry. Globalisation has transformed the way business and work is conducted. The increased use of offshore outsourcing or ‘offshoring’ has meant stakeholders are affected by work being carried out in geographically different global locations. This
trend has changed global employment patterns with management implications and consequences. Over recent years India has become a major location for BPO and ‘information technology enabled services’ (ITeS) work, attracting both relatively low skill transactional work, and high skilled ‘professional’ work. There is increased interest in the phenomenon from academics, researchers and practitioners who want to understand these new trends and their implications. Relatively little research on offshoring and outsourcing has investigated the phenomenon’s consequences and implications for human resource management strategies and practices, particularly for the firms supplying these services. This thesis explores the balance between ‘indigenous’ and ‘novel’ management practices, and examines whether ‘best-practice’ policies are adopted in this industry.

The growth of the Indian economy, especially the growth in Indian firms and their resources are salient issues in the current environment (Cappelli, Singh, Singh, and Useem, 2010; Kumar, Mohapatra, & Chandrasekhar, 2009). Arguably the greatest area of growth in this respect is in the BPO industry which was worth $69.4 billion in 2009. In 2012 it accounted for almost 7.5% of India’s GDP and employed close to 2.2 million people (NASSCOM, 2012). However, for established firms, the outsourcing of business processes carries a number of potential risks (Earle, 1996; Aron & Singh, 2005; Aubert, Patry & Rivard, 1998; Hoecht & Trott, 2006). These include unsuccessful outsourcing experiences in which suppliers fail to meet expected service levels and/or deliver the expected cost savings. Therefore for younger Indian HRO/BPO firms the development of sustainability is a key issue in order to compete with more established firms, particularly those originating in or associated with countries that have a more established reputation in HRO/BPO service delivery, and grow their success at an international level. Several Indian organisations are now well known globally and hence it is imperative for them to sustain this and remain competitive.

A feature of the Indian BPO industry is its rapid rate of expansion. However, it is less clear to what extent, and how, HR management practices of such firms have developed and fluctuated over time. In particular, the consequences and implications for HR management practices in such firms of the 2008 recession, where impact on Western countries may have led to increased incidence of offshore work, is under-
researched. Additionally, the political, social, technological and legal influences on the offshoring process have received scant attention. This thesis provides a more holistic and contextualised examination of the HR processes to “unbundle” the complexities and intricacies accompanying HPWS in Indian HRO/BPO organisations.

As a prime destination for outsourced work, India is a critical case for research into HRO/BPO. Lahiri, Kedia and Mukherjee (2012) state several reasons for investigating the Indian BPO industry. First, India remains the top choice among various offshoring destinations for western client firms (Luo, Zheng & Jayaraman, 2010 and Zaheer, Lamin & Subramani, 2009). Second, the Indian BPO industry has evolved from low value-added services (e.g. call centres) to high value-added knowledge-based services. Finally, as one of the world's largest and most dynamic economies, India-based studies add value to the overall understanding of the global business environment. It is in this context then, that the nature of the Indian BPO sector is an ideal research area, with its challenges of servicing rapid growth, building long-term sustainability, advancing up the value-chain of provided services and coping with skills shortages, attrition and the considerable fluidity in the global business models being pursued by firms.

In terms of HR research, some studies of Indian call centres and BPO organisations have highlighted the prevalence of formal, structured and rationalised human resource management (HRM) systems (Budhwar, Luthar & Bhatnagar, 2006; Budhwar, Varma, Singh & Dhar, 2006), with some evidence of innovative practices in ‘high-end’ services (Raman, Bhudhwar & Balasuramanian, 2007). The rapid growth of the outsourcing industry has resulted in both high turnover and skill shortages, as employers compete for a restricted segment of the labour force and have been forced to consider new types of response (Kuruvilla & Ranganathan 2010). Moreover according to Budhwar (2012:2515), there are Indian “country specific headquarters (CSHQs) (also called India headquarters or India centres)” which have complete HR departments dedicated mainly to their Indian operations. Budhwar (2012) asserts that these HR departments have complete autonomy from their organisational and country head-quarters, not because they are capable of being ‘centres of excellence’, but because of the differentiations, complexities and
uniqueness of the nature of Indian business operations. Such findings and situations raise particularly interesting questions about the nature of these HRM practices within those firms that seek to offer remote services to external clients. Not many studies have enquired into what ‘bundles’ of high performance work systems (HPWS) strategies (e.g. Huselid & Becker, 2011) these organisations adapt in order to be competitive and sustainable businesses.

Similarly, the literature informing people management practices in multinationals in different national contexts has been well documented (Dowling, Festing & Engle, 2008; Ferne, 2009), both from the US (Briscoe, Schuler, & Claus, 2008) as well as the European perspective (Dickmann, Brewster & Sparrow, 2008; Brewster, Sparrow, & Harris. 2005). Emerging economies, such as Brazil, Russia, India and China, (collectively known as the BRIC economies), have been at the centre of research and their multinationals are being investigated through theoretical lenses encompassing strategy, location choice, market entry mode, marketing strategies, internationalisation process, etc. (e.g., Wright, Gardner, Moynihan & Allen, 2005; Buckley, Clegg, Cross, Liu, Voss, & Zheng, 2007; Demirbag, Tatoglu, & Glaister, 2009; Luo & Tung, 2007; and Mathews, 2006). However, there is insufficient knowledge of the HRM practices surrounding these new challengers and a “need for a broader geographical base to our understanding of IHRM” (Brewster et al., 2008:206). As a feature of sustained performance, emerging market multinational enterprise (MNE) HRM policies and practices play crucial roles in helping facilitate reverse knowledge transfer to emerging market multinationals’ other subsidiaries and in the success of the firm in diverse cultural environments. This research offers a longitudinal study on HRM practices in three case study organisations, including an Indian multi-national corporation (MNC), one of a growing list of ‘India’s global powerhouses (Kumar et al., 2009), and two ‘microMulti-National Corporations’ (mMNCs) (Prashantham, 2011), one UK headquartered, operating in a niche market and providing niche services and the other US headquartered, and one of the first rural BPOs in India. It thus aims to fill this void and add new knowledge in this area.

In terms of the HRM-firm performance link, HPWS literature and research focuses mostly on manufacturing, with less on the service sector (Huselid & Becker,
2011). Scant attention has been paid to HPWS especially in the knowledge industry such as the HRO/BPO/KPO/HRO/RPO sector. In addition, most research on HPWS has been “UK and US centric” (Delbridge, Hauptmeier & Sengupta, 2011:488) and most studies of HPWS are quantitative, statistical and involve large industry-wide surveys, with a continued call for qualitative in-depth case-studies (e.g. Becker & Gerhart, 1996; Guest, 2011). The research literature also lacks ‘longitudinal’ evidence (e.g. Luthans & Slocum, 2011:405; Guest, 2011:9). Little is known about the triggers for HPWS; the role of HR and HR professionals in implementation of HPWP (Glover & Butler, 2012) and the role/influence of senior management/leadership/line in HPWP/S, all of which are addressed in this thesis.

In addition, this thesis contributes a longitudinal multi-case industry-wide study to enable a longitudinal investigation into the relationships between HR strategy and competitive advantage focusing on leadership/senior management experiences alongside HR managers’ views and the ‘employee voice’. This research contributes an examination of the way in which Indian organisations adapt Western HPWS for their own use (de Waal and Frijns, 2011; Delbridge et al., 2011; Deshpande, Alakh, Karan & Sakar, 2004) and the organisational consequences over time.

The principle and guiding aim of this research is to examine the factors that influence the way HR practices in the form of high performing work practices, change over time to sustain high performance in Indian offshore service providers.

In what follows, first, the research setting and then the research questions, through relevant theoretical lenses are set out, after which, the structure of the remaining thesis follows.

1.1 The Research Setting
India is regarded as the world’s second largest growing economy after China (Budhwar & Varma, 2010; 2011) and is the setting for this research. This section introduces key features of this context.
1.1.1 The Indian HRO/BPO Industry

In India, Information and Communication Technology (ICT) is the fastest growing segment of the economy, both in terms of production and exports. With complete de-licensing of the electronics industry (with the exception of aerospace and defence electronics), and liberalisation of foreign investment and export-import policies, this sector attracts significant attention from international companies, who see it not only as an enormous market but also as a potential production base. The Indian IT sector has also been relatively resilient during the current global financial downturn. In 2012, the overall Indian HRO/BPO revenue aggregate revenues exceeded USD 100 billion, with exports at USD 69 billion by the end of the fiscal year 2011-12 (NASSCOM, 2012). The Indian industry’s performance was marked by sustained revenue growth, steady expansion into newer services, increased geographic penetration, and an unprecedented rise in investments by MNCs, despite growing concerns about gaps in talent and infrastructure impacting cost competitiveness. NASSCOM (2012) further reported that as a proportion of national GDP, the IT sector revenues have grown from 1.2 per cent in the financial year 1998 to an estimated 7.5 per cent in 2012. Thus, the Indian HRO/BPO sector has shown itself to be building a strong reputation in terms of high standards of service quality and information security. The industry also continues to portray its drive to set global benchmarks in quality and information security through a combination of provider and industry-level initiatives and, in strengthening the overall frameworks, creating greater awareness and facilitating wider adoption of standards and best practices. Within the broad-based industry structure, IT is led by large Indian firms and BPO by a mix of Indian and MNC third-party providers and captives, and this reflects the supply-base. Whilst the larger players continue to lead growth, gradually increasing their share in the industry aggregate; several high-performing small and medium enterprises (SMEs) also stand out. In 2012, India led the world in terms of the number of quality certifications achieved by centres in any single country (NASSCOM, 2012). The US and the UK remain the key markets for Indian HRO/BPO exports (excluding hardware), accounting for nearly 80 per cent of total exports and the largest share of worldwide technology spends. In terms of global standing and competition, Indian business process outsourcing (BPO) providers have proved to be stiff competition for western BPO providers, Gartner Inc. (2008).
reporting that by the end of 2008, India’s top twenty BPO vendors accounted for 5 per cent of the top 150’s $80 billion revenue.

1.1.2 HRM in India
This section will briefly introduce relevant strands of the literature on HRM in India; a more detailed discussion is developed in the literature review later in the thesis. To put the various regions in India into perspective, a map of India is depicted below (Figure 1.1):

![Map of India](https://via.placeholder.com/150)

**Figure 1.1 Map of India**

Given the importance of India in the global economy (Budhwar, 2001; Budhwar & Varma, 2010a,b; Kumar et al., 2009, Nilekani, 2009), scholarly literature available on human resource management (HRM) in India is surprisingly scarce; and hence “a comprehensive picture of HRM in the Indian context is lacking” (Pio, 2007:320). This study contributes to this foundation literature in a context where patterns of HR practices relating to recruitment and retention, training and development, reward, and the management of the employment relationship in
organisations in India have been subject to rapid change. International HRM practices have been ‘imported’ through the establishment of new business sectors supported by foreign direct investment (FDI) strategies (Budhwar & Baruch, 2003; Budhwar & Varma, 2010). At the same time, HRM and other features of management in India are distinct from practices in other Western developed countries (Cappelli et al., 2010; Chatterjee, 2007), thus suggesting that HR practices in India are culturally specific, particularly in the areas of pay, recruitment, employee communication and training and development (Budhwar & Khatri 2001). The social and economic context of India comprising numerous cultural norms, beliefs and values including respect for seniority, status and group affiliation (Biswas & Verma, 2007) mandates this approach.

However, the experience of HRM in BPO organisations in India may not reflect Indian HR traditions (Khandekar & Sharma, 2005, 2006) and research by Budhwar et al., (2006) has suggested that in this sector, which is a fast-growing and significant part of the economic infrastructure in major cities in India, formal, structured and rationalised HRM systems comparable with the call centre industry in other countries have been developed. This may have significant effects on the labour market beyond the BPO sector: attrition rates, for example which traditionally have been low in India (Singh, 2005; Taylor & Bain, 2005; Chatterjee, 2006) are found to be higher in its emergent business sectors such as information technology, BPO and financial services. HRO organisations, where they offer transactional services, are more likely to adopt HR practices in line with the call centre industry. However, should they be successful in developing their services to embrace business transformation services or ‘Knowledge Process Outsourcing’ (KPO), a range of different HR priorities may emerge (Raman et al., 2007).

Som (2007) presented several propositions regarding the adoption of strategic HRM (SHRM) in India. He proposed that national environment (extent of unionisation and sector characteristics, technological sophistication), organisational restructuring and ownership structure, legitimising driver (use of international consultants), organisational culture, and the role of HR department, have all influenced the adoption of SHRM in India. Strategic international HRM (SIHRM) researchers attempt to overcome the intricacies of interpreting the conceptual and
functional similarities of measures such as survey instruments (McGaughey, Iverson & Cieri, 1997) and need to address the many methodological problems innate in much of the existing international business literature (Cavusgil & Das, 1997; Nasif, Al-Daeaj, Ebrahimi & Thibodeaux, 1991). Furthermore, Cavusgil and Das (1997) note the need to address cross-cultural differences within India, noting, for example, that India has several official languages and numerous dialects.

Comparing HRM systems and practices between Western economies and India, Budhwar and Varma (2010a:347) point out, “...the Indian HRM system(s) is somewhat unstructured, and less formal, when compared to Western countries, though the gap is reducing rapidly”. Pio’s (2007:324) study also claims that in India the “HRM function is increasingly gaining importance with a cross fertilisation of ideas between East and West”. Rapid liberalisation of markets and global linkages has created the context for a changed outlook towards HR policies and practices in India (Budhwar & Bhatnagar, 2009; Budhwar & Singh 2007), but transposition of Western ideas is not straightforward. As a large country with numerous cultural norms and beliefs it is a challenge to examine the rationale of Western ideas of organisation in the changing social and economic scenario of Indian organisations (Biswas & Verma, 2007). So much so that “many of the modern western concepts and theories do not always work in practice because there is a mismatch between western management theories and the Indian culture and value system to which they are applied” (Jain, 1991:19). As a result HR practitioners are increasingly required to take a broader and more reflective view of HRM in India (Chatterjee, 2007) whereby many of the traditional Indian values (respect for seniority, status and group affiliation) are complemented by newer areas of attention that are more usually linked to globalisation, such as work quality, customer service and innovation (Chatterjee & Pearson, 2000). However there is a need to gain an overview of currently existing practices, and as the whole economy cannot be addressed, the emergent BPO/HRO sector is the focus of the study.

Some work has already been done in certain areas, such as studies into managerial implications, HR strategies, and practices. Studies have also critically discussed and argued the advantages and disadvantages for various actors within the employment relationships. For example, Babu (2004) describes BPO employees as
‘cyber coolies’, D’Cruz and Noronha (2006, 2008) talk about their ‘emotional labour’, ‘professionalism’ and attempts to unionise. Still others focus on thematic areas such as conditions of work, employee rights and transnational cultural issues (e.g. Mirchandani, 2004). Other studies, from a managerial perspective examine ‘best practices’, ‘indigenous practices’ (e.g. Budhwar & Varma, 2010) and ‘strategic practices’ (Som, 2008), alongside ‘internal marketing’ strategies employed by some organisations (Budhwar, Varma, Malhotra, & Mukherjee, 2009). A few have tried to compare Indian and Western practices (e.g. Taylor & Bain, 2004; Russell & Thite, 2009). Challenging and pressing issues such as attrition and retention have often been highlighted and featured (Russell & Thite, 2009; Budhwar & Varma, 2011; Das, Nadialath & Mohan, 2012), amongst the issues, changes and evolution of employment relations in this pivotal industry in India (Kuruvilla & Ranganathan, 2010; Bhattacharya & Ackers, 2010).

1.2 Research Aims and Questions

Theoretically the point of departure in the context of this research is the need to explain the decision to both initiate and sustain offshored provision of business services. One explanation is provided by transaction cost economics (TCE) theory (Williamson, 1975, 1985), which argues that transaction costs are all those costs that are incurred by a firm in operating in an economic system. TCE has been used to explain the entry mode strategies, foreign expansion, diversification, performance and forward-backward integration of the firm (Meyer, 2001, North, 1992, Anderson & Gatignon, 1986). In the internationalisation process, the firm comes across many types of external transaction costs such as that of coordinating activities in geographically and culturally distant home and host countries. Both TCE (Williamson, 1975, 1985) and internalisation theory (Buckley & Casson, 1976) share the view that the existence of external transaction costs deters the internationalisation of the firm. Further, these costs are external, imposed by the environment where the firm operates and thus, out of its control. Therefore, according to Tate and Ellram, (2009:2) “in the context of TCE, if firms that offshore outsourc services perceive the offshore outsourced market to be more efficient, we would expect offshore outsourcing to grow”. A detailed discussion on TCE follows in the literature review chapters.
However, to maintain sustainability over time, offshored business providers in India need to demonstrate sustained high performance to meet and exceed customer expectations. Hence, the argument of this thesis is that, whilst technology underpins the delivery of services and processes, the employees of BPOs are central to service offering and quality, and represent a cornerstone for value creation.

As a result, a second theoretical lens applied in this thesis relates to high performing work systems. Little consensus about the definition of HPWS is evident in the literature (Heffernan, Elood & Lui, 2011:295). HPWS are work systems that are variously promoted as “using a variety of complementary new work practices (HPWP). Interest in HPWS has emerged in the last two decades worldwide” (Bae, Chuma, Kato, Kim, & Ohashi, 2011:2) as people management and employment practices have been accepted as a critical part of practices in high performing work organisations (HPWO) and have been identified as high performance work practices (HPWP) (e.g. Bohlander & Snell 2007; Boxall & Macky 2009, Boxall & Purcell 2003; Guest, 2011; Tregaskis, Daniels, Glover, Butler & Meyer, 2012).

Much of the literature about HPWS is based on normative characteristic. There is scant research to assess causal relationships between variables that are assumed to predict high performance and little is known about the relationship between the different factors.

Most HPWS accounts are grounded in assumptions derived from human capital theory and/or the resource based view of the firm (RBV) theory. Human capital theory suggests that within a firm, the knowledge, skills and attributes of employees make an important contribution to performance and add economic value. The resource based view (RBV) suggests that a firm’s HRM resources such as its infrastructure, processes, and HR and people management systems are the variables that generate value and contribute to its performance. An on-going - and so far unresolved - debate is whether concentration on people as assets (human capital) or on people related systemic practices, processes and systems (RBV) has the greater explanatory value. From a longitudinal viewpoint this argument is taken further through Mueller’s (1996) evolutionary RBV ((e)RBV), which posits that this form of strategic HRM can lead to a competitive advantage for the firm, on the condition that
effective resource mobility barriers exist. This argument forms the backdrop for this thesis and is further elaborated below.

Human capital is defined as “… the individual’s capabilities, knowledge, skills and experience of the company’s employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills, and experience through individual learning” (Dess & Picken 2000:8). Human capital theory relies on the assumption that “there is no substitute for knowledge and learning, creativity and innovation, competencies and capabilities; and that they need to be relentlessly pursued and focused on the firm’s environmental context and competitive logic” (Rastogi, 2000:196). There is a large evolving body of research that shows a positive linkage between the development of human capital and overall firm performance (e.g. Itami 1987; Lepak & Snell, 1999; 2002; Dess & Picken 2000; Rastogi, 2000). The importance of human capital in firms hence reflects the view that market value is increasingly predicated on intangible areas, such as human resources and less dependent on tangible resources, such as technology or finance. The firm thus has to leverage the skills and capabilities of its employees by encouraging individual and organisational learning and creating a supportive environment in which knowledge can be created, shared and applied. The RBV theory on the other hand, assumes the importance of building a valuable set of people processes and bundling them together in unique and dynamic ways to develop a firm’s success. With this approach, competitive advantage depends on the valuable, rare, and hard-to-imitate people resources that reside within an organisation, rather than developing technological or structural resources that are easier to imitate. Human capital in a real sense is thus an ‘invisible asset’ (Itami, 1987). The importance to the strategic aims of the organisation of the human capital pool (the collection of employee capabilities such as knowledge, skill and attributes), and how it is managed through HR processes (its organisational resources) then becomes apparent.

Lepak and Snell (1999) attempt a synthesis of TCE, IHC and RBV theories, which is used as a basis to explain the theoretical grounding in this thesis. They argue that not all employees possess knowledge and skills of equal strategic importance. Drawing on the three theories, they develop a ‘human-resource
architecture’ model comprising four different employment modes: internal development, acquisition, contracting, and alliance. Although grounded in HC theory, TCE and RBV assumptions also influence the ‘make or buy’ decisions (Miles & Snow, 1984), associated with business development. Lepak and Snell, (1999) identify these decisions as either ‘internalisation’ or ‘externalisation’ of a firm’s human capital. However, they caution that these decisions would not be either/or, but rather complex and multifaceted. Within the first, internal development, a firm develops, invests and builds upon existing employees’ skills, knowledge and attributes. The second, acquisition, is when a firm requires certain skills, knowledge and attributes unavailable internally so it has to ‘acquire’ them. The third, contracting, is linked to outsourcing, where a firm outsources work to an eternal agency or organisation. The fourth, alliance, is similar to a collaboration between two firms, where mutually beneficial synergies are exploited. In the context of this research, the third mode of Lepak and Snell’s (1999) architecture, contracting, is of significance. Thus, the RBV perspective considers “whether certain resources or capabilities contribute to a firm’s competitive advantage. It is argued that if enhanced capabilities are experienced in offshore outsourcing, we would expect offshore outsourcing to proliferate” (Tate et al., 2009:2).

The following figure depicts the theoretical strands discussed and the inter-linkages:

![Diagram](image)

**Figure 1:2 Theoretical Strands and Inter-linkages**

As seen above, these theories are general explanations of high performance (of people and firms) in work organisations. These are generated from the perspective and evidence base of employing organisations in Western developed economies and scant attention has thus far been paid to the issues in developing, dynamic and changing economies such as India. This thesis sets out to examine the extent to which these theories explain sustained high performance in the dynamic context of
the Indian BPO sector. It contributes a unique longitudinal and comparative analysis of HRM strategies adapted in this economically important BPO/HRO industry in India, capturing ‘change over time’. In addition, it adds a new perspective by assessing HRM and high performance in organisations outside of the developed economies.

As indicated already, the principle and guiding aim of this research is to examine what factors influence the way HR practices in the form of high performing work practices, change over time to sustain high performance in Indian offshore service providers. Based on the above rationale, discussion of theories, and research aims, the thesis addresses the following research questions:

1. What bundles of HR practices constitute HPWS in the Indian BPO industry and how have these varied over time?
2. What are the sustainable country-specific (Indianised) HRM features that affect high performance in Indian BPO organisations?
3. To what extent and in what ways do TCE, Human Capital and RBV theories explain the achievement of sustained high performance in the Indian BPO industry?

1.3 Structure of the Thesis

The chapters that follow examine the literature on business process offshoring (BPO), HR offshoring (HRO), and HRM-firm performance. The first of the literature review chapters discusses the trend of ‘Global Offshore Outsourcing’ and utilises the principal theories of transaction cost economics (TCE) theory, resource and knowledge based views of the firm (RBV/KBV), and human capital (HC) theory to establish key conceptual issues that form the basis for this thesis.

A second literature review chapter focuses on ‘The role of HRM in Firm Performance and Change’. It begins by discussing the different types of HRM practices within international HRM and the role of HR in employee attraction, selection and attrition and the role of HRM in helping firms gain greater productivity. In addition, the literature on those HPWS which form an important basis of this research is also examined. In doing so, this chapter identifies the six a priori themes which are career management, human capital development,
management styles, employee focus, performance management, and role of HR. The latter part of this chapter discusses the qualitative research conducted in the area of high performance, as this research would be a qualitative study. In summary, a conceptual framework which utilises TCE, RBV and Human Capital theories is established, on which the thesis is based.

Chapter 4 is the methodology chapter, which outlines the ontological, epistemological and methodological stance of the research, the research design, and case study method. It then discusses the longitudinal data collection methods and the unique design of data analysis, including template, processual and systematic approaches.

Chapter 5 relates to the HRM role and practices in the three case study organisations. Here findings are discussed through historical, ‘events’ and ‘features’ of the longitudinal research, drawn from the three case study organisations’ six locations (two each), across three phases, covering ten visits, over the five years from 2006-2010.

Chapter 6 presents data relating to HR strategy and performance outcomes for the three case studies. This chapter combines template, processual and systematic approaches to data analysis. The analysis starts with six broad first level a priori themes, derived from the literature and conceptual framework established, prior to commencement of fieldwork. It then moves on to identify twenty-one second level a priori subthemes, from the data over the first phase of the research. These are then expanded to ninety-three emergent themes, from the data over the second and third phases. Thereafter, these are filtered and distilled through a further level of inductive analysis and these overlapping clusters are combined to form two discussion areas or topics.

Chapters 7 and 8 offer an analysis of the development of sophisticated HRM and attrition-centric and employer branding HRM strategies which emerge as prevalent in the data. This analysis offers new insights and challenges to understanding and explaining HPWS through the theoretical ‘lenses’ of evolutionary-RBV and HC theories. More specifically, Chapter 7 discusses research questions 1 and 3, whilst Chapter 8 discusses research question 2.
Chapter 9 concludes through sections encompassing the methodological, academic knowledge and practical (managerial) contributions of the thesis, its limitations and achievement of individual research questions, ethical considerations, reflections, and concluding statements.
Chapter 2 : Global Offshore Outsourcing

2. Introduction

The main arguments in this chapter are as follows. TCE explains the initial motivation for organisations to offshore services to India. This is coupled with high expectations of outsourcing firms when they offshore to the Indian BPO/HRO industry. However, it is not sufficient to explain why offshoring arrangements are sustained over the long term, as evidence here is scant. RBV and HC theories offer additional insights about the sources of, and strategies associated with, sustained performance levels required for BPO business relationships. In the context of the Indian BPO industry, which is highly dependent on its skilled labour force, both theories highlight the importance of HR practices. However, little attention has been paid to the ways in which different employment contexts may mediate in the relationship between HR and sustained high performance over time.

Based on the above arguments, this chapter examines the phenomenon of ‘global offshore outsourcing’. In doing so it tracks the development of outsourcing/offshoring theories and practice in order to develop a background for the research. Key drivers of outsourcing/offshoring activities and its growth are then examined. This chapter also examines how global sourcing is distributed over workers and firms, over time and across countries. The research is premised on the trend for HR functions, or some sub-functions, to be outsourced (Clott, 2004). HR professionals have adopted a circumspect view of the capacity of outsourcing to simultaneously deliver reduced people costs and improved business process delivery, through HRO, something which is considered in this chapter. In the context of debates about HR outsourcing and offshoring, this thesis aims to provide an empirical insight into the various HRM strategies employed by high performing HRO organisations. It concludes, by looking at the research gaps identified by various authors within the literature, and formulating a research framework.

Thus, this chapter provides a basis for the conceptual framework which guides the research. Utilising three relevant theoretical concepts, i.e. the transaction cost
economics theory, the resource based view of the firm, and human capital theory, it is possible to develop a framework to examine HRM and firm performance within Indian BPO/HRO organisations. This process is further built upon in the next literature review chapter.

2.1 Business Process Outsourcing, Offshoring and Offshore or Global Outsourcing

Contractor, Kumar, Kundu and Pedersen (2010:1418) contend that it is necessary to “...treat outsourcing and offshoring as two outcomes of the same strategic drivers that force companies to reconsider the configuration of their activities”. In this thesis the definitions offered by Kehal (2006) are adopted: work is “outsourced to vendors” and “offshored to another country”. He argues that outsourcing occurs across organisational borders, while offshoring is across geographical borders. Therefore, offshoring is where “the service provider is located in a country which is geographically far away from the client’s country”, also known as “offshore-sourcing” (Kehal, 2006:55). Offshoring thus occurs “where the service provider is located in a country that is different from the client’s country; this is also known as “global sourcing”” (Kehal, 2006:56). The following figure depicts and clarifies these terminologies and understanding.
Business process outsourcing or offshoring (BPO) is defined here following Lahiri, Kedia & Mukherjee, (2012), who quote Ray, Barney, and Muhanna’s (2004:24) definition of ‘business processes’ as “actions that firms engage in to accomplish some business purpose or objective. Thus, business processes can be thought of as the routines or activities that a firm develops in order to get something done...” Hence, BPO means the letting out of actions, routines or activities to external providers. Estimates suggest that the global market for BPO may reach US $975 billion by 2012 (BPO Watch, 2008).

Globalisation and economic liberalisation has prompted international business to encompass greater economic cross-border transfers that include partial and final goods and services, the exchange of knowledge and people, and various intermediate activities in the larger value chain. These “exchanges are outcomes of the disaggregation, relocation, and reintegration of activities and business processes across borders, also known as offshoring” (Jensen & Pedersen, 2011:352-353). In terms of firms’ value chains, Contractor et al. (2010:1417) have conceptualised that
global strategy amounts to the optimal disaggregation or slicing of the firm’s value chain into as many constituent pieces as organizationally and economically feasible. This is followed by decisions on how each slice should then be allocated geographically (relating to ‘offshoring’) and organizationally (relating to ‘outsourcing’). In this context, Mudambi and Venzin (2010:1510) argue that:

Offshoring and outsourcing are best analysed as aspects of the global disaggregation of the value chain and as attempts by firms to combine the comparative advantages of geographic locations with their own resources and competencies to maximize their competitive advantage. The interplay of comparative and competitive advantages determines the optimal location of value chain components (offshoring decisions) as well as the boundaries of the firm and the control strategy (outsourcing decisions).

In the context of the choice of offshoring locations, Jensen and Pedersen (2011:352-353) argue that previously India was depicted as ‘the back-office of the world’ and China as ‘the factory of the world’. However, evidence regarding the location choices of MNCs shows that the global offshoring strategies of firms do not necessarily adhere to these perceptions. Hence, Contractor et al., (2010:1417) further argue that both offshoring and outsourcing are treated as strategies that need to be ‘simultaneously analysed’. Their argument is that if just ‘core’ segments of the value chain are retained in-house, others could be optimally dispersed geographically, to ‘allies and contractors’. However, Hätönen and Eriksson (2009:146) contend that the definition of outsourcing can be viewed from both product and process perspectives. From the production perspective, outsourcing is the transfer of the production of goods or services that had previously been performed internally to an external party (Ellram & Billington, 2001:16). From the process perspective, outsourcing can be argued as turning over all or part of an organizational activity or process to an outside vendor (Barthélemy, 2003: 87). However, a further argument could be made wherein it is not only the production of goods and services that are outsourced to external parties, but additionally the responsibilities of management, development and continuous improvements of the activities (Hätönen & Eriksson, 2009:146). Thus the main argument here is the change of ‘ownership’ of a function that is paramount within outsourcing and this raises the issue of the implications of managing, developing and improving within this complexity. The next section looks
at the evolution of outsourcing and offshoring as an important context for this research.

2.1.1 The Development of Outsourcing/Offshoring

Strategies of outsourcing and offshoring have been prevalent since at least the 1980s (e.g., Reilly & Tamkin, 1996; Robinson & Kalakota, 2004). In tracking the ‘outsourcing revolution’, Corbett (2004) states that it is not a new phenomenon, but has more recently gathered momentum in terms of volume as well as the importance of the strategy to the overall success of firms. Hätönen and Eriksson (2009:143) identify three broad and overlapping, yet distinct phases: the eras of the ‘Big Bang’, the ‘Bandwagon’, and ‘Barrierless Organizations’. A similar classification had been made by Kedia and Lahiri (2007) who saw the development in terms of three generations - tactical, strategic and transformational. The first wave of outsourcing, often referred to by Harvard Business Review as one of the great management ideas of the past century (e.g., Sibbet, 1997) originates, Hätönen and Eriksson (2009) argue, from the way and intensity the outsourcing strategy gained popularity in what they refer to as the era of the ‘Big Bang’. Organisations first began outsourcing non-core business processes such as call centres and other service-oriented operations in the 1980s in an attempt to cut operational costs, develop efficient economic units and achieve profit maximisation. Hätönen and Eriksson (2009:144) thus contend that “outsourcing mainly occurred domestically and the relationships were managed in an arms-length manner, relying on contracts”.

Another argument made by Hätönen and Eriksson (2009) is that in the early 1990s outsourcing started gaining momentum as companies, prompted by others’ positive experiences, jumped on the ‘bandwagon’ (see Lacity & Hirschheim, 1993). This, Hätönen and Eriksson (2009:144) assert, “instigated a new era in the outsourcing history – the era of the Bandwagon”. It was during this time that Hamel and Prahalad (1990) suggested a new management approach to replace the strategic business unit (SBU) thinking, focused on concentration on ‘core competencies’, to achieve cost efficiency alongside seeking external skills, competences and knowledge to provide value to more complex and strategically important organizational processes. This era has also been termed as second generation ‘strategic outsourcing’ by Kedia and Lahiri (2007) (see also Alexander & Young,
1996b; Quinn & Hilmer, 1994). Thus, in contrast to traditional outsourcing (Big Bang era), more strategic functions were now being outsourced (bandwagon era) and hence ‘arms-length management’ of the offshoring relations became inadequate. This resulted in firms starting to build closer relationships with their vendors in offshored locations (Hätönen & Eriksson, 2009:144).

By the 2000s, outsourcing was no longer a competitive differentiator: the strategy was now global, encompassing ‘the global resource pool’ as it had become ‘available for all companies, regardless of their industry, geographical location or the size of the company’ (Hätönen & Eriksson, 2009). This led to the current phase in outsourcing, the era of Barrierless Organizations, or Kedia and Lahiri’s (2007) third generation of ‘transformational outsourcing’ whose main motive was to achieve structures suitable for a virtual firm. Having discussed the development, attention is now turned towards discussing the growth of offshoring in the next section.

### 2.1.2 The Growth of Offshoring or Global Outsourcing

As global outsourcing strategies have matured, they have received considerable coverage in the popular and business press (Buss, 1995; Casale, 1996; Sharpe, 1997; Corbett, 1999; Clott, 2004) but less attention in the empirical, academic literature. Numerous studies portray the strategic benefits of global outsourcing for firms as a means to reduce costs, improve asset efficiency, and increase profits (Quinn, 1997) whereas criticisms have been almost exclusively in the areas of changing employment patterns, globalisation of the labour force and its effects on individuals and organisations. Drucker (1998) terms ‘outsourcing’ as one of the greatest organisational and industry structure shifts of the century, with the potential to transform the way businesses operate. Others focus on the effects of organisational design and the shift from vertically integrated structures into “virtual organisations” which transform existing fixed structures into variable-cost ones where expenses can move up or down as the business climate dictates (Garr, 2001). The next section discusses the drivers for offshoring.

### 2.1.3 Drivers of Offshoring

On the face of it, examination of outsourcing and offshoring would suggest cost reduction as a main driver. However, especially in recent years, two other strategy
motivators have gained significance. The first, knowledge accessing, comes about because with the growing complexity of products and services, even the largest companies no longer have all the diverse components of knowledge within their own organization or personnel, to be competitive in research, production, and marketing. The second, relocation of operations abroad, helps the MNC to better understand and exploit foreign markets. Contractor et al., (2010) contend that these three drivers for outsourcing and offshoring can be linked to Dunning’s (1993) three strategic needs for organisations, i.e., efficiency, exploration and exploitation. Hence, it would seem that the first driver, cost reduction, would lead to ‘efficiency’; the second, access to knowledge and talented people, to ‘exploration’; and the third, development of foreign markets, to ‘exploitation’. They argue that the traditional theory lenses, such as transaction costs, resource based theory or Dunning’s (1993) OLI (ownership, location, and internalisation) paradigm for FDI, are inadequate to fully explain or capture the nuances of recent strategic thinking with regards to offshoring and outsourcing decisions (also emphasised by Doh, 2005 among others). A “...reconsideration of the nature of the firm that captures the more dynamic configurational aspects of the firm”, they argue, (Contractor et al., 2010:1418), would further advance the re-conceptualisation of the firm based on these recent trends and in so doing stimulate much needed theoretical development. Thus, Lahiri et al., (2012) argue that although cost savings remain the major inspiration for initiation of BPO moves, other advantages accrue to the clients as well, e.g., increased focus on core business activities, added flexibility of business operations, greater risk spreading, and reduced time to market (Kedia & Mukherjee, 2009; Luo et al., 2010). Thus, one stream of academic literature shares the popular perspective that the primary objective of offshoring is cost minimisation through the relocation of business processes to low-wage locations (Bock, 2008; Farrell, 2005; Grote & Täube, 2007). Another views offshoring as a more general location strategy that incorporates cost minimization and knowledge seeking (Demirbag & Glaister, 2010; Kedia & Lahiri, 2007; Lewin, Massini & Peeters, 2009; Maskell, Pedersen, Petersen & Dick-Nielsen, 2007).

Almond (2011b:535) contends that “individual firms, and individual units within large firms, reduce themselves to their core competencies, with important
parts of their productive systems located outside the firm, as well as being spatially dispersed”. The common drivers he identifies for this strategy are technology, growing market power of developing countries, and considerations of ‘shareholder value’ (see also Herrigel & Zeitlin, 2010).

Since this research is concerned with the Indian HRO industry (part of the wider BPO industry), the following section provides a discussion on this concept, the extent, and categorisation of HRO.

2.1.4 Human Resource Outsourcing/Offshoring (HRO)

Is HRO different to BPO? HRO is generally considered a part of the wider BPO paradigm, as discussed below. Lepak, Bartol and Erhardt (2005:140) argue that not only are firms increasingly relying on outsourcing, but their previously hidebound HR departments are looking for new ways to operate. Research in this area has been ongoing (Greer, Youngblood & Gray, 1999; Wright, McMahan, Gerhart & Snell, 1997; Brenner, 1996; Cook, 1999; Maurer & Mobley, 1998; Stewart, 1996). HRO can be defined as “the purchasing by an organisation of ongoing HR services from a third-party provider that it would otherwise normally provide for itself” (Hesketh, 2006:1). Industry-based evidence suggests that the HRO market is fragmented and lacks cohesiveness (McCarthy, 2003; Sako & Tierney, 2005) such that “differences occur in the size, culture, HRO methodology and track record” (Hesketh, 2006:1). Different HRO services are available within the market: a) single-service or transactional solutions for a particular HR activity; b) multiple HR services as part of a large-scale operation, and; c) transformational deals which promise to radically change the purpose and role of HR.

A range of different types of providers - both sourcing and shoring - are active in the HRO market: pure HRO specialists, general business/HR transformation firms and HR process technology suppliers (Sparrow & Braun, 2007). Three organisations dominate the HRO industry but there are also a number of smaller-scale operators within the market (Hesketh, 2006; Everest Research Institute, 2005). Whilst it is a small part of the BPO sector, HRO is expanding and evolving at a fast pace (Scott, 2005), the expansion being fuelled by the popularity of the resource based view of the firm and factors such as: organisational downsizing or restructuring;
globalisation/global expansion and increased competition among companies in recruiting and retaining employees. Cappelli (2011:350) argues that: “one of the biggest business developments in recent years has been the outsourcing of many of the tasks in the human resources arena to vendors”. HRO may well be a ‘complex area’ and in the ‘proving stages’ of outsourcing (Beaman, 2004; Martorelli, 2006) and as growth has occurred so has an expansion in the range of services offered, including sub-processes as diverse as payroll processing, benefits administration, personnel administration, training and education, expatriate administration, employee communication, HR information systems, compensation design, succession planning, and hiring and recruiting.

Gospel and Sako (2010) undertake a comparison of human resource outsourcing (HRO) in two leading consumer products companies, Procter and Gamble (P&G) and Unilever. Findings from their study suggested that a relatively high degree of centralisation at P&G led it to create an internal shared services centre before outsourcing. Comparatively, a more decentralised Unilever utilised outsourcing as a strategy for standardisation of their global systems and processes. This study thus illustrates the implications of these diverse paths for core capabilities. Shen (2005) reviews the existing literature (1990-2004), on a selection of HRO issues and argues that though HRO has been widely practised since 1990, its growth is modest and predicts the same for the anticipated future development. He concurs with previous research that saving costs, seeking better services and enhancing core competency are the main reasons for HRO but is sceptical as to whether these objectives have been easily achieved, citing lack of evidence. He claims, however, that the effective management of HRO depends heavily on selecting the right vendors, ensuring service quality, building strategic relations and managing changes.

Existing research on HRO focuses mainly on its motivation, decision-making, outsourcing degree and performance. In terms of research on drivers of HRO, Greer et al., (1999) argued that the motivation that drive firms to outsource part or all of their human resources functions could be attributed to reducing the scale of the organisation, rapid development, globalisation, enhancing competence and restructuring. Mobley’s (2000) study of environmental factors which encourage
small and medium-sized enterprises to outsource HRM concluded that the spread of information technology, economic globalisation, international development trend and maturation of the outsourcing market, as well as intensive competition, are motivators and drivers for outsourcing. Cooke (2004) and Cappelli (2011) however argue that the main driver for firms to outsource HRM is not cost saving alone but increasing the competitiveness of their HRM strategies. Within research on HRO decision-making, Cook (2000) focused on outsourcing decisions, including selecting service providers, defining outsourcing requirements, writing project schedules, evaluating and bidding for schedules, contracting, successfully managing outsourced functions and so on. Gilbert (2000) summarised four decision-making steps in HRO: choosing the right HR functions to be outsourced; searching for and observing service providers; deciding whether to outsource by analysing cost and performance, and; establishing the performance standards on outsourcing and setting systems to monitor service providers. In the context of research on HRO extent, scholars such as Alpar and Saharia (1995), Aubert, Rivarda & Patry (1996) and Klepper and Jones (1998) studied the extent of HRO through the theoretical lenses of transaction costs and asset specificity. Findings suggest that higher asset specificity led to a higher degree of internalisation, and thus the HRO degree would be lower. McFarlan and Nolan (1995) pointed out that highly structured businesses, greater differences between firms, richer experience of and ability to manage HRO and business restructuring will lead to a higher degree of outsourcing. Research by Lacity, Willcocks & Feeny (1996) and Earl (1996) has argued that the business areas which contributed less to the overall firm performance could be partly or fully outsourced. In terms of research on HRO performance, a study by Klaas, McClendon & Gainey (1999) showed that unique human resources, uncertainty, firm size and cost pressures are the major factors influencing the relationship between HRO and firm performance. However, the effects of wage levels and the strategic positioning of HRM activities on HRO have not been empirically supported. Gilley and Rasheed (2000) studied outsourcing performance and their findings showed that outsourcing degree did not correlate to innovative performance but rather to strategies and environmental dynamics. Research by Gilley and Rasheed (2000) found that outsourcing could actually decrease costs and improve financial performance.
Cappelli (2011:350) quotes data reported by the Human Resources Outsourcing Association (HROA) suggesting that “...outsourcing of HR tasks grew by over 20% points from 2007 to 2009 alone and now exists in about 90% of organizations”. However, the sustainability of growth in the HRO sector may depend on whether relational, rather than transactional, contracts are achieved and whether the HR profession globally develops the competence and confidence to manage such wide-ranging HRO contracts and processes. A further development may be the emergence of Business Transformation Outsourcing (BTO), which focuses on improving the effectiveness of an entire corporate function such as HR (Sako & Tierney, 2005).

When it comes to categorisation of HR practices, the literature suggests that “there is less agreement regarding the most appropriate aggregation or categorization of HR practices” (Lepak, Bartol & Erhardt, 2005:141). Snell, Pedigo and Krawiec (1995) outline three domains of HR that may be affected by the integration of information technologies into firms – operational (tends to be administrative in nature and comprises most of the day-to-day practices); relational (helps connect remote workers to one another and improves the delivery of HR services to workers throughout the firm); and transformational (helping organisations change the way they do business). Huselid, Jackson, and Schuler (1997) suggest that HR practices are either strategic (used to develop employees to support the firm’s business needs) or technical (more focused on traditional personnel management practices e.g., recruitment, selection and training) in nature. Lepak and Snell (1998) suggest that HR practices could be categorized as core (those that are not widely available in industry and whose use is instrumental for achieving strategic benefits for the organisation); traditional (practices that do not help differentiate the firm from the competition); peripheral (those that are fairly generic and contribute little, if anything, to firm competitiveness); or idiosyncratic (those that are unique to the firm but do not directly add value). Carrig (1997) and Wright, McMahan, Snell and Gerhart (1997) suggest that HR practices may be viewed as transactional (those most directly related to the administrative component of HR); traditional (used to manage workers and the work context and tend to be more administrative and serve a
supportive role in the operating infrastructure); or transformational (oriented toward contributing toward more macro or strategic organisational objectives).

2.1.5 The Guiding Research Questions of Outsourcing Research

Three main streams in the literature relate to the strategy of outsourcing: strategic management literature, supply chain literature and international business (IB) literature (Maskell, Pedersen, Petersen & Dick-Nielsen, 2005; see also Hätönen & Ruokonen, 2007). Hätönen and Eriksson (2009:146) look at the research questions that have guided outsourcing research over the last thirty years. Attention has been focused on: why firms choose to ‘buy’ instead of ‘make’; what to outsource; where to outsource; and how outsourcing is undertaken. They then postulate a fifth area, that of ‘when’ to outsource (Hätönen & Eriksson, 2009:151). Why, what, where and how are now discussed briefly, in the context of this study.

Why: previous research has utilised the transaction cost theory (Coase, 1937; Williamson, 1975), the resource-based view (Barney, 1991; Wernerfelt, 1984) and theories of the organisation and the firm (e.g., Caves, 1971; Hymer, 1976). In the process, Hätönen and Eriksson (2009:146) argue, it has identified three main motives for outsourcing. These, they contend, are:

1. cost savings, “including lowering operational costs, controlling costs and freeing resources for more profitable business units”;

2. “process improvement, and the need to concentrate on core competences: to gain flexibility through internal reorganisation, to accelerate projects, reduce the time to market, gain access to a flexible workforce, and to sharpen the business focus”, and;

3. “capability enhancement’ which includes ‘obtaining access to resources that are unavailable internally, and to highly skilled labor, improving the service quality, acquiring ready-made innovations, compensating for the lack of a particular expertise in-house, and gaining access to new technology”.

These theories have been discussed in earlier sections and hence in the context of this study, it is envisaged that organisations offshoring work to Indian
organisations would strive to ‘justify’ the basis of their decisions, through encouragement of HPWS, that will subsequently lead to improved firm performance.

**What:** Hätönen and Eriksson (2009) state that ‘why’ is now becoming less important in research, being replaced by others such as ‘what’. This, too, has been approached from the transaction cost perspective, (Williamson, 1975) wherein the asset specificity of an activity was seen to influence its overall transferability (outsourcing possibility) as it impacts on the transaction cost.). Another theoretical notion of core competencies (Hamel & Prahalad, 1990, 1994) further expanded this discussion and led researchers and practitioners alike to rethink which activities are amendable for outsourcing. Thus, ‘what to outsource’ remains a key question, especially within strategic management research. In the context of this study, and as discussed in detail within the sections on HRO, human resources is looked at as an important and growing area of ‘what’ to outsource. Identification of country specific Indianised HPWS in the success of offshoring HR is thus important for this research.

**Where:** The third question, according to Hätönen and Eriksson (2009:147), that interested researchers in the 20th century was ‘where’ or location. They argue that “diminishing national boundaries and improved information and communications links made it possible to capitalize the external resource pool (markets) on a global scale”. Offshore outsourcing or ‘offshoring’, describing a strategy of transferring activities across national borders, Hätönen and Eriksson (2009:147) contend “...may occur through using external resources (outsourcing) or through relocating internal production activities (foreign direct investment)”. Not much work has been done here as Ramamurti (2004) states that offshore outsourcing is one of a number of growing topics of future business research, yet the research community has paid only limited attention to this important phenomenon. Several researchers have recently identified questions regarding offshore outsourcing that still remain under-researched, the main one being deciding where to outsource (e.g., Bunyaratavej, Hahn & Doh, 2007; Doh, 2005; Graf & Mudambi, 2005; Kotabe & Murray, 2004). In the context of this study, it will be interesting to identify and track the strategies (primarily HPWS) utilised by organisations in the Indian HRO/BPO industry (as the prime destination for such offshored work), to sustain and remain competitive over time.
How: the fourth question, Hätönen and Eriksson (2009:147) identify is “to also be aware of how outsourcing is done, i.e. the process of outsourcing”. Hence previous research has looked at the outsourcing process (see Pettigrew, 1988; Greaver, 1999; Momme, 2002; Momme & Hvolby, 2002; Franceschini, Galetto, Pignatelli & Varetto, 2003; McIvor, 2000, 2005; VanWeele, 2005; Zhu, Hsu & Little, 2001). Zhu et al., (2001) identify some phases included in the process (planning, developing, implementing and evaluation). However, “there still remains a lot to be studied with regard to this question…in addition to the actual outsourcing process, the how-question is also connected to the relationship between the outsourcer and the provider” Hätönen and Eriksson (2009:147). In the context of this study, being designed longitudinally, means tracking the HR processes and changes alongside the organisational and strategic processes by organisations over time.

Much of the work done in this area is descriptive, but the next section assesses the offshoring phenomenon through various relevant theoretical and strategically focused lenses, which provide a framework for discussion of the findings later in the thesis.

2.2 The Offshoring Phenomenon: Theories and Strategies

Several theories within strategic management and international business (IB) literature have been used to explain the outsourcing and offshoring phenomenon and its strategies. For example, the eclectic theory of internationalisation (Dunning, 1988, 1993) provides an integrated concept from economic geography and international business to derive an integrative theory of foreign direct investment. Dunning (1977, 1988) further argues that firms would invest in foreign markets to exploit potential advantages of ownership, location, and internationalisation (OLI). Major theories used within literature to inform outsourcing and offshoring include that of core competencies (Gilley, McGee & Rasheed, 2004; Gilley & Rasheed, 2000; Quinn, 1999) and disintegration, resource and capability-based perspective (Argyres, 1996; Barney, 1991), social exchange (Blau, 1964), and organisational learning. The above theories have also been expounded by scholars to explain the rationale behind the adoption of offshore outsourcing as a business strategy within the strategic management literature. However the Transaction Cost Economics theory (TCE) and the Resource Based View (RBV) (Coase, 1937, Williamson, 1985,
Wernerfelt, 1984, Barney 1991) dominate the strategic literature in this area. Thus both the TCE and RBV theories have been applied to the offshore setting (e.g., Ellram, Tateb & Billington, 2008; Madhok, 2002; Jahns, Hartmann & Bals, 2006; Lyons, 1995; Murray, Kotabe & Wildt, 1995; Aubert et al., 2004; Leiblein & Miller, 2003; Holcomb & Hitt, 2007; Arnold, 2000).

Strategic decisions about what services to offshore are likely to be based on internal assessments about firm-specific skills and the strategic importance of human capital resources (Shen, 2005; Lewin & Peeters, 2006). Offshoring decisions may be justified through judgements on the potential advantages of disintegration and ‘modularity’; location-specific resourcing benefits, and externalization of processes or services (Kedia & Mukherjee, 2009). These drivers may be understood in relation to a range of theories including: resourced based views about core competencies; human capital theory; geographical location theory; social exchange theory and organizational capability/learning theory. The argument presented in this thesis is that the development of the HRO sector may be understood from three principal theoretical perspectives. The resource based view of the firm (RBV); transaction cost economics (TCE) and newer models of strategic HRM (SHRM) with implications for HR roles and purposes, such as HPWS (Cooke & Budhwar, 2008; Ordanini & Silvestri, 2008).

The RBV approach is premised on the achievement of competitive advantage through the application of the bundle of available resources that an organization possesses. Within this perspective, it is argued organisations may choose to outsource work involving non-core competencies in order to focus on achieving competitive advantage by exploiting the internal strengths which contribute to strategic and added value (Barney, 1991). HRO is intensely debated within the management literature (Shen, 2005; Kedia & Mukherjee, 2009) but those who cite RBV in support of the process argue that relationships with outsourcing or offshoring providers can provide opportunities to influence knowledge creation and organizational renewal in organizations (Boxall & Purcell; 2000; Wright, Dunford & Snell, 2001) and so make an additional contribution to the competitive differentiation of human capital assets through enhancement of the organization’s ‘social capital’. 
absorptive capacity and strategic innovation (Minbaeva, Pedersen, Björkman, Fey & Park, 2003; Collins & Smith, 2006).

However, RBV accounts of strategy also form the basis for a critique of BPO/HRO. The potentially arbitrary distinction between core and non-core HR activities has been highlighted, as well as the importance of organizational commitment to the efficiency and effectiveness of existing in-house business processes and core competencies, if organizational human capital assets are to be managed as a source of competitive advantage (e.g., Shen, 2005). Whilst RBV can form the basis for support of the emergent BPO/HRO sector it is clear that decisions to initiate offshoring are more usually associated with cost reduction objectives associated with transaction cost economics (Hesketh, 2006; Rowan, 2008).

Transaction Cost Economics (TCE) is well established in management science (e.g., Coase, 1937) and provides a powerful basis for explaining changing organizational forms and activities between firms and markets (Milgrom & Roberts, 1992). TCE explanations highlight the promise offered by HRO organizations to lower the costs of planning, adapting and monitoring HR tasks. Within this framework TCE can be utilised as a basis for strategic ‘make-or-buy decisions’ relating to HR processes. Both TCE and RBV models have been applied in the offshore setting (e.g., Ellram et al., 2008; Jahns et al., 2006; Aubert, Rivarda & Patry, 2004; Holcomb & Hitt, 2007). A further impetus has been the development of models of SHRM.

Approaches to SHRM (e.g., Guest, 2001; Bowen & Ostroff, 2004) are predicated on the assumption that organisations can achieve competitive advantage when HRM professionals work with senior managers to devise and implement policies and practices that complement other organisational systems and deliver ‘added value’ through the strategic investment in human capital resources (Chiva & Alegre, 2007; Elias & Scarborough, 2004; Boselie, Paauwe & Jansen, 2005). SHRM models imply that HRM professionals should fulfil a ‘business partner’ role in organisations (e.g., Baron & Armstrong, 2007; Ulrich & Brockbank, 2005). Drawing on both TCE and RBV theories, proponents of SHRM advocate a reduction in the time and cost investment in transactional HR activities (through outsourcing where appropriate) and a fuller engagement with strategic people and performance issues.
Therefore, decisions about the offshoring of any HR activities will be influenced by a number of factors: an assessment of their contribution to core competencies; opportunities in the global labour market and external environment; and potential to achieve human capital advantages relating to ‘relationship capital’, co-specialization and mutual organizational learning with partner organizations (Kedia & Mukherjee, 2009; Sparrow & Braun, 2007).

TCE, RBV and HC, which form the theoretical basis of this thesis, are now discussed in detail, in the context of offshoring and the Indian BPO/HRO industry.

2.2.1 Transaction Cost Economics Theory
Within the strategic literature, transaction cost economics theory (TCE) was first developed by Coase (1937): “economising on transaction costs would determine the organisation of economic activity between the firms and markets” (Milgrom & Roberts (1992:51). TCE focuses on an analysis of the “comparative costs of planning, adapting and monitoring tasks completion under alternative governance structures” (Williamson, 1985:2). Hence TCE has been used within outsourcing and offshoring literature wherein it offers a useful framework for the analysis of ‘make-or-buy’ decisions. Among the established transactional characteristics of HR activities, TCE suggests that asset specificity, frequency and uncertainty of transaction play a significant role in the offshoring decision.

The basic premise of TCE (Coase, 1937; Williamson, 1975), when applied in the context of offshore outsourcing, is that the firm disaggregates the value proposition and selects the components over which to maintain control. Ideally speaking, the firm should retain control over the components or processes that enable it to create and appropriate the most value; operations through which the firm can create and appropriate less value should be outsourced. Buckley and Casson (1976) apply this reasoning to the geographical context, providing a theoretical rationale for the existence and organisation of MNEs. Thus, transaction cost analysis drives some firms towards a high level of control over certain select resources, whilst having a strong tendency to outsource other less valuable components. There are also firms that tend to exercise greater control over the entire value chain and resort to much
less outsourcing. Strategically, this is argued to lead to either greater or lesser degrees of vertical integration.

### 2.2.2 Resource Based View and Resource Dependency

The underlying principle of the resource based view (RBV) is that the basis of a firm’s competitive advantage lies primarily in the application of the bundle of available resource that the firm possesses (Wernerfelt, 1984:172; Rumelt, 1984:557-558). The RBV theory relies on the premise that general or factor markets are efficient and that firms are capable of precisely anticipating the exact future value of any value-creating strategy that could flow from their resources (Barney, 1986:1232). Barney (1991:99) argues that organisations “obtain sustained competitive advantage by implementing strategies that exploit their internal strength (strategic value) by responding to environmental opportunism, whiles neutralising external threats and avoiding internal weaknesses”. The RBV of the firm thus recognises the holding of a firm’s strategic resources and capabilities as a critical determinant of their competitive advantage (Barney, 1986) and the outsourcing of non-core competencies. The RBV of the firm therefore provides a useful account of HR decisions because the advocates of this theory (e.g. Barney, 1991; Ulrich, 1996) argue that outsourcing can be productive in the development of the core competences of an organisation, especially in the area of HR practices. Others such as Boxall and Purcell (2000) and Wright et al., (2001) also stress how RBV explanations of the firm have been useful in strategic HRM (SHRM) research, especially highlighting how HR activities can influence knowledge creation and organisational renewal.

Resource dependency theory (Pfeffer & Salancik, 1978), on the other hand, looks at the power relationships and resource exchanges between an organisation and its constituencies. The assumption within this theory is that organisations depend on a flow of valuable resources such as finance, technology and management expertise, to function effectively. An organisation’s affiliates or constituent’s dependence and power in terms of more or less control over the above resources could vary. These control factors could be internal or external, endogenous or exogenous (Schuler, Dowling & Cieri, 1993). According to Brewster, Carey, Grobler, Warnisch and Holland (2008:216) “the higher the scarcity of the valued resource the more the power of the entity that controls that resource increases”. They quote the example of
the lack of suitably qualified people in a certain country of operation, work permit restrictions, etc. that would allow the country that possesses these to have greater control. De Cieri and Dowling (1999) argue that if external parties have control as above, an organisation becomes vulnerable and would try its best to acquire, control and minimise its dependence.

Conceptually the RBV is linked to firm performance by viewing firms as a portfolio of distinctive resources and capabilities (Lahiri et al., 2012). The RBV assumes firms are fundamentally heterogeneous in resources and capabilities and when resources are not perfectly mobile across firms, heterogeneity can be sustained (e.g., Barney, 1991 and Wernerfelt, 1984). A resource is defined as an “asset or input to production (tangible or intangible) that an organization owns, controls or has access to on a semi-permanent basis” and organisational capability “refers to the ability of an organization to perform a coordinated set of tasks, utilizing organizational resources, for the purpose of achieving a particular end result” (Helfat & Peteraf, 2003:999). The RBV prescribes that resources and capabilities form the basis of a firm's improved performance and competitive advantage when they are rare and valuable. Thus firms can obtain sustained competitive advantage over their competition when their assets are inimitable and non-substitutable in addition to being valuable and rare. (Lahiri et al., 2012:146) argue that “by utilizing useful assets, firms capitalize on environmental opportunities and neutralize threats that exist, and are able to obtain competitive edge over those firms that do not possess similar resources or are unable to capitalize on them”. Thus, RBV-based examination of resources, capabilities and superior firm performance has impacted scholarship in various disciplines including strategy and IB (Barney, Wright & Ketchen, Jr, 2001, Newbert, 2007 and Peng, 2004). Lahiri et al., (2012:146) contend that “although some scholars often use resources and capabilities synonymously, theoretically they are different”. Whereas resources are relatively independent, simple and static, capabilities are collective, complex and dynamic. Day (1994:38) referred to capabilities as the ‘glue’ that brings organisational resources together and enable them to be suitably deployed.

There are different dimensions and sub-theories that are used to describe and discuss the RBV. The following are a few that are relevant to this research and to the
topic of offshore outsourcing. These are social complexity, the knowledge based view (KBV), and core competencies and core related specificity.

2.2.2.1 RBV Dimension 1 - Social Complexity

This line of thinking has dominated the resource based view for many decades. ‘Social complexity’ refers to the fact that many social phenomena occurring within an organisation are so complex that it is difficult to manage or influence them systematically. A competitive advantage that arises from such social complexity cannot be imitated. Social complexity could arise from a firm’s unique historical conditions, human interactions, transaction specific relationships, etc. Here, I identify and briefly examine four elements.

**Organisational history:** It is argued that Indian BPO/HRO firms have unique histories, which, in due course, causes particular cultures and norms to develop within organisations (see previous arguments by Sathe, 1985, that are applied here). The Indian HRO/BPO industry is thus an example where a unique ability exists to cause, and be influenced by, unique historical conditions, which develops over long periods of time (similar arguments in the context of the Indian BPO industry are made by Lahiri et al., 2012; and generally made by Barney, 2001).

**Organisational culture:** Schein (1985) defined organisational culture as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration which has worked well enough to be considered valid and therefore, is to be taught to new members as the correct way to perceive, think and feel in relation to those problems. In the context of this thesis, organisational culture in Indian BPO/HRO organisations articulates a set of broad, tacit rules and values which serves to unify and regulate the behaviour and actions of organisational members (e.g., Camerer & Vepsalainen, 1988). It can be argued that the organisational culture of the BPO/HRO organisations can also release valuable leadership talents and time that would otherwise be expended in coordinating work and controlling employee effort to achieve desired organisational outcomes (see Schein, 1985). Moreover, organisational cultures of BPO organisations that develop over a period of time can be socially complex, and hence become costly to imitate. Researchers of strategic management have thus rightly recognised organisational
culture as a strategic resource that could generate sustainable competitive advantage (e.g., Bamey, 1986; Fiol, 1991; Schoemaker, 1990).

Formal and informal relationships: Social complexity may arise out of formal and informal relationships that exist among individuals in BPO/HRO organisations. As is the case in BPO organisations where working in teams on a project is encouraged, in many cases, a team’s knowledge is embedded in relationships that involve a group of individuals (e.g., Lee, 1999), the coordinated accomplishment of several tasks and the use of a wide variety of tools. This collective knowledge is shaped by attitudes, common expectations, camaraderie, trust, loyalty, and unwritten norms and shared values (e.g., Nonaka, 1994). Further, it is argued by researchers, knowledge resides in team relationships because many tasks require ‘knowledge’ that no single individual can grasp in its entirety. This is more specific in knowledge intensive industries, such as the Indian BPO/HRO industry, where there is a high degree of social complexity which may constitute a competitive advantage for these organisations.

Transaction-specific relationships: A complex social situation could also arise from transaction-specific relationships, such as in the BPO industry, and the competitive advantage they bring about here may be due to transaction specific human capital (e.g., Wright, McMahan & McWilliams, 1994). Further, such transaction-specific relationships have a chance of becoming long-lasting relationships between individuals or groups of people over a period of time. For example, employees in the BPO industry who spend two or more years in continuous service to an organisation are exposed to clients and their complex project work over a long period. These employees also work together with colleagues (and teams) on these complex projects, thus forming ‘transaction-specific’ relationships. Thus, such complex social situations may result in and constitute a competitive advantage for firms, through these sustained networks. Although the relationship within BPO organisations may be too complex to dissect, it is possible to reasonably attribute the value of the social relationship to transaction-specific human capital (e.g., Becker, 1964). Hence, it is argued that HR and social complexity are intrinsically linked because social complexity, by definition, must result from human interactions. It could also be argued that Indian BPO organisations encourage ‘retention’ to
intensify such apparent ‘transaction-specific’ relationships (e.g., see Russell & Thite, 2009).

However, a word of caution; Schneider (1983, 1987) argues that over time, forces within an organisation operate to attract, select, and retain an increasingly ‘homogeneous’ or ‘standardised’ group of employees. These individuals are hypothesised to share common backgrounds, characteristics and orientations. As a result of this homogeneity, organisations are expected to become less able to respond to changes, threats, dynamism, complexities and opportunities in the external environment (as is prevalent in the Indian BPO industry). As a result of this, the organisation may enter a period of stagnation. Unless the powers that operate to create and perpetuate homogeneity are combated, stagnation will be followed by decline and eventual demise (Schneider, 1983). In the context of this research, Indian BPO organisations are routinely known to engage in activities to identify and select individuals from the applicant population that are somewhat homogeneous. By relying on established recruiting sources (e.g., specific universities), and established screening and selection techniques (e.g., specific tests and minimum cut-off scores), these BPO organisations narrow the range of characteristics chosen applicants are likely to possess. It is argued that in doing so, these BPO organisations often attempt to create, rather than stifle, homogeneity. However if this were reversed, it can be argued that it would lead to competitive advantage.

In conclusion, competitive advantages stemming from organisational history, culture, relationships or transaction-specific human capital might be imitable if one were able to identify and replicate the exact historical occurrences and the interactions, programmes and personalities within the Indian BPO industry. However, it is highly unlikely to take place in real life since socially complex resources (organisational phenomena like reputation, trust, friendship, teamwork and culture), while not patentable, are time-consuming to build and expensive to imitate (e.g., King & Zeithaml, 2001; Barney, 1991; Reed & DeFillippi, 1990; Leiblein & Miller, 2003). The next section concentrates on the knowledge based view of the firm.
2.2.2.2 RBV Dimension 2 - Knowledge Based View (KBV)

According to Tallman and Fladmoe-Lindquist (2002), two different strategies dominate the strategies taken by organisations within the knowledge-based view (KBV) of the firm. These are ‘capability-recognising’ – which states that multinational organisations possess unique knowledge-based resources that are seen to be typically home-country-based. Belonging to central corporate functions or top teams, their capabilities are shared with international operations sparingly and on a need-to-know basis (Brewster et al., 2008). The other is ‘capability-driven’ – which states that organisations build, protect and exploit mutual capabilities between headquarters and subsidiaries. This is also known as the dynamic capability perspective in the strategy literature (Brewster et al., 2008). The main question within KBV and in the context of this thesis is whether foreign offshoring organisations should transfer their HRM systems to their Indian operations/subsidiaries or vice versa? KBV argues that by sharing and deploying such knowledge, organisations build capabilities that could include networks and relationships, organisational knowledge, organisational structure and industry specific expertise and skills. Cohen and Levinthal (1990) call this ‘absorptive capacity’ and Martin and Salomon (2003) ‘knowledge transfer capacity’. In the context of researching in the Indian BPO/HRO industry, two schools of thought on the Knowledge Management (KM)-HRM link can be approached: first, the study of HRM practices and strategies for knowledge-workers (KW); second, the role of HRM in KM (e.g., Davenport, 2005:10). Thite (2004) points out some key HR factors for knowledge-intensive-firms (KIFs) such as a trusting HR philosophy, fine tuning HR systems in recruitment, retention and performance, and reward management of KWs in a multinational context.

Knowledge within the Indian BPO industry can be broadly classified into two types: explicit and tacit. Explicit knowledge is the accumulated practical skill or expertise that can be learned and acquired (Von Hippel, 1988). It is encapsulated in the form of formulas, designs, manuals or books or in pieces of machinery and can be transferred quickly and easily (Badaracco, 1991). If an individual or organisation with the appropriate capabilities gets the formula, book, manual or machine, they have the knowledge. Therefore by definition, explicit knowledge is migratory. Tacit
knowledge, on the other hand, is embedded knowledge, unobservable and non-codifiable (Reed & Defillipi, 1990). Such knowledge is not readily available in the market and so cannot be easily traded, or replicated and its transfer is slow, costly and uncertain (Kogut & Zander, 1992). Tacit knowledge such as know-how and employee experience can only be acquired through personal experience, is refined by practice (Polanyi 1962; Nelson & Winter 1982; Nonaka 1994) and is deeply rooted in the organization’s history (Amit & Schoemaker, 1993). It is argued that in any organisation such knowledge largely resides within individuals and accumulates slowly only over a period of time. Tacit knowledge is thus unique, scarce, path dependent and can be acquired only through practice (Grant, 1996).

Whilst tacit knowledge is seen to be important for all functions, its instrumentality may be less apparent with some activities. For example, within the Indian BPO industry, whilst tacit knowledge of specific work processes and organisational culture is important for generalist activities such as design and delivery of complex programmes, it has little relevance to transactional activities such as payroll (e.g., Klass, 2001).

Lengnick-Hall, Lengnick-Hall, Andrade & Drake., 2009 argue that there needs to be an increase in research and researchers looking into “the role of strategic HRM in knowledge management and knowledge-based competition” such as the BPO industry. Contributions to this literature include Collins and Smith (2006) who demonstrate that HR practices influence an organisation's social climate, which in turn, shapes knowledge exchange and combination and leads to better organisation performance. Similarly, Minbaeva et al., (2003) look at the relationship between ‘HR practices’ and ‘absorptive capacity’ and find that absorptive capacity facilitates knowledge transfer among MNCs. From an Indian perspective, Som (2007) presents several propositions regarding the adoption of strategic HRM (SHRM) in India that he believes may also apply in other emerging economies. He proposed that the national environment (extent of unionisation and sector characteristics, and technological sophistication), organisational restructuring and ownership structure, legitimising driver (use of international consultants), organisational culture and the role of HR department have all influenced the adoption of SHRM in India. In the context of the Indian BPO industry, it is argued that whilst organisations offering
transactional services may be likely to adopt HR practices in line with the call centre and BPO sector, development towards service provision that embraces ‘transformational’ services more in line with the KBV approach such as ‘Knowledge Process Outsourcing’ (KPO) and ‘Human Resource Outsourcing’ (HRO) may imply the development of a different ‘internal’ approach to HR (e.g., Raman et al., 2007; Pereira & Anderson, 2012 respectively).

Almond (2011b) and others (e.g., Malmberg & Maskell, 2002) believe that the transfer of knowledge, particularly tacit knowledge, depends upon ‘spatial proximity’ through shortened cognitive distance, common ‘language’, shared cultural understandings, easy observation, face-to-face interaction and the possibility of higher degrees of trust. Such topics draw from the field of economic geography (e.g., Keating, 1998; MacLeod, 2001). Thus within the Indian BPO industry, ‘knowledge’ is an important asset most MNCs would vie for, and it would certainly become a firm’s ‘competitive advantage’. Thus ‘local’ is seen to be the choice for MNCs when it comes to knowledge transfer and this ‘embeddedness’ increases as globalisation gathers pace by forming closer links to regional firms and institutions (e.g., Clark & Beaney, 1993; Morgan, 1997). Almond (2011b:534) also contends that this can be linked to the concept of the ‘learning region’, or localised ‘clusters’ of economic activity, thus creating “intangible assets at sub-national levels, providing firms situated within ‘learning regions’ with competitive advantages that are sustainable as they are difficult or impossible to imitate”. This is similar to the concentration of BPO firms in particular geographical regions of India (NASSCOM, 2012). However, this can not be the only reason why MNCs make certain location choices (also see Hudson, 2003). These differences could also be due to ‘power imbalances’ within regions which need to be considered, such as “those between units of large MNCs and smaller firms in local clusters, and frequently those between MNC units and locally bounded ‘knowledge actors’ such as universities” (Almond, 2011b:535).

The literature suggests that two other links could be made under KBV. First, globalisation increases opportunities for cross-border networks which may operate increases at personal, firm, regional and sector or industry levels (Rugman, Verbeke & Yuan, 1995), known within the international business literature as relational and
social capital (e.g., Bourdieu & Wacquant, 1992; Buckley & Ghauri, 2004; Sparrow & Braun, 2006). Second, there has been a marked increase in research interests in organisational learning (Crossan & Guatto, 1996), resulting from the opportunities presented by globalisation. The close connection between the KBV and learning is made because organisational learning is basically a process by which the organisational knowledge base is developed and shaped (Shrivastava, 1981). Thus, “the scope for organisational learning exists if the knowledge acquired by individuals in international assignments can be diffused across the organisation” (Kamoche, 1997:216). In his work on HRM in MNC ‘country-specific headquarters’ in India, Budhwar (2012) argues that to be successful, MNCs need to increase their capabilities regarding knowledge and learning creation and transfer both within and across units and affiliates. This, he argues, can also be a way of gaining a global competitive advantage for the MNC and could also act as a control and coordination mechanism for management. It is now widely recognised that knowledge and learning move both vertically and horizontally across geographically dispersed business units within MNCs, unlike the previous assumption that it was only ‘top down’ (Bartlett & Ghoshal, 1989). It is thus argued, as in other industries, the BPO industry in India too, tends to rely on global best practices, so that these can be exploited internationally (e.g., Taylor, Beechler & Napier, 1996). Within the international HRM literature, MNC location choices have been discussed in detail (e.g., Cooke, 2001). However, Almond (2011b) states that MNCs which are able to move flexibly can do so due to previous choices relating to the availability of quality HR. MNCs, Almond (2011b) argues, choose locations either for the HR advantage, which includes access to skilled labour and technological expertise, or for cost reasons, such as the Indian BPO industry. He points out future research strategies within MNCs should take into consideration the ‘actor-centred’ perspective alongside the ‘unit-centred’ and ‘region-centred’ perspectives. The next section discusses core competencies as a strategy.

2.2.2.3 RBV Dimension 3 - Core Competencies and Core-Related Specificity

The term ‘core competence’ made its debut in strategic management literature when Andrews (1971) defined the concept as ‘the core of competence’ or ‘what the company can do particularly well’. A more comprehensive definition of core
competence was provided by Prahalad and Hamel (1990) who said ‘core competencies’ were the ‘collective learning in the organisation, especially how to coordinate diverse production skills and integrate multiple streams of technology’. Ann Mooney (2007), based on an exhaustive literature review of core competence, maintains it must be a skill or capability of a firm rather than the mere ownership of a resource. Others (Collis & Montgomery, 1995; Prahalad & Hamel, 1990), state core competencies should play a prominent role in helping a firm achieve its purpose.

In the context of offshoring, Contractor et al., (2010:1429) argue that a firm’s core competence or competitive advantage “is its ability to analyse, coordinate and optimize along four related dimensions”. First, degree of value chain disaggregation; second, organisation form (the mix of internal, alliance-based, and contractual modes); third, space or geography (spread of activities over nations); and fourth, time (chronological coordination of distributed tasks). Core competencies is associated in the literature with a varied range of firm specific attributes including exploiter, knowledge seeker; cost reducer (Nicholls-Nixon & Woo, 2003); codifier of tacit knowledge (Balconi, Pozzali & Viale, 2007); arbitrageur (based on market imperfections which create price differences across geographically separated factor markets); seeker of comparative advantage; and innovation network manager (Ghemawat, 2007). Core competence is also seen as involving alliance negotiation and management skills (Contractor & Lorange, 2002) within a global supply chain (Ernst & Kim, 2002). The common and main goal though, Contractor et al., (2010:1428) argue, is to “improve its allocation and coordination efficiencies” and in the process its ‘competitiveness’ through technological competencies and strategic management competencies, “along multiple dimensions, in a world of outsourcing and offshoring”. Thus, this argument is consistent with Prahalad and Hamel’s (1990:81) contention that a firm’s ‘core competencies’ are the “collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technology”.

As noted already, inimitability in the context of offshoring is an essential element of the resource-based theory and is central to understanding the sustainability of competitive advantage (King & Zeithaml, 2000). Hence it is argued
that Indian BPO firms would constantly endeavour to protect the firm’s core competencies from imitation by its competitors (e.g., Collis & Montgomery, 2008). One of the chief factors contributing to inimitability is ‘causal ambiguity’, which is discussed below.

Causal ambiguity has received systematic attention from many researchers (Alchian, 1950; Barney, 1986; Lippman & Rumelt, 1982; Rumelt, 1984; Reed & DeFillippi, 1990; Mosakowski, 1997; King & Zeithaml, 2000 among others). Causal ambiguity is the basic uncertainty surrounding the causal relationship between a firm’s resources, actions and results (Lippman & Rumelt, 1982; Reed & DeFillippi, 1990). In the context of the BPO industry, causal ambiguity may be present when the exact nature of the resources and how they operate are invisible, hazy or just too complicated to understand, much less to copy or imitate (e.g., Teece 1998; Wright et al., 1994). Reed and DeFillippi (1990) identify three characteristics of a competence, which individually or simultaneously may lead to causal ambiguity: first, tacitness/tacit knowledge; second, specificity; and third, complexity. Tacitness (see earlier section) refers to the implicit and non-codifiable skills and knowledge possessed by employees in an organisation. Tacitness, a source of competitive advantage, also breeds causal ambiguity, as the causal relationship between actions and results remains unclear not only to people within the organisation, but also to rival firms. It is thus argued that in such a case, tacit knowledge is said to have generated causal ambiguity which works as a very effective barrier to imitation.

Specificity, according to Williamson (1985) refers to the transaction-specific skills and assets that are utilised in the production processes and provision of services for particular customers. He identified four types of asset specificities: site, physical, dedicated, and human. Within offshoring, this means that in the process of entering a transaction and maintaining it, the incumbent parties would have incurred transaction-specific investments, which are difficult to supplant (as per TCE theory, Williamson, 1975) as they result in highly specific and interdependent business actions. Because of these specific relationships, particular skill and resource deployments remain ambiguous to competitors and thus inimitable. Thus, especially in the context of the Indian BPO industry, specificity may generate causal ambiguity.
A third form of causal ambiguity may emanate from complexity. Ambiguity arising from complexity takes place when a large web of interdependent skills and assets operate within an organisation. In the case of social complexity, in the context of the BPO industry, it could be linked to Barney’s (1985) premise that in complex, highly inter-dependent human or technological systems, the causes of success and failure are often difficult to assign and the establishment of cause-effect relationships is very difficult. An example in the form of ‘teamwork’ in the BPO industry could also be said to be relevant here. Teams are defined by Alchian and Demsetz (1972) as ‘production’ wherein several types of human resources are used and the final output, or production, is greater than the separable contributions of each resource of the team. In this case, it is very difficult to identify the specific source(s) of competitive advantage and hence complexity is ‘causally ambiguous’.

Having discussed TCE and RBV theories, the focus of the discussion and arguments now moves to the HC theory below.

2.3 Human Capital, evolutionary RBV and HRM

In terms of ‘human resources’, employees and their capabilities are an important resource, and are often referred to in the literature as ‘human capital’. Human capital thus refers to the skills, education, experience and knowledge of a firm's employees (Becker, 1964 and Hatch & Dyer, 2004). In relation to linking human capital with firm performance, scholars suggest that human capital is essential for firms to achieve above-average performance and competitive advantage (Hatch & Dyer, 2004). Thus, “skills, knowledge, abilities arising from education and experience, and embedded within human actors allow precise comprehension of various organizational functions and subsequent efficient execution of those functions within stipulated time-frames” (Lahiri et al., 2012:147). There is also an argument that being tacit and path dependent, human capital is not susceptible to easy imitation by industry rivals. Previous research (Hitt, Bierman, Shimizu & Kochhar, 2001, Lahiri & Kedia, 2009 and Subramanum & Youndt, 2005) including the offshoring industry, has empirically tested for the positive association between human capital and firm performance.
‘Organisational capital’ according to Lahiri et al., (2012), represents codified knowledge and experience residing in databases, patents, manuals, structures and systems. Specifically looking at the offshoring industry in India, they claim such ‘capital’ is a resource which is more institutionalized and stable than human capital which is susceptible to mobility. Authors such as Reed, Lubatkin & Srinivasan, (2006) and Subramaniam and Youndt (2005) have argued that organisational capital favourably impacts firm performance, just as human capital does. Organisational capital is also asserted to be based on the dynamic capability view, an extension of RBV (e.g., Teece, 2007). Lahiri et al., (2012:148) state, “organizations require dynamic capabilities to effectively adapt to the changing market conditions and create value”. These capabilities, they go on, help organisations in creating and modifying existing operating routines, sensing and seizing entrepreneurial opportunities that, in turn, increase organisational effectiveness and competitive advantage. Agreeing with Lahiri et al., (2012), I argue that dynamic capabilities may include the capacity to integrate, learn, and reconfigure internal and external organisational skills and resources. Thus management capability may allow BPO providers to integrate and support various intangible assets related to managing human resources, diverse project requirements, information systems and technology-related changes and also satisfy the expectations of their clients.

Lahiri et al., (2012) further contend that the positive effect of human capital on the performance of BPO provider firms can be enhanced in the presence of strong management capability in at least three ways. First, a firm's superior management capability can enable top executives to recruit, place, train and develop, retain and replace employees with appropriate skill sets and industry experience. This, they argue, “will ensure maintaining a steady pool of human capital that will lead to improved firm performance through learning over time” (Lahiri et al., 2012:148). Second, high management capability allows more effective matching of employee talents to particular function or project requirements, contributing to greater individual and team-based performance. This ensures better utilization of skills and experience in meeting clients’ needs and subsequently to higher firm performance. Third, as a result of the above two, high management capability will be able to improve individual and team-based efforts through the creation of a better work
environment for all, thereby culminating in higher firm performance (Budhwar et al., 2006). This is referred to in the literature as ‘high performance work systems’ (HPWS) (e.g., Pfeffer, 1994; Pfeffer 1998). Lahiri et al., (2012) thus hypothesise that offshore outsourcing service provider's human capital, organisational capital, and partnership quality will be positively associated with firm performance.

Further evidence of HC’s importance in the offshoring context is seen in Barthélemy and Quélín’s 2006 analysis of eighty-two outsourcing contracts using three different dimensions (proximity to the core business, switching costs and adaptation costs) to assess the strategic importance of an outsourced activity. They argue that “...in the case of outsourcing, employees and equipment may be transferred to the vendor...the transfer of tailor-made assets to a vendor is likely to make it quite costly to switch vendors or reintegrate an outsourced activity” (Barthélemy & Quélín, 2006:1777-1778). They refer to this as ‘switching costs’. Additionally, they introduce a new characteristic of specificity, i.e. ‘core-related specificity’ which they refer to as “the extent to which the resources that underlie an outsourced activity contribute to a firm’s competitive advantage”, which they believe is theoretically rooted in the RBV of the firm (see also, e.g., Amit & Schoemaker, 1993; Barney, 1991; Dierickx & Cool, 1989; Wernerfelt, 1984). RBV postulates that firms are repositories of resources and capabilities and although firms are viewed as bundles of resources, the interactions among resources are far more important than the resources themselves. They further introduce an additional concept of ‘adapting human assets’, wherein they argue that “for an outsourcing client, adapting human assets refers to the extent to which specific assets have been developed to deal with a particular vendor as opposed to the activity’s execution in-house” (Barthélemy & Quélín, 2006:1778). They also contend (quoting Zaheer and Venkatraman, 1995:377) that “in the context of service outsourcing, adapting human assets has both human and procedural dimensions”. Hence I argue that human specific assets are the skills and knowledge that employees working for the outsourcing client need to develop to deal with the supplier, whereas, procedural specific assets, they state, are the business processes of the outsourcing client that must be customised to meet the requirements of the vendor. Barthélemy and Quélín (2006:1778), thus conclude that “when outsourcing clients make specific investments to adjust to their vendor,
the resulting routines have two characteristics. First, they are difficult to alter once they have been established. Second, it is hard to transfer them to another vendor”. In summary, adapting human assets increases switching costs and the extent of potential damage if the vendor delays a contract and at the same time, it also increases the value of the relationship for the partner, thus reducing the likelihood of a ‘hold-up’.

Another view is taken by Mueller (1996:776), who came up with what he called an ‘evolutionary resource-based approach’ ((e) RBV), wherein, strategic HRM can lead to competitive advantage for the firm, on the condition that effective resource mobility barriers exists. These could be in the form of informal social architecture (other variants in the literature being social complexity and capital), tacit knowledge, cooperation, informal learning, etc., that “emerge[s] over a long period of time and is largely emergent and unplanned” (Mueller, 1996:776, emphasis added). Herein, he stresses the role of HRM in harnessing these skills and competencies held within this informal system. This is an extremely important and relevant area in the context of this thesis as it portrays the RBV of the firm in the context of HRM. Moreover, as it prescribes to be evolutionary in nature, it suggests an essential, integral longitudinal element. Thus Mueller (1996), in his conceptualisation of the (e) RBV suggests that there is an evolutionary approach to strategic HRM, whereby ‘valuable strategic assets’ would result not because of the management’s deliberative strategy, but because of an organisation’s emergent strategy. There are two further necessities and propositions for this postulation of the (e) RBV. First, that strategic assets grow slowly over time (are evolutionary in nature), and second, that codified policies are typically easy to imitate and hence unofficial, informal, and tacit knowledge leads to inimitability. Principally Mueller (1996:771) puts forward five propositions that would lead to an evolutionary approach to the development of strategic HR. First, it happens as a slow, incremental, evolutionary process. Second, it is facilitated by the existence of ‘pertinent intent’. Third, it draws on underlying processes of skills formation. Fourth, it draws on established patterns of ‘spontaneous cooperation’. And fifth, there needs to be ‘HR interdependency’ with other resources.
Having discussed the relevant literature and theories in detail, the next section looks at the gaps within offshoring and outsourcing research and the research contribution of this thesis.

2.4 The Research Contribution

Although the theoretical basis of HRO is very similar to that of other forms of BPO, several gaps have recently been identified. These are particularly important in the context of this research and hence the following discussion will summarise four views that are relevant.

First, Li, Wei and Liu (2010:1458) argue that the “extant literature on cross-border outsourcing has been conducted mainly from the vendees’ perspective”. This, they state is done to explore how outsourcers in western countries transfer their knowledge from onshore resources to offshore resources in order to cut costs (Chua & Pan, 2008), to improve organisational focus (Kakabadse & Kakabadse, 2005), to achieve corporate transformation (Khan & Fitzgerald, 2004; Linder, 2004), and to align their sourcing activities to develop future capabilities (Howell, James & Malik, 2003). They argue that, “existing literature provides little knowledge about how different strategic orientations and their interaction influence the knowledge acquisition of vendors” (Li, Wei & Liu, 2010:1458), going on to state that there is a dearth of research focusing on the role of vendors’ strategy in cross-border outsourcing collaboration (e.g., Mudambi & Tallman, 2010). Additionally, this area of research has mainly been approached from a macro (country) and meso (industry) level perspective and has rarely been looked at from a micro (firm) level perspective (Li et al., 2010; Hansen, Nohria & Tierney, 2008; Nobeoka, Dyer & Madhok, 2002). This research will thus aim to fill this gap by focusing on the ‘micro’ level (firm) perspective.

Second, Lahiri et al., (2012:154) identify a need for “longitudinal studies to investigate various performance implications of providers’ resources and capabilities as industry rivalry increases or as providers from other nations enhance their competitiveness in offering similar services”. They also argue for an examination of how the influence of valuable assets on firm performance changes as offshore service providers increase their business/product scope over time. There is a dearth
of qualitative case-based studies involving both successful and failed provider firms to enable an understanding of firm growth and/or decline and very little research focused on the management capability influences on external process integration (between client and provider) and internal process integration (between different units and functions of the provider) (Luo et al., 2010). Lahiri et al., (2012:154) thus set the stage for ‘further empirical research relating to offshore outsourcing service providers from emerging nations’.

Third, identifying a gap in the extant literature on MNCs and international management, Almond (2011b:531) argues that within international HRM research “…‘local’ here almost always refers to national culture and/or institutions in host countries. The potential effects of the economic governance of sub-national geographies on IHRM have largely escaped analysis”. Thus, labour management in MNCs can substantially be affected by sub-national factors, which also impact on the transfer of HR practices, policies, architecture, skills, competencies, etc. within its foreign subsidiaries. This important gap has been bridged by this study’s deliberate choice of two different sub-national geographic locations for each of the three case study organisations. According to Almond (2011b) certain formal sub-national variations such as those in existence in the US (right-to-work), some Eastern European countries (special economic zones) and the UK (greenfield sites) may also exist in the nature of business and employment regulation as applied to MNCs. Emerging economies such as China and India have also largely followed this path in their respective inward outsourcing strategies. Though not a new phenomenon, sub-national variations have increased recently, largely aided by globalising processes that have increased the embeddedness of MNC units in local economies (Almond, 2011b). Additionally, the same author makes the point that the proximity of institutional infrastructure, such as universities and other research organisations, training systems, etc., to MNCs aid in the flexible, responsive capacity building needed to develop innovative productive capacity.

Lastly, according to Budhwar (2012:2514) “multinational companies (MNCs) are known to establish country-specific headquarters (CSHQs) or centres to create and transfer knowledge in order to better co-ordinate and control their operations, and also to share knowledge between affiliates both within and outside the country”.

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In terms of the literature on HRM in MNC affiliates operating or head-quartered in emerging markets, Budhwar (2012:2516), states that some work has been done in countries such as China, the Czech Republic, Hungary, Poland, Russia, Malaysia, Vietnam, India, Greece and Jordan, variously focusing on the transfer of HR across subsidiaries, the role of HR in the success of joint ventures, contribution of HR towards organisational performance and issues related to recruitment, culture fit and managing host country nationals. However, as previously seen, (e.g., Budhwar, Schuler & Sparrow 2009), there is a gap in the literature when it comes to HR in affiliates of MNCs operating in emerging markets. Moreover, with the exception of Björkman and Lu (1999) and Sparrow (2006), few studies have concentrated on the role of HR in the country-specific centres of MNCs, with none in the Indian context (Budhwar, 2012). In the context of this research, the focus is on the HRM-firm performance link within the Indian HRO/BPO industry, which includes two CSHQs.

Although empirical studies of BPO have been undertaken, the HRO ‘niche’ is less researched. Its service offerings are more complex than the BPO sector generally and the environment in which it operates is dynamic, reflecting the rapid growth in terms of market penetration and service offerings. The research for this thesis, therefore, contributes a longitudinal vendors’ perspective to HR and HPWS in three high performing case study organisations of different types operating in India, taking into account sub-regional as well as national issues. The research was designed to provide empirical evidence about the development of high performing people management practices in global and international outsourcing firms operating from India, particularly ‘human resource’ offshoring (HRO). The key theoretical and conceptual issues emerging from this review of the literature are summarised in Figure 2.2 below.
The literature points to several motivations and expectations of the ‘outsourcing organisations’. In terms of motivation, cost arbitrage, in the form of TCE is at the forefront. The resource based view theory also supports this argument, in that organisations tend to outsource ‘work’ and ‘jobs’ in order to manage their resources efficiently and hence concentrate on their remaining core resources. In terms of expectations, on one hand, offshoring organisations envisage cheap, quality services from the outsourced organisations, but on the other also look for knowledge exchange and sharing, and high performance work systems to be followed. Thus there is a dilemma that needs to be unbundled when it comes to offshored organisations’ HRM practices, especially over time. Do organisations concentrate on high performing HRM practices through leveraging their human capital in order to sustain and perform at higher levels? Also what is the role of HRM over time as this plays out, especially in the complex cultural and institutional context of the Indian HRP/BPO industry?

The next chapter concentrates on the above dilemmas which encapsulate the second topic central to this research - the role of HRM in firm performance and change.
Chapter 3 The Role of HRM in Firm Performance and Change

3 Introduction

The previous chapter provided the contextual and theoretical background of HRO and BPO, indicating the importance for these organisations of achieving sustained performance. It did so through the theoretical lenses of TCE, RBV and human capital theory. This chapter focuses specifically on the role of HRM as part of HPWS. In doing so, it identifies the six *a priori* themes for the thesis.

Generally, there is no evidence from the HPWP literature of a consensus on what individual HRM practices or ‘bundles’ form HPWS. In the context of this thesis therefore, the six a priori themes found included career management, human capital development, management style, employee focus and performance management. The role of HRM over time was also taken into consideration, as the sixth *a priori* theme. The identification of these six a priori themes in the literature review below is in no particular order.

The lack of a definite consensus lends support for the ‘contingent’ rather than the ‘universalist’ approach discussed in Chapter 2. Some elements of a bundle might be universally relevant for all competitors in a segment, others representing the ‘best fit’ argument (Purcell, 2003). A wide-ranging review of the literature suggests it may be concluded that HPWP could represent any one, or any combination of: bundles, combinations, additive, synergetic, substitutable or fit as depicted in Figure 3.1 below.
Two RBV concepts, (previously discussed in Chapter 2), may contribute some insight to the HPWS debate. The first is ‘path-dependency’ (the way that resources are developed over time) and the second ‘causal ambiguity’ (the fact that the precise nature of the relationship between resources and performance is not known to competitors and so they are unable to replicate a rival’s success (or indeed, avoid their failure) with any certainty: it may also be the case that there is ‘internal’ causal ambiguity within a firm; on the plus side this means that rival firms cannot simply poach staff ‘in the know’ and thus partake of the competitive advantage, on the minus, it may mean that a firm does not understand how and why it is in the position it is and so implementing change may be risky) (e.g., Barney, 1991; Collins & Montgomery, 1997). Such an interpretation requires attention to other organisational features which are considered below.

Further, much of the literature about the contribution of HR to firm performance takes a normative approach, but critical theorists have highlighted how HR specialist and HR management practices are conceptualised as providing a special type of elite or expert in contemporary organisations (Alvesson, 2003). As Cushen and Thompson (2012:83) explain, “a normative structure is made up of the managerially prescribed ideology and practices that seek to depict and bring about the desired social attributes of the organisation and employees”. Hence, as Townley (1993:526), for example, argues: “HRM constitutes a discipline and a discourse, which organises
an analytical space – the indeterminacy between promise and performance. HRM serves to render organisations and their participant’s calculable arenas, offering, through a variety of technologies, the means by which activities and individuals become knowable and governable”. Alvesson (2003) asserts that core to the human resources function is the provision and policing of the vocabularies of attention and division in the workplace. This, he says, includes partitioning the organisation into functions, ranking, differential pay and job classification. This critique of HRM highlights how members and work processes are produced in specifiable ways through processes of distinction, skill inventories, performance appraisal systems and various other assessment and measurement forms.

The main arguments in this chapter are as follows. Whatever perspective is adopted, HR processes are important to the performance of HRO/BPO providers, as offshoring work to a foreign country is potentially ‘profitable’ but ‘risky’ (e.g. Cappelli, 2011 on HRO). The success or failure of the decision to offshore is predicated on the quality and performance of human resources in the offshored host country and HPWS are required to sustain the performance of the vendor. This thesis explores the role of HR, over time, in successful offshoring organisations, an area currently under-researched in the contemporary literature.

In view of the above arguments, the next section looks at why HRM practices other than normative Western, such as those discussed below, are important, especially in the Indian BPO industry context.

3.1 Indigenous, Improvised, Innovative and Sophisticated HR Practices

Discussing management processes more generally, Marsden (1991:36) defines ‘indigenous management’ as utilisation of “… local, folk or vernacular knowledge and organizational methods, in the service of more appropriate developmental strategies”. arguing that:

(Indigenous knowledge. . . may be the basis for building more sustainable development strategies, because they begin from where the people are, rather than from where development experts would like them to be. It is commonly maintained that these indigenous knowledge systems, if articulated properly, will provide the bases for increasing productivity. (Marsden, 1991:31)
Comparatively, ‘crossvergence’ occurs “when an individual incorporates both national culture influences and economic ideology influences synergistically to form a unique value system that is different from the value set supported by either national culture or economic ideology” (Ralston, Holt, Terpstra & Kai-Cheng, 1997:183). The term ‘sophisticated HRM’ is used by Delaney, Lewin and Ichnioswki (1989) who compiled a list of ten HRM practices used in American firms; this was further extended by Huselid (1995) to include three more.

Som contends that “…changing HRM practices from conventional HRM practices in Indian firms is defined as innovative HRM practices” (2008:1280). Quoting from his previous work, he says it means:

...any intentional introduction or change of HRM program, policy, practice or system designed to influence or adapt employee skills, behaviours, and interactions and have the potential to provide both the foundation for strategy formulation and the means of strategy implementation that is perceived to be new and creates current capabilities and competencies. (Som, 2006:1280)

In addition, in the Indian context, the term ‘improvised’ has been used by Cappelli et al. (2010:5) who state “The India Way is characterised by four principal practices: holistic employee engagement, improvisation and adaptability of managers, creative value delivery to customers, and a sense of broad mission and purpose”. Hence in the Indian context, ‘improvisation’ and ‘adaptability’ are seen to be important aspects within which HRM is practiced. Thus, in effect, these terms explain the global-local dilemma and the complexity within and under which HR needs to operate, practice and manage. In this context, Gerhart (2005:178) has argued that Western SHRM frameworks may not be valid in other contexts. The next section discusses what HRM practices newer industries such as Indian BPO follow - global best practices (convergence) or localised practices (divergence).

In the context of the debate about HRM convergence and divergence, Adler and Ghader (1990) argue that organisations follow very different HRM policies and practices in their different stages of international corporate evolution: domestic, international, multinational and global. Harris and Brewster (1999) refer to this as ‘the global/local dilemma’, the issue being the extent to which operating units across the world are to be differentiated and at the same time integrated, controlled and
coordinated. They suggest two alternative strategies: the global approach, in which the company’s culture predominates and HRM is centralised and relatively standardised (an ‘ethnocentric’ policy); and the decentralised approach, in which HRM responsibility is devolved to subsidiaries. They state that there are several factors affecting choice: first, the extent to which there are well-defined local norms; second, the degree to which an operating unit is embedded in the local environment; third, the strength of the flow of resources – finance, information and people – between the parent and the subsidiary; fourth, the orientation of the parent to control; fifth, the nature of the industry – the extent to which it is primarily a domestic industry at local level; and sixth, the specific organisational competences including HRM that are critical for achieving competitive advantage in a global environment.

Brewster (2004) argues that convergence may be increasing as a result of the power of the markets, importance of cost, quality and productivity pressures, emergence of transaction cost economies and development of like-minded international cadres. The widespread practice of benchmarking ‘best practice’ may also have contributed to convergence. Others have indicated problems with the convergence thesis; Dowling, Welch and Schuler (1999:7) for example, argue that it is “[t]he complexities of operating in different countries and employing different national categories of workers that are the main factors that differentiate domestic and international HRM, rather than any major differences between the HRM functions performed”. They argue that the variables that moderate differences between domestic and international are the cultural environment, industry (or industries) with which the multinational is primarily involved, extent of reliance of the multinational on its home-country domestic market and attitudes of senior management. HRO adds a further degree of complexity, as Sparrow and Braun argue that within international HRM functions there will be some immediate tactical and reactive challenges due to HRO:

In terms of more strategic considerations, HR functions will have to determine whether the desire (of the organisation or their internal stakeholders) to outsource an HR activity is driven by its low contribution to core competencies, is influenced by the external environment, or reflects poor management of the activity. They will therefore need to demonstrate that performance is more important than
low HR department headcounts or lower costs. (Sparrow and Braun 2007:27)

A further element of the debate about what HRM practices Indian BPO/HRO organisations should follow to be successful is that of ‘West meets East’. Yeung, (2011:452) argues:

With the changing balance of the global economy, the focus and knowledge base of our HR field also needs to be adjusted not just for the sake of theoretical interests (such as the convergence versus divergence debates of the last few decades), but also practical implications so that corporations can effectively think through what works in the West, what works in the East, and what can work universally.

Sensitivity to extra-organisational cultural difference, particularly between ‘West’ and ‘East’ (Budhwar & Varma, 2011) and an ‘ambicultural’ approach to management (Chen & Miller, 2010) are also increasingly articulated. Hofstede, (2007:419) for example asserts:

Japan and Korea led the way, but their corporations mostly grew by “greenfield” expansion—founding their own subsidiaries, which mitigates culture clashes. Now, Chinese and Indian giants expand through acquisitions in Western countries, a much riskier strategy. Former culture clashes between the West and the East are reversed, and Asian managers will need cultural awareness training to understand their European and American subordinates.

Most HRM models within the literature (as discussed above) have originated from Western developed countries. With the changing global scenario, it is envisaged that researchers will need to work towards a HRM model in a way that ‘works universally’ (Yeung, 2011) and which complements both cultures and practices i.e. convergence. However, until this is realised, there is a need to identify, build on and extend current HRM research from the ‘East’, by paying attention to HRM models from countries such as Japan and South Korea (countries that are high on the global value chain) and also China and India (countries that are evolving into global powers) and comparing them with the prevalent Western models. This could be interesting: for example, Budhwar (2012:2516), also referring to his previous work (Sparrow & Budhwar 1997) asserts “cross-cultural management comparisons show India to be a cultural island, reducing the potential for regional synergies in HRM – i.e. it does not fall into any of the established clusters of nations”.
The extent to which HR practices support organisational change processes, especially change over time, deserves closer attention. Ulrich’s (1997) writing on the role of business partners and Caldwell’s (2001) article on the new change agents in HRM highlight the contribution of HRM to organisation change. There is an extensive literature that covers different types of roles in managing change (e.g. Kotter, 1996; Caldwell, 2001; Buchanan, 2003) and HRM competencies (Ulrich et al., 1995; Higgs & Rowland, 2000; Gill, 2003; Caldwell, 2003; Nikolaou et al., 2007).

The ability to change and adapt is a core competence for organisations of all sizes. Whittington and Mayer (2002:1) claim that “large British businesses are reorganising on average once every three years” and Gratez and Smith (2005:313) state “this change requires a responsive environment that seeks to align processes and human resource practices with organisational strategy to achieve successful change”. A change management survey by the Society for Human Resource Management (SHRM, 2007) reported that 73 per cent of HR respondents were involved in initiating, enabling and adapting to change.

**A priori Theme 1**: The above literature thus points towards differing ‘management styles’ that include elements that are indigenous, improvised, innovative and sophisticated, as compared to ‘universalistic’ converging best-practice management styles. Hence, within the Indian BPO industry, which management style is suitable and complementary to other HRM practices as a HPWS bundle? Thus, the first *a priori* theme identified in this thesis is ‘management style’.

The ability of HR to foster change and organisational adaptation is enacted through the various processes incorporated into HR work practices, in particular through attracting, selecting and retaining core people. To further explain and as a framework, this is discussed in relation to Schneider’s (1987) attraction-selection-attrition (ASA) model below. The argument here is that to be sustainable and competitive over time the Indian BPO industry needs to attract, select and manage attrition successfully, making any HRM/HPWS changes necessary to ensure they retain core people. The next section discusses the role of HRM in this context.
3.2 The Role of HR in Employee Attraction-Selection-Attrition

Although there are many intriguing propositions in Schneider’s framework, the central features of the attraction-selection-attrition (ASA) model are based on its major proposition that organisations become more homogeneous over time (Schneider, Goldstein, & Smith, 1995). It is also based on the proposition that organisational behaviour is the collective characteristics of people who define an organisation. These propositions are predicated upon three interacting processes: attraction - individuals are attracted to organisations whose modal personality is most similar to their own; selection - through both formal and informal selection processes, organisations tend to hire individuals that are most similar to the organisation’s current members; and attrition - over time, individuals whose personalities do not “fit” with other employees will be more likely to leave, whether voluntarily or involuntarily. The framework proposes that the outcome of these three interrelated dynamic processes, attraction-selection-attrition, determines the kinds of people in an organisation, which consequently defines its nature, structures, processes, culture (Schneider et al., 1995) and its resistance to change over time. Each of the A-S-A components is discussed below.

Schneider, (1987) suggests that the attraction process in the cycle concerns the fact that people's preferences for particular organisations are based upon an implicit estimate of the congruence of their own personal characteristics and the attributes of potential work organisations. The model also specifies that the attributes of interest are personality, attitudes and values. Thus, it may be argued that people find organisations differentially attractive as a function of their implicit judgments of the congruence between those organisations’ goals (and structures, processes and culture as manifestations of those goals) and their own personalities (Schneider et al., 1995). Various aspects of this proposition have been explored in further works, including O'Reilly, Chatman and Caldwell (1991), Kristof (1996) and Kristof-Brown, Zimmerman and Johnson (2005).

Selection is achieved by the formal and informal selection procedures used by organisations in the recruitment and hiring of people identified as possessing those attributes the organisation desires. This suggests that organisations select people who meet their expectations as such selection results in organisations containing people
with specific personality types, and it is these personalities that engender the unique structures, processes and cultures that characterise each organisation (Schneider, 1987; 1995); understandably organisations are anxious to identify and select the ‘right’ people.

Finally, attrition is the departure of individuals, both those who do not ‘fit’ and soon leave and those of value to the firm. Employee retention can also influence organisational effectiveness as more experienced employees have greater knowledge of organisational and customer goals (Schneider & Bowen, 1985). The ASA model is discussed in the context of HRM and HPWS below.

3.2.1 HRM, ASA and Firm Performance
Various authors have argued and concluded that well ‘structured’ and ‘rationalised’ HRM work processes can significantly improve employee relations with management and enhance overall organisational competitiveness and performance of the organisation (e.g. Budhwar, Luthar & Bhatnagar, 2006). A key feature of HR work processes is to ensure the appropriate attraction and retention of talented employees and enhance employee and firm performance. A strategic HR focus requires structuring of HR work processes to deliver flexibility, employee empowerment, and an appropriate work culture. This normative and economic approach to HRM highlights the importance of HR’s role. This is highlighted by many researchers in the literature who contribute to the discussion on competitive advantage achieved by leveraging links between HRM and firm performance. Such approaches argue that HRM ‘best practices’ are a contributor to financial performance, operational performance, and the employee relations climate (e.g. Bowen & Ostroff, (2004); Burton, Lauridsen & Obel, (2004); Fulmer, Gerhart, & Scott, (2003); Gelade & Ivery, (2003); Ngo et al, (2008); and Katou & Budhwar, (2007)). In the Indian context, Singh (2004) surveyed 82 Indian firms and found a significant relationship between two HR practices (professional development and reward systems), and perceived organisational and market performance. Another study conducted by the Corporate Executive Board (2006) argued that good HR practices enhanced employee psychological commitment towards the organisation. Stumpf, Doh and Tymon (2010) provide evidence that HR managers believe that effective HRM systems are required in Indian BPOs in to address problems with
recruiting, motivating, and retaining talent in the highly competitive national and international business environment. Furthermore, a survey of executives in India indicated a perception that robust HR practices in employee development are critical to building and sustaining the workforce needed to capitalise on business opportunities (Malkani, Pandey & Bhagwati, 2007).

**A priori Theme 2:** As is evident from the discussion above, the ‘role of HRM’ is important and linked to employee attraction, selection, and attrition, as well as overall firm performance. Hence, within the Indian BPO industry, how important is the role of HRM in overseeing, facilitating and implementing HPWP? Thus the second *a priori* theme identified for this thesis is ‘the role of HRM’.

Having discussed differing management styles and the role of HRM, the next section discusses the link between HRM and firm performance

### 3.3 HRM-Firm Performance Link

The attempt to explain the relationship between HRM and firm performance is a central feature in the strategic HRM literature. Drawing on previous work on industrial relations, HRM, labour process theory and organisational sociology (e.g., Fox, 1974; Storey, 1989; Legge, 1995; Boxall & Purcell, 2003; Friedman, 1977; Crozier & Friedberg, 1977 respectively), Almond (2011a:260) reiterates the ‘relational perspective’ between the buyers and sellers of labour and argues that certain “normative HRM theories such as the notion of “High Performance Work Systems” can be seen as an attempt to institutionalise a set of ideas about what is the “right” way to manage the effort–reward bargain within paid employment”. However, within individual MNCs such country of origin effects are mostly dependent on global dominance. The US, for example, Almond (2011a) contends, has a global dominance and hence it could well be more likely that what are termed its best practices ‘converge’ at subsidiary level, in comparison to ‘non-dominant’ countries of origin MNCs where “it is more likely to consist of an imitation, or interpretation, of dominant practice than to be strongly based on a country of origin model” (Almond, 2011a:263). The section below examines HPWS in detail.
3.3.1 High Performance Work Systems (HPWS)

The HPWS literature focuses attention on the HR practices required to increase performance (e.g., Huselid, 1995; Pfeffer, 1994; 1998). HPWS are composed of high performance working practices (HPWP) which, when placed together, form the HPWS. HPWS research provides important insights into studying the difficulties and complexities that can arise in, what is known in the HRM literature as, the ‘black-box’ between HR management systems and firm performance (e.g., Purcell et al., 2003; Wright & Gardner, 2004). Importantly, a cluster of HRM practices forms the contents of the black box and impact on the profitability of the organisation (Boxall, Ang & Bartram, 2011). However, though these studies do not establish any relationship between HRM and performance, it is considered that they are likely to show if there is a tendency for such a relationship. HPWS studies also involve analysing the chain of links or mediators inside the black box of the firm’s models of HRM (Boxall, 2012).

A variety of approaches has been adopted to study HPWS. For example, Pfeffer initially (1994) advocated the adaptation of sixteen HPWP including employment security, selectivity in recruitment, incentive compensation and work teams, which he later concentrated into just seven (Pfeffer, 1998). Similarly Huselid, (1995) described thirteen HPWP that encourage employee involvement, including comprehensive employee selection, development procedures, incentive compensation, performance management and organisational work structures. Studies have shown HPWS can favourably affect turnover (Guthrie, 2001; Huselid, 1995) and labour productivity (Huselid, 1995). Organisations exhibiting HPWS have higher levels of training (Whitfield, 2000) and also make a significant investment in their pool of human capital so that employees are well trained, skilled and empowered to do their jobs (Becker & Huselid, 1998). The ‘internal social structure’ of the organisation mediates the relationship between the HPWS and organisational performance (Evans & Davis, 2005). It has also been found that the link between HPWS and firm performance relates to ‘organisational culture’ (Den Hartog & Verburg, 2005) and in becoming a HPWO organisation, the role of employment security, employee involvement and training (SET) is viewed as important (Brown, Reich & Stern, 1993). Pay as an important ingredient and key motivator for staff,
there is growing empirical evidence that HPWP such as incentive compensation, employment security and good pay can have a significant impact on organisational performance, firm productivity (Guthrie, 2001), and firm financial performance (Guthrie, 2001; Huselid, 1995). With regard to MNCs operating in India, Björkman and Budhwar’s (2007) study of 76 MNCs examined the implementation of HRM practices in their Indian subsidiaries and the linkage between these HRM practices and organisational performance. It showed that the introduction of HRM practices from the foreign parent organisation has a negative effect on performance, while local adaptation of HRM practices a positive one. Both studies illustrate the need for significant local responsiveness, mediated by the HR function within the Indian country specific headquarters (CSHQ).

As is evident above, high performance work practices (HPWP) within high performance work organisations (HPWO) are well documented in developed country economies (Bae et al, 2011; Heffernan et al, 2011). However, there is scant research available concerning the emerging Indian economy. Strategic HR awareness and practices may exist in nascent form (Budhwar & Varma, 2010a,b; Som, 2008) but to date the relationship between HR practices and HPWS in India remains unaddressed. The next section looks at ‘bundling’ and ‘fit’ of HPWP.

3.3.2 HPWP Bundling and Fit

A key debate in the HPWS arena is grounded in the nature and degree of HR practice ‘fit’ (Wood, 1999a; Purcell, 2006), and bundling of HR practices (e.g., Pfeffer, 1998) perspectives.

Wood (1999a:367) in his work on HRM and performance stated that “synergy, fit and integration are key concepts in modern HRM theory”, postulating four types of ‘fit’: internal, organisational, strategic and environmental. In terms of models of HPWS, internal fit involves the blending of HR practices to achieve synergy. Organisational fit entails aligning these identified HR practices or systems to other systems within the organisation. Strategic fit entails linking HPWS directly to organisational strategy and environmental fit aligns HPWS to the organisation’s environment.
One development of the debate on ‘fit’ is the question of whether HPWS are universally or contingently relevant (e.g., Becker & Gerhart, 1996; Youndt et al, 1996; Becker & Huselid, 1998). The ‘universalist view’ attempts to identify HR practices that will always result in superior performance whilst the ‘contingent view’ focuses on ‘best fit’ of practices to context (e.g. Purcell, 2006). However, Youndt et al. (1996:837) argue that “although on the surface the universal and contingency perspectives may appear to be competing, we would argue that they can be complementary”.

HR ‘bundling’, which may be considered a development of the ‘best-fit’ approach, is also an important component of the resource based view (RBV) and more recent studies to do with High Performance Working (HPW) are a further development of this approach. Research has suggested that a combination of employee training and development, empowerment, participation, information sharing and compensation systems are commonly found in HPWS (Bosalie & Dietz 2003) although very little empirical certainty is possible. Moreover, research findings vary. For example, Batt (2002) found practices such as team working, high skills, discretion and commitment were critical. A Chartered Institute of Personnel and Development (CIPD, UK) study by Guest (2000) identified 18 key practices pertaining to high performance or commitment. Kling (1995) considered three main HPWP areas, namely training, compensation and employee involvement as having a major influence on performance. Pil and MacDuffie (1996) suggest five practices within the car manufacturing industry: line work teams, employee involvement, problem-solving groups, job rotation, suggestion programmes and decentralisation. Thompson’s (2002) work on the aerospace industry identifies 30 practices falling into three clusters: high involvement, human resource and employee relations. Ashton and Sung (2002) list four dimensions in their review: employee involvement and autonomy; support for employee performance; rewards for performance and sharing of information and knowledge.

**A priori Themes 3 and 4**: At this stage, the review of the literature above points to two distinct areas from which two further a priori themes emerge. The various lists of HRM practices that are discussed in the HPWP literature above may be broadly classified and categorised as being ‘employee focused’
and, at the same time, ‘managing employee performance’. Hence, would these two themes be prevalent as part of the HPWS bundle in the Indian BPO industry? Thus, ‘employee focus’ and ‘performance management’ form a priori themes 3 and 4.

Having discussed various lists of HRM practices constituting HPWP and after having identified the above a priori themes, the discussion now moves to identifying variants of HPWS, one such being employer branding, discussed below.

### 3.4 High Performance Variants: Employer Branding as a Dimension of HPWS

The HPWS literature is associated with a range of other normative frameworks. High commitment management (HCM) or high commitment employment practices, for example (Walton, 1985; Wood 1999a, 1999b; Wood & Albanese, 1995), is a widely used variant of the ‘high performance’ paradigm. The fundamental premise of these alternative terms suggests that there are identified practices that affect organisational commitment, which, in turn, is assumed to influence organisational performance. Such practices include sophisticated selection and training, behaviour based appraisal and advancement criteria, contingent pay systems, group bonuses and profit sharing (e.g. Boxall & Macky, 2009; Godard, 2001; Godard, 2004; Ramsay, Scholarios & Harley 2000).

Also seen as an ingredient of the ‘high performance’ theory is high involvement management (HIM) or high involvement work practices (Lawler, 1986; Pil & MacDuffie, 1996). The fundamental premise of this term means identified practices that emphasise an orientation towards enlarging employees’ skills and knowledge. Included in these practices are areas such as team-working/self managed teams, information sharing, flexible job designs, etc. (e.g. Boxall & Macky, 2007; Macky & Boxall, 2008; Vandenberg, Richardson & Eastman, 1999).

Other variants include terms such as ‘Alternative Work Practices’ (AWP) (e.g. Berg, Appelbaum, Bailey & Kallerberg, 1996; Godard, 2001), the primary argument of this being participatory practices that constitute alternative job designs, and practices that allow employees some freedom to design their work. Practices include: work teams, job enrichment, job rotation, quality circles or problem-solving groups, cross training, and training in problem solving (Boxall & Macky, 2007; Godard,
This is also the case with ‘Innovative Work Practices’ (IWP) - workplace innovations and new work practices (e.g. Guthrie, 2001; Ichniowski, Shaw & Prennushi, 1997) - the essential principle here being, practices that enhance discretionary behaviour among employees and thus lead to innovative work behaviour in the workplace. These include cross-training, flexible job designs, training in problem solving, decentralised decision making and self-managed teams (e.g. Guest, Conway, Michie & Sheehan, 2003).

Apart from the above, there are also influences in terms of attracting and selecting right employees and as dimensions of HPWS. One such is employer branding, discussed below.

A more recent concept associated with HPWS is ‘employer branding’. The importance of employer branding and its linkage to an organisation’s overall strategy is seen to be paramount as “…the value of brands is thought to be worth up to twice the book value of … tangible assets, and likely to become an even bigger factor in the market for corporate control” (Martin, 2009:220). This can also be linked to ‘attraction’ in the A-S-A model. From a marketing perspective, an organisation’s corporate identity is a strategically planned and purposeful presentation of itself in order to gain a positive corporate image in the minds of the public; this identity is established in order to gain favourable corporate reputation over time (Alessandri 2001). According to Markwick and Fill (1997) this identity is vital to how the organisation distinguishes itself and articulates what it is, what it does and how it does it, at both national and international level. They further suggest that this identity is presented to an organisation’s various stakeholders through a number of cues which represent how the organisation wishes to be perceived. ‘Employer branding’ proponents argue that HRM practices are one such cue. Moreover, according to Uncles (2010:397) “significantly, neither marketing nor HRM “own” employer branding” and hence it should be seen as a cross-disciplinary area of study.

Any consideration of employer brand involves taking into account the issues of corporate identity, image and reputation. From an HR point of view, Martin et al. (2005:77) claim “that having employees “aligned” with the brand is vital, especially those employees whose actions directly affect customer/client relations and perceptions”. Thus the “company’s image as seen through the eyes of its associates
and potential hires” is intimately linked to the “employment experience” of “what it is like to work at a company, including tangibles such as salary and intangibles such as company culture and values” (Ruch, 2002: 3).

To put things into perspective, Table 3.1 below (Martin & Hetric, 2006:21, adapted from Balmer & Geyser, 2003) identifies six related concepts of ‘corporateness’ and six relevant questions are framed against these concepts to explain each. The six concepts are identity, communications, branding, identity, reputation and image. However, an overall review of the branding literature in general, and the employer branding literature in particular, has brought to light three overarching concepts within the branding area – identity, image and reputation.

<table>
<thead>
<tr>
<th>Key question</th>
<th>Key concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the corporation’s distinctive attributes?</td>
<td>Corporate identity</td>
</tr>
<tr>
<td>To whom and what do/should we communicate?</td>
<td>Corporate communications</td>
</tr>
<tr>
<td>What is our corporate promise or pledge?</td>
<td>Corporate branding</td>
</tr>
<tr>
<td>What are organisational members’ affinities, or ‘who are we’?</td>
<td>Organisational identity</td>
</tr>
<tr>
<td>How are we perceived as time goes on?</td>
<td>Corporate reputation</td>
</tr>
<tr>
<td>How are we perceived right now?</td>
<td>Corporate image</td>
</tr>
</tbody>
</table>

Source: Adapted from Balmer and Geyser, (2003:4)

Table 3.1 Corporateness

Whetten and Mackey (2002) draw on a useful analogy and distinguish between an organisation’s autobiography (self-authored narratives about identity that influence the projected image) and its biography (‘official’ and ‘unofficial’ assessments of the organisation by outsiders – its reputation). Based on the literature above, the following model (Figure 3.2) depicts the place of employer branding within the wider corporate projections, strategy processes and map.
Employer branding issues are important for HRO organisations as the ability to attract business is very dependent on external, as well as internal, perceptions of the organisation and its ability to deliver services in an effective way. The interest of reputation management in organisational ‘identity’ has its origins in earlier work by academics on individual identity (Martin & Hetric, 2006). Whetten and Mackey (2002) argue that organisations have complex personalities and identities like groups or individuals, as organisations are not homogenous entities but made up of collective groups and individuals. In an interpretation of organisational identity, Albert and Whetten (1985) recognised three of its central principles: first, it should capture the essence or ‘claimed central character’ of the organisation; second, it should set out its claimed distinctiveness; and third, it should show continuity over time.

However, the concept of ‘image’ is problematic as it can refer to different aspects of an organisation. Martin and Hetric (2006:21) highlight different potential images: first, the transmitted image (i.e. the visual or desired image, transmitted by the corporate designers), second, the received image (how stakeholders perceive the organisational symbols and reputation), and third, the construed image (how employees believe customers see the organisation).
An important part of the “received image” is ‘reputation’ (e.g., Dowling, 2001; Hatch & Schultz, 2001; Davies et al., 2003; Fombrun & Van Riel, 2003). However, scholars have also linked HRM to reputation and branding (e.g., Martin & Beaumont, 2003; Martin et al., 2005; Martin & Hetric, 2006; Martin et al., 2011). ‘Reputational capital’ for example, may be defined as ‘the difference between the book valuation of an organisation and its market valuation’ (Martin & Hetric, 2006:12). Reputation is built on the trust and confidence of stakeholders in an organisation, since “the returns from maintaining an unsullied reputation must exceed the gains from violating trust and reneging on promises” (Roberts, 2004:161). Also, since it is the timing of these returns that determines their value, “an organisation would depend on the number of times and the range of situations in which it can be used to generate such value” (Dowling, 2001:23).

Relevant work on employer branding, is grounded in the RBV and highlights the importance of reputation as an important resource. Martin, et al. (2011) argue that for a strategic resource (in this case the employer brand) to be consistently valuable (V), it must be rare (R), incapable of easy imitation (I) and facilitated by sufficient organisational resources and opportunity (O) to exploit it. They say that organisations need to explore ways and means to identify differentiation and uniqueness in branding strategies and retain their rarity and value through sophisticated, indigenous and HR practices, interventions, policies and strategies. Second, work practices and other bundles of HR, are fundamental to employer branding initiatives and need to be hard to copy. Third, employer branding strategies need to include, for example, elements of what Younger, Smallwood and Ulrich (2007) articulate as ‘branded talent developers’ and the role of HR needs to include enabling this, facilitated by sufficient organisational people resources and opportunity.

Martin et al. (2011) also link employer branding and reputational capital to ‘signalling theory’ (also see Martin & Groen-in’t Woud 2011). Martin et al. (2011:8) argue that signalling theory:

...treats leadership and bundles of HPWPs as signals sent out by the organisation to create an impression of a reputable employer. Whether employees treat these signals as authentic or as ‘honest’ attempts by organisations to further mutual interests rather than ‘fake’ them, it
will determine the impact of leadership behaviours and HPWPs on employee engagement.

Another area of theory which sheds light on the challenges and ambiguities of employer branding is that of ‘social status’ (Bergh et al., 2010). This can also be argued to be part of RBV, as it highlights the distinction between an organisation’s need to be distinctive from others in terms of specific quality and performance attributes (including reputation) and its need to be socially legitimate by accruing social status in the eyes of others. In the Indian context though, this may have cultural implications and underpinnings. The next section links employer branding to what Ulrich and colleagues term branded talent developers (Younger et al., 2007).

3.4.1 Employer Branding and Branded Talent Developers
Younger et al. (2007:21) define a branded talent developer as “an organization that emphasizes the career and developmental opportunities it offers as a means of gaining competitive advantage in the war for talent”. Whilst an employer brand forms part of a larger corporate branding strategy and must be consistent with all other branding efforts of the firm (Sullivan, 1999), the communication of this brand to current and potential employees has been found to be a critical aspect of reputation management (Ritson 2002; Balmer et al., 2003). With potentially far-reaching benefits such as reducing the cost of employee acquisition, enhanced employment relations, increasing retention and even the ability to offer lower salaries to comparable staff (Ritson 2002). However, not only has this area of corporate branding received relatively little attention, most studies to date have largely focused on developed countries and markets (e.g. Berthon et al., 2005; Ritson, 2002).

Younger et al. (2007:22) for example, examine “developing organisations brand as a talent developer”, arguing that organisations with a reputation as successful are more likely to: attract, hire and retain individuals who have the skills and attributes they require or wish to develop, meet their talent needs, accomplish this at a lower overall cost and be better positioned to successfully pursue an organic growth agenda.
However, the influence of national culture and country of origin is also important for employer branding. ‘Country of Origin’ (CoO) is an important issue in branding and has received great attention in the literature (including Lin & Sternquist 1994; Haubl 1996). More recently this has been addressed more widely in the international HRM literature (e.g. Almond, 2011) and it has been suggested that many brands may even be defined and described in terms of their origin (Thakor & Kohli, 1996). A brand’s country of origin can be summarised as where the corporate headquarters of a company marketing the product or brand is located (Ozsomer & Cavusgil, 1991; Al-Sulaiti & Baker, 1998). In the case of some brands, their association with a country perceived to possess some natural expertise (such as German automotive brands which are associated with good craftsmanship and quality engineering), can provide a strong advantage (Haubl, 1996). One other consideration with regard to the literature on country of origin branding, is the issue of country of manufacture branding, which represents the country the product is actually produced in (Hui & Zhou, 2003). If we link culture to the concept of country of origin, we can draw from Hofstede (2007:419) who writes “businesses have home countries, and these play an essential role in their effectiveness and their corporate identity…”

*A priori Themes 5 and 6:* The discussion above indicates how organisations concentrate on signalling to and attracting potential employees, and satisfying current employees with career advancement and employee development opportunities, utilising branding. Thus, in the context of this thesis, the literature on employer and corporate branding discussed above leads to identification of two further *a priori* themes, namely ‘career development’ and ‘human capital development’.

Having discussed various aspects of HPWS in detail and identified the six *a priori* themes for this thesis, the next section discusses the importance of and gaps in qualitative research into HPWS. Though descriptive and chronological, it is important to understand what has been done to date as this will inform the research design of this thesis, further discussed in the methodology chapter.
3.5 Qualitative Research into HPWS

Qualitative research enquiring into the link between HRM and firm performance through HPWS has been rare. A review of the extant literature highlights the following research, discussed chronologically in the context of this study, concentrating on both the theoretical and methodological insights that have been developed.

Pfeffer’s (1994; 1998a,b) and Pfeffer and Veiga’s (1999) earlier qualitative work on HPWS portraying high performing HRM practices in successful case study organisations are considered as seminal. These studies showed that organisations pursuing ‘best practice’ HPWS sustained their levels of performance. Pfeffer’s (1994) US-based work *Competitive Advantage Through People* identified thirteen HRM best practices from successful global organisations including Southwest Airlines, Toyota-General Motors, Lincoln Electric and Federal Express. These practices, argues Pfeffer, helped the organisations to achieve competitive success through people, and this was accomplished by fundamentally altering how management thought about the workforce and the employment relationship; by working with people, not by replacing them or limiting the scope of their activities, thus seeing the workforce as a source of strategic advantage, not just as a cost to be minimised or avoided. Over time, Pfeffer (1998a,b) and Pfeffer and Veiga (1999) reduced the original HRM best practice list to seven, but still argued that a combination of these would lead to organisational success. Here too, Pfeffer presents evidence, through case studies as well as scholarly research, suggesting a company can gain a sustainable competitive advantage within its industry by treating employees as its most valuable resource. However, he points out that while evidence supports a more participative approach to management, current business practices more closely resemble a Taylorist approach (a scientific, control-oriented management style). However, these observations need much more testing over time, as the main criticism (see below) was that it was too prescriptive in nature.

Drawing on the RBV of the firm literature, Boxall and Steenveld (1999) reported one of the first industry-based, longitudinal qualitative investigations into the relationship between human resource strategy and competitive advantage. The
study examines HPWS in three international engineering consultancies in New Zealand, and assessed “...how some firms do it better: engaging and utilizing human talents in ways that deliver more satisfying outcomes for investors, employees and society at large” (Boxall & Steenveld, 1999:443). The longitudinal element had two phases, carried out between 1994 and 1997, involving interviews with top management. Results indicated that the firms survived the major economic upheavals of the late 1980s and early 1990s through adopting structural, competitive, operational and HR responses. Boxall and Steenveld (1999) stress that in interpreting the relationship between HRM and firm performance it is important to distinguish between a firm's HRM practices which are strategic from those that might form the basis of a relatively enduring form of competitive advantage. However, they conclude that there was insufficient evidence that any of the primary subjects in this study had established an outstanding competitive advantage. Nonetheless, the study suggested that opportunities do exist for professional service firms to develop industry leadership through superior HRM practices. Here, methodologically, though being an initial study, the evidence came from three case study organisations within a particular sector, and was longitudinal. Theoretically, this study questioned the linkage of intent and success in applying HPWS in professional service firms.

Boxall and Steenveld’s study was followed shortly by evidence and research into HPWS from the UK. First, Hutchinson, Purcell and Kinnie’s (2000) qualitative study focused on high commitment management (HCM) within a customer service call centre in Bristol, which employed around 4000 people. Second, Truss’s (2001) study contributes to the debate by analysing in detail the HR policies and practices of a single case-study organisation, Hewlett Packard (HP, 96,000 employees), over a two year time period, drawing on a broad range of informants. The Hutchinson et al. (2000) study’s longitudinal element included twenty interviews in the first phase in May 1997 and a follow up six months later in the second, comprising two focus groups. Results indicated that the initial driving force for the adoption of HCM came from the need to realign business strategy and organisational structure to meet the threat of new competition and changes in customer expectations. Furthermore, these changes involved not only a combination of HR practices, but also changes in work organisation, management structure and IT, operational and marketing strategies, and
the role of HR was seen to be important in the study. It also brought out the ‘contingent’ need for change and HPWS were seen to be ‘woven’ into the changes to other areas such as IT, operational and marketing strategies. The Truss (2001) study, on the other hand, instead of devising a list of ‘best practice’ HRM from the literature and testing its impact on performance, inverted the question, choosing an established, financially successful firm and examining its HR policies and practices. Results showed that even successful organisations such as Hewlett Packard do not always implement ‘best practice’ HRM, and that there is frequently a discrepancy between intention and practice. The results also showed that the outcomes at the individual and organisational levels were complex and often contradictory - and so is the attempt to measure the interrelationship between HRM and firm performance. Similarly, Danford, Richardson, Stewart, Tailby and Upchurch’s (2004) qualitative case study analysed the impact of HPWP and workplace partnership on skilled workers in a single case study organisation within the UK’s aerospace industry. This global organisation had 43,000 employees and 72 interviews were conducted. Contrary to assumptions that such practices increase empowerment and participation they found evidence of a democratic deficit in workplace decision-making and deterioration in the quality of working life. In contrast, Drummond and Stone’s (2007) study was conducted on firms included in The Sunday Times list of the UK’s “Best Small Companies to Work For”, focusing in particular on the use of HPWS, and the way they impact upon performance in these businesses. The research was based upon a postal survey, supplemented by detailed face-to-face interviews with CEOs in 60 per cent of the ranked firms. The SMEs studied were found to be highly successful in terms of sales and employment growth, suggesting that the HPWS are valid, but partial. Though bundles employed in these businesses were synergetic, the outcomes produced were not understood in terms of the system as a whole and in terms of more concrete practices that are normally considered.

Qualitative HPWS research in other parts of the world is found in Rocha’s (2007) longitudinal case study of a Brazilian company which changed its work system from a highly Taylorist to a HPWS form of organisation. The study presented the organisational processes linked to these changes and discussed their implications for manager-worker relations in an emerging market economy, based on 89
interviews with 62 informants conducted over a period of eight years. Findings suggested that in seeking to implement HPWS, firms need to pool and recombine different sources of expertise to succeed. It also showed that the balance of power between different organisational actors started to shift towards greater mutual dependence, thus reducing power imbalances. Being longitudinal, the paper discusses the gradual development of HPWS in an emerging market economy. A similar qualitative longitudinal study by de Waal and Frijns (2011) was conducted on a Nepalese bank, over a two-year period. Findings suggested that though the bank’s financial performance improved, the bank’s use of HPWS and increase in financial performance directly attributable to use of HPWS was not significant, due to a perceptual gap between management and employees with regard to HPWS being directly linked to any improvements achieved. Furthermore, it was found that the bank continued with its usual business and the implementation of the HPWS was not necessarily seen to result in higher firm performance.

In two further qualitative HPWS studies Glover and Butler (2012) looked at the partnership and working lives of HR professionals in the context of implementing HPWS in a case study organisation, while Cushen and Thompson (2012) explored the relationship between HR practices, commitment, and work and employment relations in a knowledge organisation, involving knowledge workers. Glover and Butler’s (2012) research concentrated on an engineering MNC case study organisation, employing 84,000 people worldwide, using a four year longitudinal design including 32 interviews. Findings demonstrated how a high profile change programme that blended HPWS and partnership reaped mixed consequences for the HR population. They develop the notion of ‘maintenance work’ to describe how practitioners engaged with the formal and informal organisation to facilitate the smooth running of these management systems. Findings further revealed that whilst those in senior HR positions experienced increased job satisfaction, the service providers found their workload intensified and their efforts went unrecognised. In contrast, drawing on an in-depth ethnography of knowledge workers within a global, high-technology, knowledge-intensive firm, Cushen and Thompson’s (2012) longitudinal study included 75 interviews and ethnographic observation of 25 meetings, and offers a multidimensional understanding of structures of influence and
of commitment that interact in distinctive ways to shape the employee experience. Findings further suggested that though best practice HR was ‘celebrated’, the ‘grounded picture’ of the intent and outcome of commitment seeking policies was much more complex. This study thus demonstrated that, “contrary to mainstream and critical scholarship, skilled technical workers in knowledge-intensive firms can be uncommitted, angry and high performing at the same time” (Cushen & Thompson, 2012:79).

To sum up, qualitative research into HPWS, though rare, indicates the dynamic and complex relationship between HPWS, firm performance and HR practices. Methodologically, most research has been based on a single case study organisation, though some had longitudinal designs. Moreover, the majority of the studies, not only those cited above, have been US and UK based, confirming Delbridge et al.’s (2011) assertion that most HPWS research is US and UK based and there is a lack of research in emerging market economies. Earlier studies proved best practice HPWS to be positive and successful (e.g. Pfeffer, 1994; 1998; Boxall & Steenveld, 1999; Hutchinson et al., 2000). However, more recent results have been ‘contrasting’ and indicate that HPWS are at times contingent, partly successful and the HRM-firm performance link, through bundles of HPWS, cannot definitively be proved (Truss, 2001, de Waal & Frijns, 2011; Glover & Butler, 2012; Cushen & Thompson, 2012).

The next section summarises the discussion in this chapter, through a conceptual framework.

3.6 Conceptual Framework and Summary

Based on the discussion in Chapter 2 and above, the conceptual framework is formed and reproduced below (Figure 3.3). The literature review considered the convergence, divergence and crossvergence debates, best fit versus best practice debates, global, local and glocal debates, the attraction-selection-attrition model and newer forms of HRM such as indigenous, innovative, sophisticated, employer branding, etc., all of which are important to an understanding of an ‘ambicultural’ (Chen & Miller, 2010) management approach, which may be relevant to HPWS in
HRO/BPO organisations in India. The review further led to identification of the six *a priori* themes for the thesis.

Research has been conducted to establish whether HPWS are either universalistic or contingent on one ‘time frame’. Longitudinal studies looking at changes, shifts or complementariness, over time, are missing. There is also a gap in the IHRM literature regarding emerging markets such as India. Human resources offshoring (HRO) forms a small but significant part of the business process offshoring (BPO) market which India currently dominates. Research into HR-firm performance in the HRO sector is limited and this thesis contributes an exploratory approach to the examination of HR practices and policies. Thus, this thesis assesses the developing nature and patterns of HRM in the emergent HRO sector. Conceptually, as discussed at the end of Chapter 2, there are motivations and expectations for the offshoring organisation from the resources (including HR) of the offshored organisation. These motivations and expectations are mostly cost, quality and performance centred (TCE). The HR strategy in offshored organisations is influenced internally by the overall business strategy through HRM roles and practices (influenced by, and having influence on, human capital), following high performance work practices and systems, as identified as the six *a priori* themes (Figure 3.3 below).
Figure 3:3 Conceptual Framework (a priori themes in italics)
Chapter 4 Methodology

4. Introduction

This chapter explains the reflexive methodological approach adopted in the research and outlines the main features of the research design, which follows from the research aim, objectives and questions.

The principal research question of the thesis is: what factors influence the way HR practices in the form of high performing work practices, change over time to sustain high performance in Indian offshore service providers? A qualitative approach is adopted and in the research context the “phenomenon under study [HR and HPWS] is not readily distinguishable from its context” i.e. the case study organisations (Yin, 1993:3). Therefore a case-study method provides the opportunity to “examine continuous processes in context and to draw in the significance of various interconnected levels of analysis” (Pettigrew, 1990:271). The research design for this thesis was guided by the conceptual framework depicted in the previous chapter. The research questions are:

1. What bundles of HR practices constitute HPWS in the Indian BPO industry and how have these varied over time?
2. What are the sustainable country-specific (Indianised) HRM features that affect high performance in Indian BPO organisations?
3. To what extent and in what ways do TCE, Human Capital and RBV theories explain the achievement of sustained high performance in the Indian BPO industry?

In what follows, the epistemological stance, research design and focus are discussed. Thereafter this chapter discusses various research strategies and in the process explains the chosen approach. The data gathering methods are then discussed including the criteria, pressures and dilemmas in accessing organisations for a longitudinal sampling study, followed by the methods used to analyse and present the data. The chapter concludes with ethical considerations and a reflective account of the research process.
4.1 Ontological, Epistemological and Methodological Stance

There are three assumptions in research: epistemological, ontological and methodological. *Epistemology* refers to the assumptions we make about what it is possible for us to know and how we can obtain this knowledge (Bryman, 2001; Hay, 2002). *Ontological* assumptions concern the nature of the world and human beings in social contexts (Bryman, 2001; Hay, 2002) and the nature of these can vary. For example, a normative ontology assumes that a social phenomenon is independent from other factors. In contrast, an interpretive approach views the world as social phenomena with different meanings. As a result, different researchers can formulate different conclusions for one observation. The critical theory paradigm provides an alternative ‘lens’, tending to see the world as something that should change and invoking critical examination of social phenomena and change based on interrogations of phenomena, both in the social and individual contexts. A key area of ontological and epistemological debate in qualitative research is the extent to which any method can provide access to the personal world of the research participant. A reflexive understanding of epistemology is increasingly relevant for researchers who engage with management and organisations in undertaking empirical research. Even though they may remain unrecognised by the individual, epistemological ‘commitments’ are a key feature of ‘pre-understandings’ which influence how things are made intelligible. These (research assumptions) are depicted in Figure 4.1 below. In what follows, the researcher examines and justifies his chosen ontological, epistemological and methodological stance.
Because of its theoretical and methodological diversity, management research is often considered as lacking paradigmatic development (e.g., Pfeffer, 1993, 1995; Van Maanen, 1995). Guba and Lincoln (1994) identify four generic paradigmatic approaches: positivism, post-positivism, critical theory and constructivism. Within a positivist paradigm the researcher sees him/herself as a neutral collector of information, taking the role of expert fact finder and hypothesis tester. From an objectivist epistemological stance positivists will ask questions that avoid impact on the research process, so as to avoid data contamination. Post-positivist researchers focus on interpreting the meanings that individuals ascribe to particular situations. Here the researcher is likely to test and reflect upon their own inferences to ensure that they are correctly interpreting the research subject’s views. In the context of the research undertaken for this thesis, however, the ontological assumptions underlying these kinds of approaches are still based on a realist ontology and an objectivist epistemology, something that inhibits probing of different perspectives in changing and dynamic contexts. Therefore a positivist approach is inappropriate for this thesis. From a critical theory perspective, the role of the researcher is somewhat different. Critical theorists are “concerned to preserve critique of the status quo and simultaneously liberate people from asymmetrical power relations, dependencies and
constraints” (Cassell, 2005:169): the researcher has the deliberate aim of empowering the research subject through the research process, with a view to facilitating some kind of change. This approach too was not seen as suitable for this research, which set out to explore the different features of HPWS in successful case study organisations. The last perspective is that of social constructivism, with acknowledgement that what the researcher observes is not “independent of the process of observing but is an outcome of the researcher’s methodological interaction with, and conceptual constitution of, his/her objects of knowledge” (Cassell, 2005:170). Thus, there being a strong need to be reflexive as part of the research process, the researcher can only gather different accounts of reality represented through the researcher’s own interpretation. Hence, a realist ontology and an objectivist epistemology is seen as the most suitable for this research, as it is longitudinal in nature and, within an organisational and management context, it investigates the developments of HRM practices and HPWS within high performing Indian HRO/BPO organisations.

In the above context, Alvesson and Skoldberg (2000) promote what they identify as a ‘reflexive approach’ to research. This approach is concerned with the study and interpretation of human behaviour, structures of society, and how people function within these structures. The aspiration for this research is to achieve reflexivity, and true reflexivity will occur only when different research methodologies are played against and reflected in one another (Alvesson & Skoldberg, 2000). Hence, according to Alvesson and Skoldberg (2000:248), “reflection means interpreting one’s own interpretations, looking at one’s own authority, and turning a self critical eye onto one’s own authority as interpreter and author”. This research thus highlights a crucial ingredient within organisational analysis to be deployed here within the context of the role of HRM and HPWS in Indian HRO/BPO organisations, and how the researcher interprets it reflexively.

Behind statements of ontological position and methodological intent, Denzin and Lincoln (1989) argue, stands the personal biography of the researcher who speaks from a particular class, culture and ethnic community perspective and as a result approaches the world with a set of beliefs framed by these perspectives. This study, as a result, is partly grounded in a reflective interpretive paradigm which
recognises the multiplicity of constructed realities and thus those embedded within a particular ‘reality’ within that context. Knowledge is thus created through the participant’s personal frames and then through those of the researcher before being reframed through analysis in order for it to be shared outside of the context of the researcher-participant relationship. Herein the researcher finds himself in a position that is twofold. First, the researcher engaged with a research population which included participants from the same culture and ethnicity. Second, the researcher, who has more than a decade’s exposure to the HR field and outsourcing deals, engaged with similar HR professionals and senior executives who have also been exposed to similar outsourcing deals.

The term *methodology* is used here to refer to the general approach taken to carrying out a piece of research, whereas, *method* refers to the particular techniques used to collect and analyse data (Bryman, 2001; Hay, 2002). The methodology is closely linked to the *epistemological* assumptions, which in turn inform the choice of *method*. Hence, the choice of the method of data analysis in this research is guided by the methodological position of this research, and its underlying epistemological assumptions. Thus, as seen above, the epistemological choice for this thesis is reflexivity (Alvesson & Skoldberg, 2000) and its methodological choice in terms of research design is longitudinal qualitative case study research (Pettigrew, 1990; 1997; Saldaña, 2003; Yin, 2009). Informed by these, its data gathering method was a dual strategy including longitudinal interviews and focus groups and thereafter a triangulated and hybrid data analysis using *template* (King, 2004; Crabtree & Miller, 1999), *processual* (Pettigrew, 1997) and *systematic* (Bernard & Ryan, 2010) methods.

### 4.2 Research Design

In this thesis, a longitudinal qualitative case study research design is reported which set out to achieve in-depth examination of HRM and HPWS practices and policies in the three chosen HRO case study organisations and to analyse processes of change over time. Longitudinal studies of change within organisations are relatively rare, being time and resource intensive particularly in the areas of HRM/HPWS, and outsourcing and offshoring in Indian operating HRO organisations. The research design provides the opportunity to clarify how practices and meanings can change
over space and time, thus providing a “deeper understanding of the processes of organisational change” (Luthans & Slocum, 2011:405). Although the longitudinal research design can be undertaken using both qualitative and quantitative data, the qualitative methods used in this study aimed to understand the dynamics of change across levels of different organisations.

Also, as seen in the conceptual framework, and suggested by Ralston (2008:37; see also Witt 2008:50) the longitudinal approach can aid further theory development in explaining the unfolding processes of crossovergence, a phenomena which is a mix of divergence and convergence. Hence this study analyses ‘change through time’ (Saldaña, 2003; Pettigrew, 1990; 1997; Sparrow, Brewster & Harris, 2007:9-10), in HRM and HPW practices within three HRO case-study organisations, seeking to “catch reality in flight” (Pettigrew, 1990:268), explicitly examining phenomena across both space (different parts of India) and time (five years, three phases). This thesis represents ‘processual research’; examining contextualised dynamics across a small number of strategically selected cases (Pettigrew, 1997; Pettigrew, Woodman & Cameron, 2001) and combining inductive and deductive analyses as appropriate.

The study is grounded in the approach advocated by Saldaña (2003) who suggests an examination of time as a fluid, "physically contextual construct", "a cultural construct", or a gendered construct in the sense that it can be "an instrument of power and control". Besides considering time as a concept to be studied, Saldaña views it as data, a part of the inquiry that can be used to inform the research. He states:

Such factors as economics, population, climate, and cultural values shape human agency and interactions on a daily basis, suggesting that the contextual conditions of a native's geographic location may influence and affect the tempos and durations of an individual's and group's changes through time. (Saldaña, 2003:7)

Longitudinal studies can be used to study change in the lives of organisations and institutions as well as individual people, thus suiting this research. Saldaña (2003) highlights the benefits of analysis of time and change through the longitudinal qualitative method, in which consistently analysed data are assembled in chronological order. Pettigrew (1990; 1997) highlights the importance of ‘contextualisation’. As is evident from the conceptual framework of this thesis,
context is important. The two contexts influencing this research were cultural and institutional. This study thus takes context as an important aspect within its research strategy, and follows a path of flexibility allowing a ‘definition of change to emerge’ as the ‘study proceeds and its data’ [are] analyzed (Saldaña, 2003:10). This advice about flexibility was helpful for the researcher over the research period, as it aided in looking at emerging themes, ideas and contexts through differing perspectives and lenses.

Longitudinal qualitative research presents a number of challenges including:

- Continuous attunement and sensitivity to many possible types of changes,
- Determining whether and in what ways these multiple types of changes interrelate with each other, analyzing how and/or why they occur and consolidating everything into a coherent report (Saldaña, 2003; Pettigrew, 1990; 1997; Farrall, 2006, etc.). Nonetheless, the research approach provides the potential to examine: (Wolcott 1994; Farrall 2006)

- Differences in the phenomenon being studied between data collection episodes;
- Timing and ordering of change;
- Events and responses leading up to, and following, a turning point;
- Increase or decrease in a characteristic;
- Effects of the presence or absence of a characteristic;
- Dynamic interactions between an individual and his or her environment;
- Congruence of changes observed with existing theories of human development;
- Subjective meaning of change; and
- Symbolic and/or concrete nature of change.

4.3 The Case Study Strategy

The case study component of the research design is grounded in the approach set out by Yin (2009) and Thomas (2011). Yin (2009:18) defines a case study as “an empirical inquiry that … investigates a contemporary phenomenon in depth and within its real-life context when … the boundaries between phenomenon and context are not clearly evident”. He goes on to list five components of research design he considers important: a study’s questions; its propositions if any; its units of analysis; the logic linking the data to the propositions; and the criteria for interpreting the
findings. In the context of this research, these are adhered to and are discussed in later sections. This research also makes use of the approach by Thomas (2011:513) who proposes a two element typology for the case study: first, a “practical, historical unity,” which he calls “the subject of the case study”, and second, an “analytical or theoretical frame”, which he terms “the object of the study”. The three case-study organisations (the subjects) chosen for this research operate in the HR-offshoring (HRO) sector in India. Alpha is headquartered in India, Beta in the UK and Gamma in the US. The fieldwork for this research took approximately five years - from June 2006 to April 2010. Table 4.1 below depicts the research list and types of informants for each organisation.

<table>
<thead>
<tr>
<th>Company (pseudonym)</th>
<th>Founder (F)</th>
<th>Top Management (Chief HR Manager) (CHRM)</th>
<th>Supervisors (S)</th>
<th>Senior Employees (SE) (&gt;2 years service)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Beta</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Gamma</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td>35</td>
</tr>
</tbody>
</table>

Table 4:1  Research: List and Types of Informants for Alpha, Beta and Gamma

The case study design enables research to “illuminate a decision or set of decisions; why they were taken, how they were implemented, and with what result” (Yin, 2009:17, citing Schramm, 1971). The multiple cases approach taken here underpins a set of cases that then draws on a single set of ‘cross-case’ conclusions. The case study approach is particularly appropriate for this research as it enables the ‘how’ and ‘why’ questions to be addressed in relation to HPWS and the changing role of HRM. This research thus examined the ‘how’ and ‘why’ of HRM practices over time and their contribution to HPWS in the Indian HRO/BPO context. Yin
(2009) argues that case studies rely on the same techniques as ‘histories’, but making use of interviews and focus groups, with people involved. A number of critiques of the case study approach have been made however, such as the lack of rigour; providing little basis for scientific generalisation (e.g., especially for single cases); their time-consuming nature and the extent to which ‘causal’ effects can be established. Within this research these have been minimised by choosing an in-depth hybrid analysis strategy which enhances the validity and rigour of the research process and the deliberate choice of multiple, rather than a single, case study organisations allows greater ability to generalise through cross-case analysis. The fact that this research is longitudinal in design is seen as a positive rather than a negative, as it contributes to the aim of filling the research gap, and in terms of not establishing ‘causal’ effects, the research is exploratory and inductive in nature.

A key issue with case study research is the selection of the case(s). Yin (2009:47-49) identifies a range of types. First a ‘critical case’, wherein a well formulated theory is tested. Second, a ‘unique case’, which, because of its rarity portrays something different to the norm. Third, a ‘representative’ or a ‘typical case’ where the objective is to capture the circumstances and conditions of an everyday or commonplace situation. Fourth, a ‘revelatory case’ where the investigator has an opportunity to observe and analyse a phenomenon that was inaccessible previously. Fifth, a ‘longitudinal case’, where a single case is studied at two or more different points in time and change over time in certain conditions is observed. Any single ‘case’ may involve more than one unit of analysis.

In terms of sampling strategy and data access it was necessary to locate appropriate case study organisations. A detailed market search was carried out in Mumbai, Gurgaon, Mangalore (Surathkal) and Bangalore. Eight potential organisations were identified from which Alpha, Beta and Gamma were selected for two main reasons: first, the researcher had networking contacts with the three organisations and second, they agreed in principle to wider and deeper access to data over a longer time period.

The three case organisations selected for this study represent different elements of Yin’s (2009) typology. Alpha was selected as a critical case as it was an emerging market Indian headquartered MNC, with a global presence. Beta represents a typical
case, one of many across the Indian HRO/BPO/HRO industry. Gamma is a unique case, based as it is, in a rural area with few industry best practices for this operating model. The choices of the six geographical locations were also influenced by the ability to examine and compare the spatial and sub-national differences in HR practices over time.

The aim of the research was to take into account the interactions between different factors and contexts, enabling a rounded analysis of the issues and making use of a range of types of data in order to “retain the holistic and meaningful characteristics” (Yin, 2003:2) of each case, such as the organisation’s ‘life cycle’; organisational and managerial processes, organisational behaviour and structures, local labour market issues and aspects of the employment relationship between the organisation and its employees (Eisenhardt & Graebner, 2007).

Once the case study organisations had been selected, it was necessary to select site locations in which data would be gathered. Two Indian offices or operations for each case study organisations were selected: Alpha’s HQ in Mumbai (where a range of HRO operations take place) and their office in Bangalore (also where a range of HRO operations take place); Beta’s operations in Mumbai (where their Recruitment Process outsourcing- RPO operations take place) and Gurgaon, near Delhi (where they process payroll); Gamma’s rural BPO (RBPO) operations in Mangalore (where a multitude of HRO operations take place); and Bangalore (their centre of excellence). This fits well with Eisenhardt’s (1989:545) statement that “while there is no ideal number of cases, a number between 4 and 10 cases usually works well”. She asserts that anything less or more than four or ten organisations would either be insufficient or too tedious to examine respectively. (Though rare, a previous study on organisational change and HRM by Sparrow et al., (2007:9-10) was conducted on seven case organisations over a two year period.)

The research spanned a period of five years. The researcher, an Indian national, made ten visits to Mumbai (Alpha and Beta), Bangalore (Alpha and Gamma), Mangalore-Surathkal (Gamma) and Gurgaon (Beta) to gather data. This longitudinal study was undertaken in three phases, which coincided with three economic phases: a pre-recession economic growth stage; a stage of economic downturn; and a renewed economic growth stage.
The research can be described as exploratory and incremental. Semi-structured interviews were undertaken with selected individuals as well as interviews with focus groups. In line with the longitudinal qualitative nature of the data gathering strategy, a purposive sampling strategy was adopted. Interviews were conducted with individuals from all six locations within the three case study organisations. The interview questions were formulated to take into account the different expertise and knowledge of those involved (see Appendices 1-3); interviews with founders and senior managers focused on strategic and broader HR issues and those with supervisors and senior employees aimed to gain insights into the implementation of espoused HRM policies as well as the perceptions of these stakeholders about the HR challenges given the context of the organisation. Interviewees were therefore, invited to reflect on the HRM challenges they encountered in their personal and organisational context and to discuss similarities and differences relating to HRM practices in the different locations, as well as incorporating a consideration of issues such as management style and organisational culture as these emerged as important influencing factors as the research proceeded.

The data collected comprised a total of 81 interviews and 13 focus groups, including recordings of 97 and 17 hours respectively. Each individual and focus group interview ranged from 45 to 105 minutes. The organisation and location breakdown of these interviews are depicted in Table 4.2 below.
At Alpha the interviewees were the chief human resource officers at the two research sites. At both Beta and Gamma it was possible to interview two founder members (who were also on the company’s board), as well as two chief HR managers and five supervisors and senior employees at both their sites. The aim of the focus groups at each site was to probe further into the participants’ views and experiences of implementing HRM practices and policies in the changing organisational and market context in which they operated. The focus group enabled a process of group interaction to produce data and insights that might otherwise have been less accessible, particularly in facilitating a discussion not only of what participants’ views were, but also why they held them (Eisenhardt, 1989; Fern, 2001). Interview data were recorded (with permission) and extensive summaries were produced both from the recordings and from the focus group discussions. The repeat visits to the organisations made possible the verification of the data summaries produced in this way. Secondary data such as company reports, HR policies, company brochures and information from the website were also utilised (Krueger & Jean; 1998; Hammersley & Atkinson, 1983; Cassell & Symon, 1994). Through these various means, the research attempted to uncover internal meanings to actors and to reveal temporally changing meanings over a five-year timeframe.
The following Tables 4.3 to 4.5 depict the fieldwork in the three phases. Each phase is named for identification and analysis purposes.

<table>
<thead>
<tr>
<th>DATE-FROM</th>
<th>DATE-TO</th>
<th>No of DAYS</th>
<th>ALPHA INT</th>
<th>BETA INT</th>
<th>GAMMA INT</th>
<th>ALPHA FG</th>
<th>BETA FG</th>
<th>GAMMA FG</th>
</tr>
</thead>
<tbody>
<tr>
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<td>7th September 2006</td>
<td>9</td>
<td>2 (1B+1M)</td>
<td>2 (1M+1G)</td>
<td>2 (1B+1Mg)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27th November 2006</td>
<td>11th December 2006</td>
<td>15</td>
<td>5 (3M+2B)</td>
<td>5 (3M+2G)</td>
<td>5 (2B+3Mg)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16th August 2007</td>
<td>1st September 2007</td>
<td>17</td>
<td>-</td>
<td>5 (3M+2G)</td>
<td>-</td>
<td>1 (B)</td>
<td>2 (1M+1G)</td>
<td>2 (Mg)</td>
</tr>
<tr>
<td>12th December 2007</td>
<td>2nd January 2008</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 (M)</td>
<td>1 (M)</td>
<td>1 (Mg)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>62</strong></td>
<td><strong>7</strong></td>
<td><strong>12</strong></td>
<td><strong>7</strong></td>
<td><strong>2</strong></td>
<td><strong>3</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

Table 4.3 Longitudinal Data Collection Details: Phase 1 (Exploratory Stage)

<table>
<thead>
<tr>
<th>DATE-FROM</th>
<th>DATE-TO</th>
<th>No of DAYS</th>
<th>ALPHA INT</th>
<th>BETA INT</th>
<th>GAMMA INT</th>
<th>ALPHA FG</th>
<th>BETA FG</th>
<th>GAMMA FG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st September 2008</td>
<td>21st September 2008</td>
<td>21</td>
<td>3 (M)</td>
<td>4 (2M+2G)</td>
<td>6 (Mg)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15th December 2008</td>
<td>6th January 2009</td>
<td>23</td>
<td>2 (B)</td>
<td>5 (M)</td>
<td>2 (B)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>22nd June 2009</td>
<td>13th July 2009</td>
<td>22</td>
<td>3 (M)</td>
<td>2 (G)</td>
<td>2 (Mg)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>66</strong></td>
<td><strong>8</strong></td>
<td><strong>11</strong></td>
<td><strong>10</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 4.4 Longitudinal Data Collection Details: Phase 2 (Probing Stage)
Each phase in the data gathering process was undertaken with a different purpose. Phase 1 was ‘Exploratory’; Phase 2 ‘Probing’; Phase 3 ‘Reflective’. Due to the extended duration of the research process, the focus group interviews undertaken in Phase 3 involved most of the earlier Phase 1 interviewees but some new participants were also included. The individual interviewees however remained the same.

### 4.4 Data Access

Due to the paucity of academic literature coupled with a lack of empirical research in the area of HPWS in emerging markets like the Indian HRO industry, this study begins in Phase 1 in exploratory mode. On this count, Croteau (1996) has argued that exploratory work is crucial in a relatively new area of research, as a body of descriptive information about the phenomena being studied must first be generated. He notes that qualitative approaches are ideal for generating such information.
Beynon (1998) has argued that research into any large organisation, such as the Indian MNC case study organisation Alpha in this research, is fraught with power differentials and noted that identification with one group may cause problems of access and co-operation with others, politicising the research process even before the fieldwork has begun (e.g. Hyman, 2001). Crompton and Jones (1998) have attempted to understand the intricacies of negotiating access within large hierarchies and argue that a multi-layered analysis is needed, so that the researcher does not become restricted to managerial viewpoints alone. In fact, Crompton and Jones (1998:69) very succinctly argue that: “you cannot begin to develop insights into the way the organisation functions until you have grasped that it is viewed differently by different interest groups”. Therefore in the context of this research, alternate views on the same subject, in terms of semi-structured interviews with the line managers at Beta and Gamma have also were taken. This research thus followed Renwick’s (2003) advice, which offered “different managerial perspectives to debates on the experience of those at the receiving end of HRM”. Hence according to Renwick (2003: 346) “owing to their unique organisational position, line managers have detailed knowledge of the aims and objectives of HR managers (as they are part of a management team), and are also at the “receiving end” of employee feelings about these HR practices (as they are the implementers of HR policy)”.

4.5 Data Analysis
Data were analysed using a combination frame of ‘template’ (King, 2004; Crabtree & Miller, 1999) ‘processual’ (Pettigrew, 1997) and systematic (Bernard & Ryan, 2010) approaches. Longitudinal changes over time in the patterns of HR policies and practices were explored based on Saldaña (2003). Following Pettigrew (1990) the intention was to undertake a contextualist analysis of the phenomena at vertical and horizontal levels, taking into account interconnectedness through time. Although quotations from the data are used, the intention was not to include lengthy quotes, but rather to “... present a necessarily abridged sense of a large data set that is still true to individual voices ...” (Ho, Wilson & Chen, 2010:317).

The different analytical methods were complementary to each other and aided in triangulation. Template analysis enabled thoroughness and rigour and the processual analysis enabled a depiction of the longitudinal element of the study. The
systematic analysis helped to condense, reduce, manage and present the large longitudinal data meaningfully. This resulted in a deductive *a priori* template of codes approach (e.g., Crabtree & Miller, 1999) followed by a data-driven *inductive* approach (e.g., Boyatzis, 1998). Each of these is discussed below.

Very little consensus is evident regarding analytical terminology in qualitative research. The terms ‘themes’, ‘categories’ (Glaser & Strauss 1967); ‘codes’ (Miles & Huberman 1994); ‘labels’ (Dey 1993:96); ‘expressions’ or ‘incidents’ (Glaser & Strauss 1967); ‘data-bits’ (Dey 1993); and ‘chunks’ (Miles & Huberman 1994) frequently overlap and are used interchangeably. In this thesis, the term ‘theme’ is used as in the anthropologist Morris Opler’s (1945) work to connote a small number of dynamic affirmations which may influence behaviour or stimulate activity. These activities (or prohibitions of activities), or references which result from the acceptance of a theme are its expressions, therefore themes are only visible and thus discoverable through the manifestation of expressions in the data, and expressions are meaningless without some reference to themes. In addition, some expressions of a theme may be obvious and culturally agreed on, but others may be subtler, symbolic and even idiosyncratic. Cultural systems comprise sets of interrelated themes and the importance of any one theme (Bernard & Ryan, 2010) is related to how often it appears; how pervasive it is across different types of cultural ideas and practices; how people react when it is violated; and the degree to which the force and variety of a theme’s expression is controlled by specific contexts. Hence for the purpose of this research, Opler’s three principles for analysing themes are incorporated in the context of ‘culture’ and ‘meaning’ in identifying and analysing both themes and sub-themes.

### 4.5.1 Thematic ‘Template’ Analysis

Thematic analysis (King, 2004; Crabtree & Miller, 1999) is a search for themes that emerge as being important to the description of the phenomenon (Daly, Kellehear, & Gliksman, 1997). The process involves the identification of themes through “careful reading and re-reading of the data” (Rice & Ezzy, 1999:258). It is a form of pattern recognition within the data, where emerging themes may become the categories for analysis.
Template analysis refers to a particular way of thematically analysing qualitative data. The data involved were interview recordings; and focus group data. Following King (2004), coding of the template was developed in a way that summarised themes and organised them in a meaningful and useful manner. Hierarchical coding is emphasised and was adhered to; that is to say, broad themes encompassing successively narrower, more specific ones followed. The following technique was applied in this research:

1. Themes and codes: *a priori* themes (as indicated in the literature review and conceptual framework) defined as this was appropriate to the researcher’s methodology.

2. Familiarisation with data: the next step included listening to and reading through interview and focus group data and notes thoroughly in an attempt to familiarise oneself with the same.

3. Data coding: initial coding of the data. Identified those parts of the recordings and notes that were relevant to the research question(s). Where relevant, identified codified sections attached to the relevant *a priori* theme, forming emergent sub-categories. Where there was no relevant theme, an existing theme was modified and new themes were devised.

4. Producing an initial template: after preliminary coding, the initial template was developed. Next, the identified themes were grouped into smaller numbers of higher-order codes which described broader themes in the data. After several iterative levels of coding, relevant codes were distinguished and finalised for further development.

5. Developing template: at the next step, development of a larger template by applying it to the full data set available. Whenever it was found that a relevant piece of text did not fit comfortably in an existing theme, a change to the template was made. This process was undertaken after each of the three data collection phases.

6. Interpreting and writing-up: a ‘final’ template after several iterative rounds was used to help interpret and write up the findings. Thus, through the
longitudinal iterative process, broader themes led to further sub-themes and these were substantiated by ‘emerging focus areas’, i.e. further evidence that either validated or rejected these themes, either wholly or partly.

7. Quality checks and reflexivity: At one or more of the coding stages described above, quality checks were carried out to ensure that the analysis was not being systematically distorted by the researcher’s preconceptions and assumptions. The researcher also included procedures that helped in achieving reflexivity in the analysis. This was achieved through periodic discussion with the research supervisors and mentors internally and through feedback from presentations at research conferences externally.

Thus, as shown above, to avoid the danger of the original template approach (as a linear and one directional process), this study followed the approach by Fereday and Muir-Cochrane (2006) in their doctoral study on the role of performance feedback in the self-assessment of nursing practice. Hence, the research analysis for this research was more like “an iterative and reflexive process, although presented as a linear, step-by-step procedure” (Fereday & Muir-Cochrane, 2006:83). As the data collection and analysis stages in this longitudinal study were also undertaken concurrently, this interactivity extended over a five year period to ensure that the developing themes were grounded in the original data. The six stages of the analysis are depicted in Table 4.6 and further discussed below.
<table>
<thead>
<tr>
<th>Stages</th>
<th>Template Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Development of a code manual</td>
</tr>
<tr>
<td>2</td>
<td>Testing the reliability of the code</td>
</tr>
<tr>
<td>3</td>
<td>Paraphrasing and summarising each piece of data</td>
</tr>
<tr>
<td>4</td>
<td>Application of template codes and additional coding</td>
</tr>
<tr>
<td>5</td>
<td>Connecting codes is the process of discovering themes and patterns in the data</td>
</tr>
<tr>
<td>6</td>
<td>Corroboration</td>
</tr>
</tbody>
</table>

Table 4.6 Stages of Template Analysis (Adapted from Fereday & Muir-Cochrane, 2006)

The first stage of the analysis for this research commenced with the development of a code manual to serve as a data management tool for organising segments of similar or related text and to assist in interpretation. Here, the use of a template provided a clear trail of evidence for the credibility of the study. In fact, the initial template was developed a priori, based on the research questions and conceptual framework (e.g. Bangara, Freeman & Schroder, 2012). Second, the longitudinal nature of this study made this an iterative process and there was repetition after new data accumulated in each of the three data collection phases. This involved reviewing the reliability of the code in light of new raw information. This was repeated for each of the three longitudinal phases. Third, the analysis process also involved the paraphrasing and summarising of each piece of data. The recordings and notes were summarised separately by outlining the key points made by participants (noting individual and group comments) in response to the questions asked by the researcher at each of the three phases, subsuming and using data from interviews and focus groups for the six locations of this study. Fourth, once this had occurred, template codes and additional codes were applied. Initially the codes from the codebook were applied to the data with the intent of identifying meaningful units of data. Analysis of the text at this stage was guided, but not confined by, the a priori
codes. Inductive codes were assigned to segments of data that described a new theme observed in the text (Boyatzis, 1998). Some additional codes were separate from the predetermined codes but most expanded a code from the manual. Fifth, following the coding process, the analysis involved assessing themes and patterns in the data (Crabtree & Miller, 1999). During this process themes within each data group were beginning to cluster, with differences identified between the responses of groups with varying attributes. Finally, sixth, the data were reviewed to assess the extent to which the clustered themes were representative of the initial data analysis and assigned codes, or ‘corroboration’. Crabtree and Miller (1999:170) term this ‘corroborating’ to describe the process of confirming the findings. This involved several iterations before the analysis proceeded to an interpretive phase where overarching or core themes were identified that were felt to capture the phenomenon of change over time. Thereafter these were expanded and re-expanded after each phase in a hierarchal manner. The models that have been developed in this thesis originate from these templates (in)formed initially by/of a priori themes, which in turn originated from initial analysis of the data and from the literature. Hence templates were ‘work in progress’ models (King, 2004) tested empirically by the evidence emerging from the data analysis over time and subsequently modified to their current form as reproduced in the following analysis and discussion chapters.

4.5.2 Processual Analysis
The processual approach to analysis focused particularly on the analysis of change over time. Following Pettigrew (1997:338) a ‘process’ here is taken to mean “a sequence of individual and collective events, actions and activities unfolding over time in context” to enable a widening of the interpretations through the presentation of complex and contextualised change data (Dawson, 1997).

Pettigrew (1997:339) identifies three steps in processual analysis. First, a search for patterns in the process and comparison of the shape, character and incidence of these patterns in different cases; second, having established patterns, a search to find the underlying mechanisms which shape the observed patterns; third, an assessment of ‘embeddedness’ which studies the extent to which patterns across different levels of analysis [do what?]; an assessment of the ‘temporal interconnectedness (i.e. studying processes in past, present and future time);
thereafter, an examination of the context of actions; next, ‘a search for holistic rather
than linear explanations of process’; and lastly, an examination of process in relation
to an explanation of outcomes.

In line with the historical features of longitudinal research, the first stages of
the processual analysis undertaken here was to describe and detail historical events
in the form of “what”, “where” and “when” (Chapter 5), before the analysis focused
on the “why”, “how” and “who” (Chapters 6, 7 and 8 on analysis and discussion).
These generated descriptive historical accounts for the three time phases,
highlighting differences and similarities at the different locations and in the different
case study organisations (see Chapter 5 ‘findings’ under ‘HRM at Alpha, Beta and
Gamma’). Thereafter, the analysis in Chapter 6 brought out the changes over time in
HRM and HPWS. Doz (2011:583) argues that qualitative research in ‘international
business’ is rare and hence:

Qualitative research is uniquely suited to “opening the black box” of
organizational processes, the “how”, “who” and “why” of individual and
collective organized action as it unfolds over time in context.

As the analysis process was undertaken, so cycles of both induction and
deduction were utilised (Pettigrew, 1997:343), reflecting a continuous interplay
between “academic preconceptualisation (based on a comprehensive literature
review of the area under study) and detailed empirical descriptions of emerging
themes and topics” (Dawson, 1997:390), from which new themes were refined and
interpretations developed. The intention was to gain an appreciation of dynamic
organisational life and to consider issues of organisational adoption, change,
innovation and redesign of HR processes and HPWS. This research design thus takes
its cue from Pettigrew’s (1997) work and pursues the following steps of processual
analysis as depicted in the model developed and discussed below (Figure 4.2):
Thus, in terms of the above model, the core question of this research is to examine what factors influence the way HR practices, in the form of high performing work practices, change over time to sustain high performance in Indian offshore service providers. From this central or core question emerges research questions designed for the first phase of data collection as depicted above (the exploratory stage). Early pattern recognition led to further related themes and questions, which overlapped with deductive themes discussed within the template analysis above. These also informed the \textit{a priori} themes and sub-themes which evolved through early writing. This in turn led to disconfirmation and verification of the patterns and themes emerging from the first phase. The next step as Pettigrew (1997) describes, was elaborated themes and questions framed for further data collection and for Phase 2 of the research (the probing stage). This further led to additional pattern recognition across more case samples emerging from the second phase and comparative analysis of the first and second phases and thus (in)formed refined study vocabulary and research questions for the final Phase 3 (the reflective stage). Pettigrew (1997) talks about two points of comparison, i.e. two phases: however, this research uses Pettigrew’s framework over three phases as detailed above. In doing

**Figure 4.2 Processual Analysis Model Developed Depicting the Three Research Phases Including Inductive and Deductive Approaches**
so, it keeps the spirit of Pettigrew’s (1997:344) central tenet that “it is in this constantly iterating cycle of deduction and induction that the real creative process of the research takes place”.

4.5.3 Systematic Analysis

In addition to the longitudinal process (see Figure 4.2 above) the analysis involved cross-case comparison and the systematic analysis formed the basis of this. Systematic analysis is defined as an application of “... *methods* for finding and laying out patterns on data” (Bernard & Ryan, 2010:107). This process was utilised to bring together the template analysis and processual analysis and to integrate the cross-case and the longitudinal element of the study. Bernard and Ryan (2010) identify twelve systematic techniques to underpin analysis. Of these, eight are what they call ‘observational techniques’ (things to look for), and the remaining four are what they call ‘manipulative techniques’ (ways to process data). These are listed in Table 4.7 below which demonstrates how some of these twelve techniques were used in this research (last column), indicating additionally, against each technique’s labour intensity, expertise, stage prescribed for analysis, and the number and type of themes produced.
<table>
<thead>
<tr>
<th>Technique</th>
<th>Labour Intensive</th>
<th>Expertise</th>
<th>Stage in Analysis</th>
<th>Number of Themes Produced</th>
<th>Type of Theme Produced</th>
<th>Used in this Research?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repetition</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Early</td>
<td>High</td>
<td>Theme</td>
</tr>
<tr>
<td>Indigenous Typologies</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Early</td>
<td>Medium</td>
<td>Theme, subtheme</td>
</tr>
<tr>
<td>Metaphors</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Early</td>
<td>Medium</td>
<td>Theme</td>
</tr>
<tr>
<td>Transitions</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Early</td>
<td>High</td>
<td>Theme</td>
</tr>
<tr>
<td>Similarities and differences</td>
<td>Low-high</td>
<td>Low</td>
<td>Low</td>
<td>Early</td>
<td>High</td>
<td>Theme</td>
</tr>
<tr>
<td>Linguistic connections</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Late</td>
<td>High</td>
<td>Theme</td>
</tr>
<tr>
<td>Missing data</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Late</td>
<td>Low</td>
<td>Theme</td>
</tr>
<tr>
<td>Theory-related material</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Late</td>
<td>Low</td>
<td>Theme</td>
</tr>
<tr>
<td>Cutting and sorting</td>
<td>Low-high</td>
<td>Low</td>
<td>Low</td>
<td>Early or late</td>
<td>Medium</td>
<td>Theme, subtheme, metatheme</td>
</tr>
<tr>
<td>Word lists and Key Words In Context (KWIC)</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
<td>Early</td>
<td>Medium</td>
<td>Theme, subtheme</td>
</tr>
<tr>
<td>Word co-occurrence</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>Late</td>
<td>Low</td>
<td>Theme, metatheme</td>
</tr>
<tr>
<td>Metacoding</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>Late</td>
<td>Low</td>
<td>Theme, metatheme</td>
</tr>
</tbody>
</table>

Table 4:7  Adapted from ‘Practical Characteristics of Theme Discovery Techniques’ (Bernard & Ryan, 2010:68)

Within the systematic analysis tradition, the ‘data matrix’ plays an important role (Bernard & Ryan, 2010:111). These can be ‘profile matrices’, which provide a ‘case-by-attribute’ method to record data or ‘proximity matrices’ which contain data about how similar or dissimilar a set of things are. At the beginning of the analysis profile matrices were chosen to assist with the descriptive and explorative purpose. The tables produced in the analysis chapters are what Bernard and Ryan (2010:214) term “profile matrices with qualitative data”, portraying the cases (comprising the case study organisations and their relevant studied locations) in the columns and the variables (in the form of themes and subthemes) in the rows. These thus provide the historical detail necessary to understand how HR in the three case study organisations (at each location and against each time period/phase) developed and changed longitudinally over the five-year research period. This was done to reduce and manage large sets of data to a matrix where the sign ✓ (meaning relevance or
evident) and the sign X (meaning non-relevance or non-evident) is used to “let us see the patterns” (Bernard & Ryan, 2010:115) of HRM and HPWS development and change, over time. Similarly, as depicted in Table 4.7 above at numbers 10 and 11, word lists and word co-occurrences, too, are utilised in the analysis chapter.

4.6 Analysis and Linkages to Theory

The analysis process reported here represents an attempt to elicit, present and communicate the ‘holistic’ longitudinal data through a combined and innovative method of template, processual and systematic analysis. In doing so, several diagrams, charts, tables in the form of matrices and models were used as prescribed by King (2004); Crabtree and Miller (1999); Pettigrew (1997) and Bernard and Ryan (2010). Thus, the research analysis starts with six broad first level a priori themes derived from the literature and conceptual framework, prior to fieldwork commencing. It then moves on to identify twenty-one second level a priori sub-themes from the data over the first phase of the research. These are then expanded to ninety-three emergent themes from the data over the second and third phases. These are then filtered and distilled through a further level of inductive analysis and these overlapping clusters are put together to form two discussion areas or topics.

The aim here was to use historical methods to study how events play out over time (e.g. Gaddis, 2002; Burgelman, 2011) and systematic methods to enable a ‘bridge’ between narratives on the one hand and reductionist, abstract theories on the other. Burgelman (2011:598) argues that by creating “... conceptual frameworks: boxes-and-arrows charts that show how complex system hangs together and its operative logic”. This has been followed in this research. The next section deals with the ethical considerations of the thesis.

4.7 Ethical Considerations

Etherington (2007:614) emphasises ethics as a balancing act “between our own needs as researchers and our obligations toward care for, and connection with, those who participate in our research”. Ethical issues in longitudinal research are paramount as the contact with organisations and respondents is longer, greater and more intense and long-term relationships exist between ‘researcher’ and ‘researched’. Hence, according to Pettigrew (1997:342), “ethics and contracting are
crucial in all research but they are especially important in processual research where there are often extended and close links between researcher and host case study organisations”; also ethical challenges of qualitative enquiry are enhanced and ‘heightened’ (Farrall, 2005:11). Key issues within this research were: confidentiality (ongoing maintenance of); informed consent as an ongoing process; the researcher/researched relationship affecting both over time; archiving the data; and reciprocation. In addition to the ethical scrutiny processes of the University (see Appendix 4) commercial and personal confidentiality issues and the sensitivity of this research topic had to be taken into account. At the outset, the purpose of the research was clearly conveyed to the accessed organisations and to the research participants. The longitudinal purpose was, however, conveyed in subsequent contacts, including the gist of further research questions over Phases 2 and 3 for reasons discussed below (see Appendices 1 to 3).

Longitudinal studies expose the extent to which consent is a process rather than a single act, and caution needs to be taken that participants do not feel coerced into continuing their involvement. Within this research all consent issues were related to and observed prior to all data collection processes. All three case study organisations and the respective respondents were approached before each data collection phase as “informed consent is, of course, a multi-layered moral issue” (Pettigrew, 1990:286). This was done even though permissions were granted in principle at the start of the longitudinal research. Scholars such as Thorne (1980) identify ongoing consent as something that requires renewal, while Ellis (2007) uses the term ‘process consent’, which she identifies as a process of checking at each stage that participants still want to be part of the research. Renold, Holland, Ross and Hillman (2008) use the term ‘becoming participant’ in their research to represent how consent is always ‘in process’ and ‘unfinished’ rather than a single event. Ellis (2007) also points out that research relationships conducted over a period of time require a particular kind of ethical sensitivity, to acknowledge growing interpersonal bonds with research participants and carry on continuing conversations. However, further ethical questions such as: How did the nature of consent change over time? How was mutual trust established? How was the researcher’s ‘own ability’ to gain insight into the respondents influenced by his/her on-going relationship with them? -
are particular to qualitative longitudinal research. In answering these questions and in terms of this research, there were certain changes to consent over time. In all three case study organisations initially there was consent to audio record interviews and focus group discussions. However, over time, and especially during the second phase, which coincided with that of the global recession, the organisations were averse to audio recording and the researcher had to resort to note taking, in most instances. Also by Phase 3 at Alpha and Beta, there were stringent security checks and the researcher was frisked before entering the work sites. However, this did not deter respondents from answering questions and engaging with the researcher, as they assumed and accepted this to be an ‘organisation policy’ matter. Trust is also an important aspect which the researcher has to establish. Previous relationships with the organisations and their respondents were helpful. Also, organisations in India are not very open to research activities (see Budhwar & Verma, 2011) and this cultural nuance further challenges the researcher. This is coupled with the issue of reciprocity, when it comes to longitudinal research and relationships over a long period of time. It would be unfair that the researcher gains at all times and hence the researched organisation too would look to gain something in return. However, care needs to be taken in terms of what can be extended and if it is within permissible limits. Scholars such as Pettigrew (1990; 1997) have repeatedly raised reciprocity as a central issue in contracting. He argues “if the research site is to give so much by way of time and information what do they receive back?” (Pettigrew 1990:342) and goes on to suggest (Pettigrew 1990; 1997) for example, offering to run a research in action workshop at the completion of the research process for the host firm. An offer to run a workshop, he argues, is a clear sign of respect for your research partner and a tangible form of giving for what you may have taken in the research process. In the context of this research, the researcher conducted two workshops each for Beta and Gamma and has also agreed to share some individual (pertaining to the particular organisation and not the other case study organisations) findings with them.

4.7.1 Data Quality Issues
This section addresses some of the reliability and validity questions posed. Yin (2009) argues that case study designs need to maximise their quality through four critical conditions related to design quality: construct validity; internal validity;
external validity; and reliability. According to Yin (2009), construct validity means identifying correct operational measures for the concepts being studied. Internal validity is seeking to establish a causal relationship, whereby certain conditions are believed to lead to other conditions, as distinguished from spurious relationships. External validity defines the domain to which a study’s findings can be generalised and reliability demonstrates that the operations of a study, such as the data collection procedures, can be repeated with the same results. Different scenarios and possible concerns are identified and relevant solutions to these concerns, in the context of this study are discussed below.

In terms of reliability, there is often a concern, for example, that interviews with professionals from different organisations in India or the UK or US might generate different findings if HR work was outsourced to these different organisations in India, UK or US instead of being offshored to the three chosen case study organisations. In the context of this research, it may have been different because there would then be different points of view on the issue under consideration (onshore or offshore outsourcing). However the semi-structured interview questions were designed bearing this fact in mind. Another possible concern in terms of reliability could be what if interviews were being carried out by a researcher from the UK or US? Would these generate the same data as interviews carried out by an[other] international researcher, or an Indian national? There may be some bias here and some points of view may possibly have been concealed due to the sensitivity of the topic researched. However, this matter was discussed with the three case study organisations and respondents prior to the commencement of the research, and all doubts regarding this were cleared. Moreover, although the researcher was not an employee of any of the three case study organisations the achievement of ‘objective detachment’ remained an issue, particularly in the context of regular visits. As an Indian with an interest in offshoring and HRO, the researcher may already have been influenced by the culture and practices that were encountered; something which is difficult to assess. However, the research strategy enabled the issues to be studied in depth and a range of different factors and influences could be incorporated into the analysis (Yin, 2009). The next possible concern could be the extent to which two different people make different sense of the same raw data
generated by interviews. Here the researcher was aware that care needed to be taken, in terms of forming a biased opinion of his own. An open and unbiased mind needed to be kept while reading, analysing, forming opinions and drawing conclusions. The reflexive process helped reveal the extent to which most of these biases were evident. However, Warin (2011:810) argues that: “researcher reflexivity is not synonymous with self-awareness, nor is it synonymous with an empathic sensitivity to the socio-emotional states of our research participants. It is both of these things, in tandem: relational awareness”. Relational awareness is thus a reciprocal awareness of how the researcher influences his or her research participants’ perceptions and a similar awareness of how the respondents influence the researcher. Etherington (2007:611) further makes the point that reflexivity is connected to the ethical dimension of research through the researcher’s willingness to “emerge from behind the secure barrier of anonymity and own up to their involvement”. Hence, in this research both the researcher’s influence on respondents as well as the respondents’ influence on the researcher were considered.

In terms of validity, the first concern, for example, could be the extent to which the data generated by the interviews actually reflect opinions of HRM practices or HPWP in HR offshored organisations. In this context, data recorded by way of interviews could be (either or both) opinions/views of the organisation in question and the individual interviewee alone. Hence the interviewee’s answers could reflect the response of the organisation and the individual interviewee on a particular issue and could also be verified by the researcher in terms of confirmation through other methods such as focus groups and other interviewee responses. This was ensured by choosing a variety of different data gathering methods, to maximise the internal validity of the study. Additionally, the issue of outcome validity was overcome by soliciting comments on draft findings from the three case-study organisations over time (Yin, 2009). The next possible concern in the context of validity is the extent to which the interviewees gave answers they thought the researcher wanted to hear. The interviewee, in most cases, may not wish to disclose any sensitive or negative information about the topic under consideration. In terms of this research the researcher guided the interviewee towards attaining the desired, relevant and sufficient information required for this research. This was again validated through
the different data collection methods and more importantly the longitudinal design facilitated further validity of the responses. The third possible concern could be the confidence of the researcher with regard to the possible solutions or answers to the research questions posed, in terms of the response of interviewees to HRM and HPWS in HRO organisations (validity of management solutions to management issues). The data generated by the interviews with HR professionals were counter-checked and validated in terms of interviews with line managers and founder members (in the case of Beta and Gamma). Furthermore, as argued above, the different data collection periods (longitudinal element), different data collection methods and inclusion of more than one location led to greater validation. Thereafter a critical analysis was undertaken, comparisons drawn, and relevant findings and conclusions recorded. Thus, according to Pettigrew (1997:342), the moral basis of what we do as researchers is linked to “issues of free choice of participation in the research by all potential respondents”. These culminate in respect for all persons and points of view; clear contracting/negotiation at the outset of the research assignment regarding access and publishing issues of company and individual confidentiality, anonymity and attribution is – or should be - mandatory.

4.8 Conclusions

Overall, this chapter discussed the ontological, epistemological and methodological stances taken by this research. It further looked at the methods of data collection and analysis chosen. It also discussed the research design, ethical issues and reflexivity as shown in Table 4.8 below.
<table>
<thead>
<tr>
<th>Epistemology Perspective</th>
<th>Theoretical Perspective</th>
<th>Methodology/Research design</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Objectivist epistemology</td>
<td>- Reflexive</td>
<td>- Longitudinal</td>
<td><strong>Data gathering</strong></td>
</tr>
<tr>
<td></td>
<td>- Interpretivism</td>
<td>- Qualitative</td>
<td>- Interview</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Case Study</td>
<td>- Focus group</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Data analysis</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Template</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Theme identification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Content analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Processual</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Interpretative methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Comparative analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Document analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Systematic</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Data reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Conversation analysis</td>
</tr>
</tbody>
</table>

Table 4:8  Research Stance

Having reviewed the relevant literature in Chapters 2 and 3 and discussed the research methodology in this chapter, the next chapters present the data, discuss the findings and analyse the data to address the research questions and formulate appropriate conclusions.
Chapter 5 HRM Role and Practices

5. Introduction
This chapter sets out the contexts of the three case-study organisations, briefly setting the scene for the presentation of findings in the form of HRM and HPWS practices over the five-year research period, spanning six locations and three time phases.

As will be seen below, each case-study organisation is different, as are the respondents’ views at interviews and focus groups (though the same interview schedule was adhered to and the same questions were asked). Hence the structure of reporting the ‘historical context’ (Pettigrew, 1997) of HRM, HPWS and the role of HRM in HPWS in the respective organisations varies to an extent. The primary aim of this study is to examine how HRM practices contribute to HPWS in high performing organisations, and so the three organisations’ financial results over the five years of the research were tracked. It was found that all three organisations were growing financially, evidenced through their balance sheets. However, financial results cannot be reproduced or published here due to anonymity reasons. Thus, this chapter is descriptive in nature and helps identify bundles of HR practices that constitute HPWS (research question 1). It also helps in identifying unique and sustainable country-specific (Indianised) HRM features that are characteristic of indigenous Indian high performing HRO/BPO firms (research question 2). It further observes and scrutinises the effect of cyclical economic fluctuations and change over time on the HR practices of the three case-study firms.

5.1 Case Study Organisational Context - Alpha
Alpha is one of India’s main indigenous HRO providers and grew rapidly over the period of the research. As of 2010, it employed approximately 162,000 people of over 30 nationalities; headquartered in Mumbai, India, the firm has offices in 42 countries. Alpha is among the leading global information technology consulting, services and business process outsourcing organisations, offering services to clients across 55 countries. Most revenues derive from the United Kingdom and United States, with the banking, financial services and insurance industries providing the
largest sectoral sources of clients. Alpha started BPO operations in 1968 and is a component of one of Asia’s largest business conglomerates (referred to here as the Alpha Group), which currently employs some 350,000 people worldwide. Alpha focuses on delivering technology-led business solutions to its international customers across varied industries: it offers a comprehensive range of information and communication technology (ICT) services, including HRO, to seven of the top ten Fortune 500 companies and a growing number of other firms. Its HRO services range from the transactional, such as payroll processing and answering employees’ queries on employment matters, through to more skill-and knowledge-intensive services such as employee resourcing and talent management. This company’s vision is to remain within the global top ten IT services company. In 2011-2012 it was a $6 billion Indian MNC, the overall Alpha group being worth $62 billion (Alpha secondary source documents).

Alpha recruits most of its skilled employees from India, as is the case with other large Indian BPO organisations (Budhwar & Verma, 2010). Alpha’s growth occurs through establishing global delivery centres outside India to develop its capacity as a ‘global’ company and it was the first Indian ICT organisation to set up a global delivery centre in China. Over the period of the study, Alpha modified its approach towards being a global player in the global market. In 2010 it reorganised the structure of its global operations to implement a customer-centric and integrated approach in response to the risk factors arising from the economic problems in Western countries. Taking advantage of its systems expertise, Alpha has built its technology platform to underpin the whole of its full-service HRO offering, allowing it to market cost advantages compared to other Indian service providers and claims it allows “HR to be managed in a strategic way that benefits the client organisation as a whole” (Dickmann et al., 2008:54). Although it does not have a long history in the HRO market, its status as one of India’s preferred employers enables it to attract and retain some of the country’s top talent (Cappelli et al., 2010). Company brochures and its global brand image promote its stability and high standing in the market with the aim of attracting large corporations to utilise its HRO services.

Two sites of the company in large, but contrasting, Indian cities form the case study sites in this thesis: Alpha’s headquarters in Mumbai, India’s financial capital,
and Bangalore, often referred to by the popular press as ‘the world’s back office and ICT capital’; a range of HRO services are offered from each of these locations. Table 5.1 below shows the HRO operations carried out in what Alpha call the ‘hire to retire’ cycle.

<table>
<thead>
<tr>
<th>Recruiting and Staffing</th>
<th>Compensation and Benefits</th>
<th>Personnel Administration</th>
<th>Organisation Management</th>
<th>Personnel Development</th>
<th>Payroll and Time &amp; Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing</td>
<td>Compensation Administration</td>
<td>Personnel Management</td>
<td>Organisation Structure</td>
<td>Learning Administration</td>
<td>Pay Administration</td>
</tr>
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<td>Screening</td>
<td>Benefits Administration</td>
<td>Management of Global Employees</td>
<td>Reporting Structure</td>
<td>Training Content</td>
<td>Time Capture and Time Evaluation</td>
</tr>
<tr>
<td>Selecting</td>
<td>Health &amp; Welfare</td>
<td>Employees Demographic Information</td>
<td>Cost Planning</td>
<td>Job Rotation</td>
<td>Gross to Net</td>
</tr>
<tr>
<td>Hiring</td>
<td>Pensions Administration</td>
<td>Leave and absence</td>
<td>Employee Assistance</td>
<td>Performance Management</td>
<td>Payroll Delivery</td>
</tr>
<tr>
<td>On Boarding Orientation</td>
<td>Flexible Benefits / Other</td>
<td>Personal Administration and workflow</td>
<td>Employee Services</td>
<td>Competency Management</td>
<td>Reconciliation</td>
</tr>
<tr>
<td>Contractor Management</td>
<td>Reward Planning</td>
<td>Electronic Personal File</td>
<td>Workforce Planning</td>
<td>Succession Planning</td>
<td>Expenses Management</td>
</tr>
</tbody>
</table>

Table 5.1 Alpha’s ‘Hire To Retire’ Cycle of Service Offerings

This brief contextual overview highlights how Alpha represents a critical case (Yin, 2009). Alpha is one of the main Indian-owned outsourcing firms and has a disproportionate weight and influence within the Indian HRO industry as a whole. Its role as part of a larger Indian conglomerate that has historical roots in influencing HRM in India for many years, also makes Alpha an important case study organisation. Furthermore, its influence transcends national borders as its operations are themselves of an increasingly global reach and internationally significant in scale. Therefore, in its business ‘reach’ and sustained business development and profitability Alpha can be regarded as ‘high performing’ and successful.
A distinct advantage of the approach for this study, in substituting quality and depth of data for quantity of cases, concerns the unusual opportunities afforded in this case to be able to research over such a lengthy period within the firm at a pivotal time in the fortunes of the Indian BPO sector. Table 5.2 below provides an overview of the schedule for primary data collected.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews with HR managers: Mumbai</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Interviews with HR managers: Bangalore</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Focus groups: Mumbai</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Focus groups: Bangalore</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.2 Primary Data Collection, by Research Stage, Method and Location - Alpha

5.2 HRM at Alpha

Having provided a general introduction, the next section briefly outlines the main features of HRM at Alpha over the period of the study. Key issues for the organisation were recruitment and selection as well as career management and an increasingly formalised approach developed over time.

5.2.1 Recruitment and Selection

Overall, across the research period, recruitment and selection at Alpha was highly formalised. At the beginning of the research Alpha’s recruitment and selection policy pursued best practices. However over time they became more strategic in their approach. Over the period of the research, 100,000 people were recruited to Alpha, around 10% of which were at the two locations studied, Bangalore and Mumbai.
Table 5.3 below shows how incremental growth in employment numbers at Alpha in the period 1996 to 2003 was followed by much higher absolute and relative increases during the research period. Employment growth was largely uninterrupted at Alpha even through the recession (Phase 2: second quarter of 2008 to third quarter of 2009), although the recession punctuated other HR processes. Alpha recruits two types of employees (called ‘associates’): new university graduates whom they refer to as ‘freshers’, and experienced staff who are referred to as ‘laterals’. Freshers are sourced from academic institutes across the globe, but overall, greater numbers were recruited from India. During the period before and after the economic downturn Alpha recruited more freshers than laterals, but during the period of recession the opposite was seen.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total headcount (rounded to nearest thousand)</th>
<th>Percentage increase (% rounded off)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>6,000</td>
<td>-</td>
</tr>
<tr>
<td>1999</td>
<td>12,100</td>
<td>102%</td>
</tr>
<tr>
<td>2000</td>
<td>14,300</td>
<td>18%</td>
</tr>
<tr>
<td>2001</td>
<td>16,800</td>
<td>17%</td>
</tr>
<tr>
<td>2002</td>
<td>19,000</td>
<td>13%</td>
</tr>
<tr>
<td>2003</td>
<td>22,000</td>
<td>16%</td>
</tr>
<tr>
<td>2004</td>
<td>30,000</td>
<td>36%</td>
</tr>
<tr>
<td>2005</td>
<td>46,000</td>
<td>53%</td>
</tr>
<tr>
<td>2006</td>
<td>66,000</td>
<td>43%</td>
</tr>
<tr>
<td>2007</td>
<td>89,000</td>
<td>35%</td>
</tr>
<tr>
<td>2008</td>
<td>111,000</td>
<td>25%</td>
</tr>
<tr>
<td>2009</td>
<td>144,000</td>
<td>30%</td>
</tr>
<tr>
<td>2010 (up to second quarter)</td>
<td>166,000</td>
<td>15% (over first two quarters)</td>
</tr>
</tbody>
</table>

Source: Alpha. α - Denotes five year research period

Table 5.3  Employment Growth at Alpha, 1996-2009

A key recruitment challenge for Alpha during the research period was the quality of recruits as other BPO organisations were competing for the same pool of talent and faculty development programmes were utilised across the country. The process was initiated before the research period but evolved and expanded during it. It involved accrediting institutions, from which students were recruited through two programmes, the Academic Interface Programme (AIP) and the Manpower
Allocation Task Committee (MATC) (discussed below). The AIP process framework and infrastructure - which included an expert panel from Alpha - interacted, collaborated and worked together with academic institutes to design an academic curriculum based on industry requirements; Alpha continuously shared the latest knowledge within the ICT domain both with their existing partners and as a ‘lure’ to attract new ones. For any Institute to be accredited, it needed to comply with a set of parameters which included standards of entrance tests, library facilities, faculty and availability of computers. This is illustrated by respondents below:

Alpha’s AIP supports three important areas...they are students, academic faculty and academic institutes. Our support includes several different areas – all of them are measurable and goal-oriented......for example....Alpha’s faculty development programmes are a platform for the rich practical and project experiences of Alpha to be shared with the academic community....this is knowledge sharing for you....all stakeholders will gain. – HR Manager, Interview, Mumbai, Phase 1 (August 2006)

Subsequent focus group discussions at both Bangalore and Mumbai revealed the determination of Alpha to collaborate with academia, as is evident from the following two quotes:

....AIP offers a unique channel to narrow the gap between academia and industry by engaging with the institutes, faculty and with young talent. – HR Manager, Focus Group, Bangalore, Phase 1 (August 2007)

....AIP also offers an excellent platform in shaping and tailoring the students towards developing the global mindset that is fast becoming a need for the industry. This helps Alpha in spotting, engaging and attracting talent. We really think this is a great platform and programme for us. – HR Manager, Focus Group, Mumbai, Phase 1 (December 2007)

Data, too, portrayed that traditionally Alpha was perceived to have been working in conjunction with the academic community across the globe. It was observed that this was continuously improved upon and extended to newer geographies and deeper levels.

Alongside the development of initiatives to enhance the quality of the supply of labour, recruitment processes also changed over the duration of the research. Initially when the research started in 2006, forming part of the interview panel were at least one psychologist who conducted psychometric tests for candidates and one
language expert. Along with his/her technical knowledge, the candidate’s attitude and language skills were also gauged. However, in 2008 this changed. Though the psychologist is still on the panel the psychometric tests have been discontinued as an increased ‘globalised’ and ‘diversified’ workforce made it difficult to have a uniform testing system/process.

In 2005, Alpha initiated the Manpower Allocation Task Committee; the committee has responsibility for allocating each individual to projects depending on their level of capability in, and set of, competencies. Over time, Alpha’s strategy evolved to combine career development of its employees through the MATC with its attrition and retention strategies. Thus, Alpha has built what it refers to as ‘a robust and holistic programme’, which includes faculty development programmes, workshops and annual conclaves for the professors and teachers which helps it to groom freshers at entry level.

Therefore, over the period of the research, Alpha continuously refined its recruitment and selection strategies. In the first phase of this research it approached only certain prestigious institutes and universities for potential candidates. However, during the second phase, due to the large numbers of recruits needed, there was evidence that they had spread their search to academic institutes in Tier 2 cities and a few in Tier 3 cities (India’s cities are ranked according to size, Tier 1 containing the largest and therefore, presumably, the ones with the most resources/business/highest ranked educational establishments). During the third phase they were looking for talented freshers from any national and international academic institutes and universities. Figure 5.1 below depicts the various career streams and paths available to Alpha employees.
During Phase 2 of the research (the recession period), Alpha concentrated on the ‘offshoring model’ of bringing back overseas employees. The reasons quoted were the economic slowdown, visa and migration restrictions by client countries such as the US and UK, and abundance of suitable technical infrastructure and expertise in India. Another change evident was the autonomy given to new recruits to choose their area of work or projects. During the first phase, there was evidence that this was a huge motivator and was seen to be a pull factor for potential or interested candidates, outweighing the fact that Alpha offered a comparably lower salary within the Indian BPO industry. During Phase 2 of this research, this autonomy was restricted and its exercise was left to the discretion of senior managers; it was then reinstated during Phase 3. Alpha was very conscious of its attrition rate. Over the three research phases continuous improvements in attrition and retention strategies were evident, which encompassed other HR areas.
Recruitment and Selection findings for the three phases at Alpha, alongside the associated influences are summarised in Table 5.4 below:

<table>
<thead>
<tr>
<th>HR practices - Alpha</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment and selection</td>
<td>Recruitment and selection is highly structured and sophisticated. Links with academia helps in recruiting fresh talented graduates. Quality and quantity both a challenge for Alpha. More fresh graduates than experienced staff recruited. During the recession, the number of recruitments did not diminish. Links with tier 2 and 3 institutes now made, due to the sheer number of recruits needed. Quality and quantity, still both a challenge for Alpha. More experienced than fresh graduates recruited. A global apprenticeship scheme open to talent across the globe now launched. An online recruitment system through website application now available. Several links to academic institutions both in India and abroad established. Quality and quantity, still both a challenge for Alpha. Back to recruiting higher number of university graduates. An large increase in women and foreign nationals.</td>
<td></td>
<td></td>
<td>Local cultural context BPO sector HR practices Global expansion and growth. New business from global clients. Effect of economic fluctuations on demand and supply of labour.</td>
</tr>
</tbody>
</table>

Table 5.4 Recruitment and Selection at Alpha

5.2.2 Training, Learning and Development

Training, Learning and Development (TL&D) at Alpha was available to all categories of employees and the spend was uniform at circa 10 percent of its revenues annually, across the duration of the research. Training at Alpha was more need-based and short term, whereas learning and development was longer term and career linked. Just over 6 per cent was spent on training which was highly interactive and specifically and uniquely designed for its different service offerings; it included decision-making skills, collaborative working techniques and change management, with a focus on communication skills which could be used in everyday workplace experiences. Learning and Development received approximately 4 per cent, with special emphasis placed on providing necessary learning interventions to associates with leadership potential. Dedicated training centres at Alpha were equipped with the latest infrastructure built over the five-year research period and it was also noted that training was generally more specialised during the research period due to the firm’s evolving needs.

Training, alongside L&D above, has also seen changes during the three research phases. Initially during the first phase of this research, Alpha concentrated
on training within the technical domain. However, during the second phase it started specialised training, emphasising what they call ‘soft’ and ‘business’ skills without compromising on ‘technical competencies’; a component on ‘cultural sensitivity’ was also included. During the third phase necessary training interventions were introduced with potential of grooming future leaders within the organisation. Also, because recruitment had spread to Tier 2 and Tier 3 cities the need for increased training was seen during Phases 2 and 3 of this research. By the end of Phase 2, Alpha was offering their employees twenty days a year to take up any training course. Hence, there was evidence that Alpha were concentrating on what they call ‘post-recession skill sets’ so that their employees were ready for the post-recession period. During Phase 3, with increased global contracts and projects, Alpha included a component called ‘co-evolution of learning with business model’ within their training for higher consultants (associates). This included consulting skills and an opportunity to study basic to advanced foreign languages. Training, Learning and Development findings for the three phases at Alpha, alongside the associated influences are summarised in Table 5.5 below:

<table>
<thead>
<tr>
<th>HR practices-Alpha</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Training, Learning and Development</strong></td>
<td>Training, learning, development and mentoring key priority for HR and included within their overall business strategy. The average time spent by newly recruited ‘fresh’ graduates in terms of class-room based training and on-the-job training is 70:30. It is the reverse for newly appointed experienced staff. Training is seen to be an ongoing strategy at Alpha.</td>
<td>Though expansion is vast and fast, a significant and continued investment in training has been made. Training is viewed as an investment rather than a cost and employees are encouraged to take it seriously. Advancement in positions are now linked to successful training. The recession period saw Alpha continue its training commitment.</td>
<td>The spend on training (budget) remains constant over the five year period. Elements of training though now focus on consultancy and an understanding of foreign and cultural sensitivity. Employees now can choose to study either in India or abroad in relevant fields.</td>
<td>Training tied in to overall business strategy. Global expansion and growth. New business from global clients.</td>
</tr>
</tbody>
</table>

Table 5:5 Training, Learning & Development at Alpha
5.2.3 Compensation and Reward Management

During the research period, Alpha was not positioned in the ‘upper quartile’ for pay but it initiated an effective ‘economic value added’ (EVA) model, which it claimed was the first of its kind to be adopted and practiced in India. The EVA model is a basis for measuring performance and bonus at the enterprise and department levels. The system calculates profits after considering all costs, including that of capital. If the revenues are in excess of the costs, (including operating expenses, costs of developing and investing in people, products and business), then value has been created. Within the EVA system at Alpha, there are three basic drivers - revenue, cost and capital charge. The individual works towards the improvement of the benefit package, which essentially has three components - the Corporate EVA, the Business Unit EVA, and the Individual Performance Factor. The EVA model set out to reward both individual and team achievement and managers used it to manage performance, compensation, reward, motivation and attrition/retention. Hence in the words of a manager in Mumbai:

In giving shape to the EVA model, we at Alpha felt the need to keep its focus towards the ultimate goal of our overall strategy and HR strategy...that is aligning our people to the corporate mission...creating an entrepreneurial culture through an empowered work force...and building ownership with accountability, these are very important for any business. We then worked out an EVA framework that was suitable for us and that helped us to align our corporate values with the performance of the constituent business units and the individuals who comprised these. – HR manager, interview, Mumbai, Phase 2 (September 2008)

Another manager from Bangalore reiterated that the EVA model needed to be understood by employees in order to take advantage of its value:

...It [EVA] translated to a compensation model too, where the associate had a share in the corporate pie with add-ons from the profits of the respective Business Unit and the IPF [Individual Performance Factor]. At the associate level, he or she needs to know the drivers to tweak and utilise...to enhance the EVA of the company, of the business unit, and his or her own contribution towards all these. – HR Manager, Interview, Bangalore, Phase 2 (June 2009)
Respondents at further focus group meetings at both Bangalore and Mumbai also state the advantages and the intricacies involved with this model, as is evident from the following quotes:

With the introduction of EVA, there have been several strategic benefits for Alpha in the systemic efforts towards optimisation. – HR Manager, Focus Group, Bangalore, Phase 2 (January 2009)

...the implementation of EVA requires the integration of the planning and the tracking process. Alpha looked to achieve this through a home-grown tool which we called....e-Pilot, which essentially drills down from large strategy to day-to-day activities. This aided and helped us integrate the planning approach, in defining the corporate EVA, linking it to the business unit...eh...cell, and further to various components down the line, all the way to the drivers connected to each activity. – HR Manager, Focus Group, Mumbai, Phase 2 (June 2009)

Data also confirm that the managers at Alpha were very enthusiastic and talked at length of the economic, business and strategic benefits of the EVA model. However not all employees were happy about it; a few were a bit wary and showed some reservations. This was more so during the economic downturn.

The EVA model was developed and evolved over the five years of research. At the beginning of the research period Alpha initiated the EVA model within India and it only included compensation. However due to its growth globally EVA has now been introduced to its global operations. In addition, over time, EVA was extended to performance and rewards (e.g. bonuses). As global growth required a more consistent performance management system, Alpha responded by linking performance management to the EVA model.

5.2.4 Diversity Management
Diversity management became increasingly important to Alpha over the duration of the research. By the second quarter of 2010, it was the largest private sector employer in India, and was committed to being an equal-opportunity employer. During the time of this research Alpha’s growth reflected this diversity. Respondents referred to diversity at Alpha as mainly the ratio of male and female employees and the increasing number of foreign and ‘third national’ (a person from country ‘A’ working for an organisation from a country ‘B’ which has operations in country ‘C’) employees. Associates at Alpha come from as many as 99 nationalities and spoke as
many languages. As of 2010, the organisation’s workforce was over 13 percent foreign nationals, up from seven percent in 2006. It is noteworthy that as of 2010, more than 25 percent of employees were female, up from 12 percent in 2006. The company has adopted a diversified workforce approach; in the words of a respondent:

...in order to create a comfortable environment for clients and employees who work along with it on specific projects. (Manager, Interview, Mumbai, Phase 3).

5.2.5 Welfare Management
A paternalistic approach reflecting collectivist cultural characteristics was apparent throughout the period of this research. Initially when this research started, ‘welfare’ within Alpha was an off-shoot of the broader Alpha group which was seen to be paternalistic and philanthropic in nature. As growth occurred a uniform system that encompassed their traditional values, beliefs and attitudes was introduced to its global operations.

During the research a voluntary association for Alpha employees, called ‘XYZ’ (pseudonym) was established which focused on ‘Alpha families’; all Alpha associates and their families are members. The network of XYZ members spread across the world, assisting Alpha families in relocating to new places, finding houses, good schools for children and healthcare facilities. As the workforce at Alpha became more globalised, XYZ also tailored and conducted other activities such as social meetings, theatre visits, adventure sports, trekking, etc. for the families of Alpha employees in their different global locations. Over the five year research period XYZ has evolved and extended its approach to include socialisation within the community of associates and spouses, easing relocation and serving the wider community.

This strategic move has been recognised by its associates and Alpha has been rated highly for this initiative (through internal Alpha associate surveys for the year 2009 and 2010). Welfare Management findings for the three phases at Alpha, alongside the associated influences are summarised in Table 5.6 below:
Table 5.6 Welfare Management at Alpha

5.2.6 Attrition Management

In common with other Indian BPO firms, high rates of growth and recruitment in this phase were accompanied by high rates of attrition, particularly noticeable in Tier 1 cities such as Mumbai and Bangalore, the two locations in this study. Nonetheless, Alpha’s retention rates – at approximately 10 per cent wastage per annum – might actually be considered relatively good by industry standards, as is evident from the illustrations by various respondents below:

In Phase 1, when the research started the HR manager in Mumbai responded to attrition levels thus:

The annual attrition rate at Alpha was 7.5% in 2000, and 10.6% in 2006 which was the lowest in Indian software and IT industry. – HR Manager, Interview, Mumbai, Phase 1 (November 2006)

The same manager in Phase 3 further responded:

It has taken us a lot of effort to stop attrition rates going up at Alpha after the end of the recession period. HR is facing a big challenge. – HR Manager, Interview, Mumbai, Phase 3 (April, 2010)
Further focus group data too show that attrition is on the rise and is a continuing issue for Alpha, as with other organisations in the Indian BPO sector, as is evident from the following two quotes from two separate phases:

Our competitor’s attrition rates had gone up from single-digit to double-digits...up to 14.5 per cent between March and June 2006. Alpha continues to have the lowest attrition rate in the industry.– HR Manager, focus group, Bangalore, Phase 1 (August 2007)

During this economic downturn we have more associates wanting to stay back. Even those that have left have enquired if they could return. – HR Manager, Focus Group, Bangalore, Phase 2 (January 2009)

Data also confirm that Alpha continually showcased their lower/constant attrition rates, comparing them with their competitors. However, the magnitude of people leaving a large BPO MNC such as Alpha is brought into context by the following quote by the HR manager at Bangalore:

…and essentially because when you talk about a lakh and 30,000 [a hundred and thirty thousand] employees and you are facing 30% attrition...you can start another company or more with the people who leave you...are talking about more than 30,000 people leaving in a year. – HR Manager, Focus Group, Bangalore, Phase 3 (April 2010)

Alpha tried to minimise attrition through a number of HR strategies. Although managers interviewed conceded that Alpha pays less than some competitors, the company marketed the attractions of belonging to a much larger Indian group ‘family’ to counter this. It also sought to turn the globalisation of projects and operating locations into a potential recruitment/retention advantage, in allowing selected employees to choose the location in which they wished to work as part of its career development package. Attrition Management findings for the three phases at Alpha, alongside the associated influences are summarised in Table 5.7 below:
### HR practices - Alpha

#### Phase 1

**Attrition**

Attrition is a problem area similar to other BPO organisations. Though Alpha are not great pay-masters, their ‘brand’ and other factors such as ‘job-security’, ‘autonomy of work choice’ etc helps retain staff.

#### Phase 2

Alpha continuously keeps an eye on its attrition rates. Company brochures and their websites make this a ‘selling point’ for recruitment of new employees and for business development.

#### Phase 3

Attrition on rise again after the downturn. Almost equal to levels in 2006, but slowly pulling back. Role of HR in devising short to long term retention strategies seen to be paramount. Attrition still seen to be the biggest challenge for HR. HR managers still focusing on retention.

#### Associated influences

BPO sector HR challenges. The large number of people recruited year-on-year. Effect of economic fluctuations on demand and supply of labour.

<table>
<thead>
<tr>
<th>HR practices - Alpha</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attrition</strong></td>
<td>Attrition is a problem area similar to other BPO organisations. Though Alpha are not great pay-masters, their ‘brand’ and other factors such as ‘job-security’, ‘autonomy of work choice’ etc helps retain staff.</td>
<td>Alpha continuously keeps an eye on its attrition rates. Company brochures and their websites make this a ‘selling point’ for recruitment of new employees and for business development.</td>
<td>Attrition on rise again after the downturn. Almost equal to levels in 2006, but slowly pulling back. Role of HR in devising short to long term retention strategies seen to be paramount. Attrition still seen to be the biggest challenge for HR. HR managers still focusing on retention.</td>
<td>BPO sector HR challenges. The large number of people recruited year-on-year. Effect of economic fluctuations on demand and supply of labour.</td>
</tr>
</tbody>
</table>

![Table 5:7  Attrition Management at Alpha](image)

### 5.2.7 Organisation Development at Alpha

Over the period of this research, there was a greater realisation at Alpha of the importance of Organisational Developmental (OD) interventions in facilitating the rapid changes brought about in the current competitive environment. Alpha was struggling to balance the tensions between what it called ‘Voices’: i.e. Voice of Customer, Voice of Technology, Voice of Strategy and Voice of Employee, in the context of a globalised and dynamic market. Respondents at interviews and focus groups reported that ‘competitive advantage’ and ‘sustainability’ would be the two key concerns for corporate survival and success for Alpha. Respondents at Alpha claim that OD has contributed to redefining the organisation’s relationship with its environment, markets and key stakeholders.

During the period of this research, Alpha grew into the largest Indian software company with a vision of being in the global top ten. As pioneers in the industry, Alpha set out to develop a reputation for: on-time delivery; premier position in the industry in terms of revenues; focus on training programmes; quality initiatives, use of good technical tools and procedures; and encouragement of individual excellence.
in performance. However, Alpha was also, at the start of this research, grappling
with concerns about its operational paradigm. This led its management to initiate
several OD interventions that would guide the organisation toward greater
productivity and competitiveness. The following findings identify several of these
interventions initiated over the research period.

5.2.7.1 OD - Phase 1

In Phase 1, four key focus areas were apparent. These were, first, a need to focus on
‘core-competencies and ‘differentiation’, which were fulfilled by efforts on
‘experimentation and innovation’:

Since we are an old organisation, we have old set ways of doing things. Thus the management at Alpha felt that by and large employees tended to go straight by the book...for example, though Dr. DeBono’s techniques were introduced and employees trained on these techniques to encourage innovation, there was still a need to scale up on perceived rewards for experimentation, both individually and for teams... (Chief HR manager, Bangalore, Phase 1, August 2007)

Second, a need for ‘knowledge sharing’ saw Alpha use inter-group coordination and knowledge sharing initiatives:

Knowledge sharing was very head office and centre-oriented, and although, informally, several best practices were spread by interaction and word-of-mouth, we were yet to evolve a formal system which would capture these for ease of duplication across projects. For example, multiple centres, teams and multiple projects within the same centre and teams ended up resolving the same sort of issues, and so this resulted in replication and in avoidable rework...teams needed to be aware of what each did... (Chief HR Manager, Interview, Mumbai, Phase 1, November 2006)

Third, the need to motivate its associates resulted in Alpha designing reward and recognition structures:

The performance and reward structures and processes at Alpha was, at this point in time, primarily focusing on individual people and performance and we were yet to explore the institutionalisation of teams and team based rewards at the organisational level. We felt this was needed to be done... (Chief HR Manager, Interview, Mumbai, Phase 1, November 2006)

Fourth, the need for a new change-oriented ‘culture’ through ‘PROPEL’ (See Table 5.8 below), an organisation-wide intervention that encouraged sharing of
ownership and empowerment to change, and the sharing of success stories and best practices across the organisation:

PROPEL was introduced as a revolutionary intervention with the dual objectives of helping in facilitating the exchange of ideas and helping in immediate problem solving, while also encouraging bonding and self-development among and within teams...so that team-working became more enjoyable and at the same time fruitful... (Chief HR Manager, Interview, Mumbai, Phase 1, December 2007)

...in terms of the relationship value card for the relationship...there was a fallout of the analysis of tensions existing in the four dimensions as represented by the voices of the customer, strategy, employee and technology. Thus...we...a tool called “value card” was used to investigate and analyse the problems faced by the relationships in relation to these tensions and to arrive at workable solutions to the identified problems...all within the designated timeframes. Thus the value card helped us to effectively capture and track this through several subsequent steps and processes. (Chief HR Manager, Interview, Bangalore, Phase 1, August 2007)

Thus overall, valuing employees was institutionalised through establishing processes that enable and enhance individual performance, which led to empowered project teams. Issue-based mentoring was also facilitated, with, as Alpha termed them, ‘camps’ and ‘confluences’ as enabling frameworks: confluences invested in personal transformation for the employee, whilst camps invested in improving the workspace.
<table>
<thead>
<tr>
<th>PROPEL</th>
<th>What it means for Alpha associates?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Professional Excellence:</strong></td>
<td><em>How do I become a role model and a friend?</em></td>
</tr>
<tr>
<td><strong>Role Enhancement:</strong></td>
<td><em>How do I take up new responsibilities and set new directions?</em></td>
</tr>
<tr>
<td><strong>Owning Alpha Culture:</strong></td>
<td><em>How do I influence culture?</em></td>
</tr>
<tr>
<td><strong>Personal Growth:</strong></td>
<td><em>How do I walk the journey of self discovery and growth?</em></td>
</tr>
<tr>
<td><strong>Employee Involvement:</strong></td>
<td><em>How do I enable continuous improvement?</em></td>
</tr>
<tr>
<td><strong>Learning:</strong></td>
<td><em>How do I enable Team learning?</em></td>
</tr>
</tbody>
</table>

| Table 5:8 PROPEL at Alpha |

### 5.2.7.2 OD - Phase 2

Phase 2 saw Alpha initiate six OD interventions. This was the recession period and for Alpha, what a manager called:

‘...a time for introspection and reflection… (Chief HR Manager, Interview, Mumbai, Phase 2, June 2009)

Hence, *first*, through ‘scenario building’, a collective transformation of what Alpha called ‘dreams’ and ‘concerns’ into response capabilities was envisaged. The firm undertook continuous proactive scanning of its environment for opportunities and threats to collectively map the business domain of Alpha:

Well...an internal organisation workshop was conducted with the top management for scenario building. This programme focused at a larger level, on the slogan “The Alpha that can be”. The idea was, well...to challenge the traditional and conventional ways of thinking and to give shape to the key drivers of change through realistic listening and dialoguing...well communicating...and these workshops were followed by dissemination and communication of the scenarios with teams in order to develop a new language in the organisation, consistent with the thought-out future scenarios...so in essence we followed scenario management... (Chief HR Manager, Interview, Bangalore, Phase 2, January 2009)

This was confirmed by another manager from Mumbai:
...it was resultant...of the workshops, several representatives of senior management worked on building scenarios as for e.g. on Alpha tools and approach to high end consulting etc....We looked at ‘what we were and what we wished to be’, ...our competition, changes and challenges with regard to our business models, clients, ex-employees, technologies, products and support function, etc.’. Thereafter, the factors that would facilitate the desired change and focuses that needed to be redefined were clearly laid down, focused upon and acted upon. (Chief HR Manager, Interview, Mumbai, Phase 2, June 2009)

Second, the need for employer-brand building led Alpha to strategise accordingly as claimed by the following respondent:

...branding and image building strategies were not yet an area of focus...though we had a global brand presence... and, in a way... this affected the sense of pride of employees. For example, among educational institutions, where we dealt with faculty and students...this meant greater difficulty in terms of attracting quality talent, which further aggravated stress among the few key performers in the organisation...who also spread the word...whether good or bad... (Chief HR Manager, Interview, Mumbai, Phase 2, September 2008)

Third, in what might be seen as a development from the knowledge sharing initiative in Phase 1, Alpha claimed to have achieved organisation-wide goal alignment through cascading of the ‘Balanced Score Card’: continuous investment in learning and an active sharing of knowledge with the aim to convert learning into action:

...as you know, in the interest of better alignment, a need was felt to re-look at a few of Alpha’s organisational processes and systems, as...for instance, the performance management and appraisal system at Alpha. Workshops such as Teach-Train-Transfer that concentrated on goal alignment and teams were conducted, with help from expert OD consultants...with the aim to build the context, to think through goal setting at Alpha...well...with a systems perspective to goal alignment and to explore means of institutionalising goal-oriented team-based performance management within the organisation. (Chief HR Manager, Interview, Mumbai, Phase 2, September 2008)

Fourth, the need to focus on work ‘specialisation’ led to a strategy of ‘job rotation’. Further, the focus shifted to adding knowledge through what Alpha called trying to ‘delight’ and ‘satisfy’ every customer (a 2009 Alpha brochure). The earlier tendency of ‘self-sacrificing hard work’ was replaced by a shift of focus to teamwork and valuing of the employee:
Over time, there was a diffusion of expertise and we were yet to focus on building strategic expertise in individual centres and expert project teams...it was frustrating...associates were rotated across domains, teams and skills in the interest of a learning and knowledge sharing and gaining ability as well as for meeting requirements....so really we were multitasking...and in a sense, there was heightened focus on our OD...voice of the customer, in comparison to the voice of employee...and team. (Chief HR Manager, Interview, Mumbai, Phase 2, September 2008)

Fifth, mounting revenue pressures, in the depths of the recession, forced Alpha to choose between its short and long term focuses:

It is with any large organisation...the pressure to retain its strong globally growing position was leading Alpha to tend towards short-term revenues, and relatively lesser efforts were being put into medium and long term markets and activities ...well, the usual...products and building up knowledge, teams etc...Though Alpha built relationships with individual customers, from a HRM point of view, relationship managers largely tended to focus on obtaining short-term projects...there was lesser focus and investment on aligning to long-term objectives of customers...Thus our approach, by and large, was of reactive project management and we were yet to promote the approach of promoting proactive solutions for the customer. (Chief HR Manager, Interview, Bangalore, Phase 2, June 2009)

Lastly, its changing business needs led Alpha to initiate OD interventions that, it claims, helped push self-imposed boundaries and limitations through challenging organisational boundaries and limitations constantly. One respondent noted:

We have done well for ourselves...overall...the AEP [Account Excellence Programme] was modelled on the lines of the famous Malcolm Baldridge National Quality Award and our own Alpha Business Excellence Model...this you know, touches upon seven key categories such as...leadership and team-working, strategic planning, customer and market focus...it’s then measurement I think...and then analysis and KM [Knowledge Management], then a HR focus, PM [Process Management] and one more....let me see...business results....I have given you the booklet to confirm....These together were aimed to help the relationship to evolve towards meeting changing business needs proactively. (Chief HR Manager, Interview, Mumbai, Phase 2, June 2009)

5.2.7.3 OD - Phase 3

Two OD interventions were identified in this final third phase of the research. The first, a need for selectivity in projects, witnessed Alpha adapt strategies that focused on revenue and its overall strategy of organising. Pressures from clients and increased competition globally meant that Alpha had to look at what and how much
work it needed to take up. This links to the fifth focus area in Phase 2 above, and as explained by the following respondent in Phase 3:

There was a continuing tension at Alpha, for a focus...should we concentrate on...between generating revenues and organising strategically...or on the basis of technology and business areas...should we be impacting selectivity in projects that we accepted and assigning it to respective teams...? There was also pressure from customers on schedules...which was resulting in faster delivery and hence...a snowballing effect into further pressure on future schedules. We had to change this... (Chief HR Manager, Interview, Bangalore, Phase 3, April, 2010)

The second was a need for reflection and improvement on its OD interventions and overall strategy. This was achieved through a survey, ‘Darpan’ (meaning reflector or mirror), which was seen to be widely accepted across the large organisation, as it looked at the overall expectations of its associates:

We needed to know if we were doing the right thing...with this aggressive expansion and dispersion of ever-growing associate strength...all over the...globally...in the relationship, communication or the lack of it, had emerged as one of the biggest drawbacks in employee and team motivation and managerial decision-making. In this context, an associate satisfaction survey at relationship level called Darpan was initiated, with the objective to “reflect and improve” at the relationship level through a better understanding of the explicit and implicit expectations of associates and teams’. (Chief HR Manager, Interview, Mumbai, Phase 3, April 2010)

In conclusion, the OD interventions at Alpha set out to build, ‘a culture of fostering systems thinking and creating forums for dialogue, while encouraging leadership at all levels’ (Manager, Interview, Bangalore, Phase 3). For the organisation at large, OD helped to reiterate the merits of valuing enquiry, expressing differences, and constantly generating new knowledge. Concerns about ‘commitment’ and ‘involvement’ were also linked to fostering high performance, both for the employee as well as at firm level. Hence, interview data from both Bangalore and Mumbai confirms that the OD interventions discussed above were positive:

We want to create a culture of value-creation....value for the...associate...employee, the business and the organisation. We want to be seen as...a progressive organisation creating value through strong...what we want...a positive company culture that fosters happy,
engaged...satisfied associates who feel empowered to make decisions and thus feel connected with the company. It’s the best we can do through management. – HR Manager, Interview, Mumbai, Phase 3 (January 2010)

However, the manager at Bangalore differs when he says that:

The challenge facing Alpha is to redefine HR... currently with a large section still struggling to keep pace with change...of...a new age HR is what we are striving for. – HR Manager, Interview, Bangalore, Phase 3 (April 2010)

5.2.8 HR Policy and Strategy

In summary, the rate of business and employment growth experienced by Alpha placed some strain on the capacity of HR systems to keep up, with a disproportionate amount of HR effort being expended. Focus group respondents revealed:

...as it seems...determining what matters most to associates and then aligning it to our organisational goals is a strategic challenge for HR here at Alpha. As HR professionals at Alpha, [...eh...you have been following our journey...]...we must not only create a mix of practices that retain and motivate a very diverse workforce, but they also must continually fine-tune that mix. The more global we get the more this will matter...the world is watching and looking up to us... – HR Manager, Focus Group, Mumbai, Phase 3 (April 2010)

We need to understand that the human resources function plays a significant role in this globally competitive marketplace and thus, the need for it to evolve is greater...more so for Alpha as it is growing at such speed... – HR Manager, Focus Group, Mumbai, Phase 3 (April 2010)

Reflections during the final phase (through the focus group data from Mumbai and interview data from both Mumbai and Bangalore) showed that HR within Alpha had changed over the research period. Over that period a crossvergent hybrid employment model/strategy emerged at Alpha as a result of fine-tuning and segmenting recruitment strategies; a focus on relatively high attrition rates; and an increasing sophistication of staff development and training strategies to support delivery of quality services. Other strategic innovations such as decentralisation of business units and increased adoption of HR systems originally marketed to resolve clients’ problems were among the responses to the problems posed by expansion.
HR Policy and Strategy findings for the three phases at Alpha, alongside the associated influences are summarised in Table 5.9 below:

<table>
<thead>
<tr>
<th>HR practices-Alpha</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HR policy and strategy</strong></td>
<td>HR policies and strategies are mostly headquarter (HQ) controlled and are centralised. The Mumbai office is where the HR HQ is located. The traditional paternalistic approach and methods of the wider Alpha group is prevalent in phase one.</td>
<td>Due to rapid global expansion and newer global business clients, Alpha are looking to decentralise and tailor their HR policies to local (national) and international business units. Also a major restructuring in this phase (1st quarter of 2009) alongside OD interventions saw Alpha move into a new phase by branding itself and benchmarking HR.</td>
<td>Several associated influences, as listed in the next column led to Alpha being more of a business partner and concentrating on more sophisticated and value adding HR activities and this led to change in their HR policies and strategies overall.</td>
<td>Global MNC culture Growth and expansion Move toward professionalism Move towards technological changes (i.e. eHR-Automation for HR). Move towards portraying its global brand and image (employer branding strategies in terms of HR)</td>
</tr>
</tbody>
</table>

Table 5.9 HR Policy and Strategy at Alpha

5.2.9 Influences on HR

A range of indigenous and foreign HRM influences on HR strategy and practice over the duration of the research were evident. First, adaptation of a business strategy of consciously internationalising operations, projects and staff recruitment beyond India was initiated, alongside greater use of sophisticated best practices. Second, a residual domestic orientation was exploited using the idea of ‘brand India’ and employer branding strategies. Third, the continuing focus on avoiding and stemming attrition and in the process adopting HR practices to this effect. The data suggest that ‘domestic’ influences, partly issuing from the broader Alpha group level, were gradually superseded by Western HR practices. These also reverberated in a feedback loop to affect, in turn, the HR policies of the Alpha group. Training and development expenditures can be understood as part of a conscious shift by Alpha towards the adoption of so-called high performance work systems, evident also in the gradual adoption of remuneration based more on business, team and individual
performance. However, in other respects we see the residual influence of welfarist and paternalist thought, in relation to providing sources of support for employees and their wider families. The development of a paternalist form of internal employee welfare and social network (including XYZ) proved key to extending HR support beyond purely ‘corporate’ issues within such a multinational BPO firm. Company reputation also became increasingly important for recruitment and retention.

Four main influences affected the evolution of HR practices. First, the rapid growth (in numbers) of the company underpinned a gradual systemisation of HR through such factors as the use of technology, adoption of the EVA system to encompass individual and team performance, and reward and compensation as part of the wider adoption of high performance practices and a business partnering HR model as well as the use of various strategies to more closely match recruitment, selection and training with required global skill sets, and internal decentralisation of the firm. Second, expansion (business/revenue/geographical location) as a factor is closely linked in turn to the deliberate and increasing globalisation and diversification of the workforce, contributing to a crossvergent hybrid of domestic cultural values overlaid with more international HR practice; an increased emphasis on diversity and expatriation management, and training and welfare interventions. The third factor affecting HR was the globalisation of the nature of contracts, projects and clients over time. This is seen through such examples as the company’s use of image branding and the exploitation of internationalisation in order to enhance staff retention through training opportunities and the autonomy to choose where to work. The fourth, more exogenous, factor is the external economic context. In the period of recession, this variable assumed a more dominant influence over HR change than did growth – although clearly growth did not actually stop; it was merely configured differently in the Indian context – or internationalisation. Nevertheless, some distinct changes in HR priorities were observable as a result of the recession that affected the Indian industry between the second quarter of 2008 and the third quarter of 2009. In the downturn, the new HR challenges proved to be maintaining the motivation and morale of staff, employee engagement and a concern to enhance skills development in readiness for the upturn. The end of the global recession saw a renewed influx of major international HRO contracts that, in turn,
required large-scale recruitment drives. In the recession, on-going HR concerns about the quality of recruits drawn in to meet this renewed expansion were thrown into sharp relief, and addressed by a deliberate strategy to recruit a greater proportion of experienced subject specialists and to cast the recruitment net increasingly transnationally in order to broaden the firm’s geographical base beyond India. An increased focus on performance and a ‘harder’ approach to HRM was, to some extent, characteristic of this period, with an increased focus on staff performance and the coupling of performance and reward management. Table 5.10 below further summarises the overall organisational and HR changes and stabilities uncovered in the research fieldwork, the implications of which will be discussed in greater detail later.
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<tbody>
<tr>
<td>Recruitment (Percentage increase)</td>
<td>~</td>
<td>~35% (&gt;Laterals; Fair number recruited overseas; &gt;Indian expatriates abroad)</td>
<td>~25% (&lt;Laterals; recalled overseas Indian expatriates)</td>
<td>~30% (&gt;Laterals; overseas recruitment returned to Phase 1 levels; &gt;Indian expatriates abroad)</td>
</tr>
<tr>
<td>Culture, values and tradition (organisation and national)</td>
<td>~</td>
<td>Influence of overall Alpha groups paternalistic and philanthropic philosophy.</td>
<td>Mix of Indian and Western best practices</td>
<td>A move to its own unique, innovative, strategic and indigenously cross-vertgent model.</td>
</tr>
<tr>
<td>~</td>
<td>Budgetary spend on training, learning and development</td>
<td>10% (Mostly upgrading technical skills)</td>
<td>10% (Included soft skills)</td>
<td>10% (Included consulting and foreign language skills)</td>
</tr>
<tr>
<td>~</td>
<td>Attrition rates</td>
<td>~10-12%</td>
<td>~10%</td>
<td>~10-12%</td>
</tr>
<tr>
<td>Performance and Compensation management</td>
<td>~</td>
<td>Introduction of EVA model (National level)</td>
<td>Spread of EVA model (Multi-country level)</td>
<td>A uniform global EVA model in place</td>
</tr>
<tr>
<td>Diversity (Female employees)</td>
<td>~</td>
<td>~12%</td>
<td>~17%</td>
<td>~25%</td>
</tr>
<tr>
<td>Diversity (Foreign employees)</td>
<td>~</td>
<td>~7%</td>
<td>~10%</td>
<td>~12%</td>
</tr>
<tr>
<td>Welfare schemes</td>
<td>~</td>
<td>National level</td>
<td>Multinational level</td>
<td>Global level</td>
</tr>
<tr>
<td>Organisational structure</td>
<td>~</td>
<td>Entrepreneurial (centralised)</td>
<td>Entrepreneurial (move to semi-decentralisation)</td>
<td>Intrapreneurial (move to full decentralisation)</td>
</tr>
</tbody>
</table>

Table 5:10  Alpha, Mini-Framework, Summarising and Charting Comparison Of Data Sets from One Time Period to Another

5.3 Case Study Organisational Context: Beta

In contrast to Alpha, Beta is a UK owned and headquartered small but fast-growing organisation that started its BPO business employing about 180 people in 2005; this number rose to around 450 by 2010 and 80 percent of employees are based in India. Clients come from three main industry sectors: financial services, construction and what Beta refers to as ‘general practices’ such as HR consultancy organisations, etc. These clients were based in the UK, US, parts of EU, the Middle East and Asia-Pacific region. Dossani and Kenney (2003) have highlighted the role of non-resident
Indians (NRIs) in acting as a catalyst for offshore services in India and Beta was indeed established by two young UK-based NRI entrepreneurs in 2005. The two young entrepreneurs, also a couple, first came to the UK in 2001 to pursue a MBA at the time when the UK’s ‘Highly Skilled Migrant Programme’ (HSMP) was introduced. They had work experience in the Indian BPO industry and wanted to enhance their experiences in the UK. Both took up jobs within the British ICT industry and worked for around two years before establishing an HRO organisation in the UK with operations in India. Both are currently UK citizens. In contrast to the large organisation represented by Alpha, Beta therefore offers insights into a small organisation where the influence of the founders continues to be significant.

A merger with a UK based executive recruitment outsourcing organisation (referred to by Beta as ‘research process outsourcing’) occurred in 2006. In 2008 Beta acquired a small HRO company in Hong Kong and in April 2010, at the end of the research period, they were in the final rounds of acquisition talks with two organisations based in Singapore and UK. Beta’s operations are based on two aspects of HRO that reflect different types of the BPO ‘offer’: the provision of transactional HR services and the development of longer-term business relationships with client organisations with the potential to enhance core competencies (Ordanini & Silvestri, 2008; Shen, 2005). Recruitment Process Outsourcing (RPO), the longer-term and ‘high-end’ service offering is delivered from a centre based in Mumbai undertaking planning, structuring, and operational executive recruitment processes (Teng, 2006). Transactional HR services are undertaken on behalf of clients from a site in Gurgaon, near Delhi. Since the merger with the RPO (recruitment) organisation Beta refer to their employees as ‘researchers’. Interviews with senior managers indicated that they were committed to developing the organisation to increase its market share of high value operations and offering a fully inclusive HR service provision as a Business Transformation Outsourcing (BTO) or ‘Knowledge Process Outsourcing (KPO) organisation (e.g., Pio, 2007). One of Beta’s main client offerings is a fast and effective recruitment process based in their Mumbai office. The tasks undertaken by employees at Beta’s Gurgaon centre focus on transactional HR work (such as payroll) on behalf of client organisations. UK-based staff undertake a very different and strategic type of task, working with the clients’
account teams on a day-to-day basis to oversee performance and manage any service issues. Their role involves coaching people in India to help them interact with the outsourcer, directing business ‘traffic’ to the right channels, and reminding the client organisations of the economic and service benefits that motivated in original the outsourcing decision.

As an organisational case study, therefore, Beta provides an opportunity to analyse HR policies and practices over time to illuminate: a) the main features of HRM in an organisation where 80% of employees are located in India, b) the unique features of HRM policies and practices in a purely HRO organisational context and c) to investigate HRM practices and HPWS in the context of Beta’s Mumbai operations as a country specific headquarters (Budhwar, 2012). As with Alpha, a distinct advantage of this study’s approach in substituting quality and depth of data for quantity of cases, concerns the unusual opportunities afforded to be able to study over such a lengthy period within the firm and over a range of respondents at both locations. Table 5.11 below provides an overview of the schedule for primary data collected.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Interviews with HR managers: Mumbai</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>23</td>
<td>34</td>
</tr>
<tr>
<td>Interviews with HR managers: Gurgaon</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Focus groups: Mumbai</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Focus groups: Gurgaon</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.11  Primary Data Collection, by Research Stage, Method and Location - Beta
5.4 HRM at Beta

When this research commenced Beta did not have a HR department. All ‘personnel’ and HR-related work was the responsibility of the administrative and operational (line) staff, Practice Heads (or supervisors) who (given the nature of the HRO service offering) themselves had an HR background. However as their business grew they introduced an HR department and by the final phase of the research there was evidence of some strategic HR initiatives and development of HRM practices in areas like recruitment and selection, training and development, compensation management, performance and reward management, attrition and reward strategies and staff welfare.

Data from Beta also enabled an examination of the HR aspirations of senior managers. Interview data revealed that the nature of the client offering (HRO) was important for senior manager aspirations for the organisation to ‘role model’ systematic HR practices. Such aspirations were mediated, however, by the nature of the tasks undertaken at the different sites. During the initial phases of the research Practice Head(s) developed their own HR practices such that:

…although the policies are framed by the headquarters in the UK…[they are]…tailored differently to suit each location. (Practice Head, Interview, Mumbai, Phase 1)

However this changed drastically with the inception of the HR department in the second phase and further changed in Phase 3 when they moved to a strategic HR focus. The data from Beta suggest, therefore, that the initiation of systematic HR policies in line with the ‘corporate identity’ of the HRO organisation was mediated by indigenous factors relating to preferred management style, as well as by the nature of work processes in different parts of the organisation. This, however, changed as they evolved and grew.

HR policies and strategies findings at Beta, alongside the associated influences are summarised in Table 5.12 below:
HR practices - Beta

HR policy and strategy

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific HR department in the organization and each Practice Head is responsible for HR in their own operation. PHs are in ‘control’ at the ‘shop floor’. They are very ‘results driven’.</td>
<td>The power and results orientation of Practice Heads has visibly increased over the two year period of observing working relations. Increasing difference between HR practices emerges between UK, Mumbai and Gurgaon.</td>
<td>A full-fledged HR department now in operation at both locations since January 2009. Experienced HR professionals now holding responsibilities. Mumbai office towards the latter part holding total responsibility for all HR related matters for both locations. HR team initially worked with PH’s but now have total autonomy. Some focus on sophisticated and strategic HRM with special emphasis on retention and brand-building.</td>
<td>Organisational size and life cycle issues. Entrepreneurial culture Growth and expansion Move toward professionalism</td>
</tr>
</tbody>
</table>

Table 5.12  HR Policy and Strategy at Beta

5.4.1 Recruitment and Selection

As indicated already, recruitment, selection and retention are a significant challenge in the rapidly developing Indian economy. Data from Beta indicate similarities and differences between Beta’s two Indian operations (the case-study locations). In Gurgaon, recruitment and selection processes were in line with call-centre industry approaches with an explicit focus on the requirements for technical expertise. At Mumbai, where the nature of the work is less transactional, interviews were supplemented with some form of psychometric testing (not uncommon in the BPO sector).

In Phase 2 the HR manager from Mumbai addresses the ways recruitment is advertised to attract recruits:

Apart from using recruitment agencies, we advertise vacancies in newspapers and also use an innovative way by using billboards to advertise our roles in Mumbai. (Practice Head, Interview, Mumbai, Phase 2.)

The HR manager from Gurgaon, however, emphasises that Beta now attracts recruits from smaller towns and cities:
Lately we have noticed that we have candidates from smaller satellite towns applying for our positions. (Researcher, Interview, Gurgaon, Phase 2)

In sharp contrast, the UK Practice Head states:

In the UK recruitment is specific to client industry or sectors. (Practice Head (UK), Focus Group, Mumbai, Phase 1)

By the third phase, focus group interviews show that employees are now selected based on the specialised business streams, both at Mumbai and Gurgaon:

In Mumbai researchers are recruited separately for the three streams - financial services; construction; general practices (e.g. HR, IT, energy, etc.) (Practice Head, Focus Group, Mumbai, Phase 3)

In Gurgaon, too, we recruit separately for payroll and HR administration work. (Practice Head, Focus Group, Gurgaon, Phase 3)

Data has further indicated that although espoused practices relate to systematic and objective recruitment processes, in practice those involved in recruitment in Beta focused as much on family background as on qualifications and technical expertise when making selection decisions, something that did not significantly change over the period of the research. Interviews in Mumbai and the UK are long and intensive (up to 90 minutes) but technical expertise is more important and Gurgaon and interviews were considerably shorter. In summary, data about recruitment and retention suggest that indigenous local practice and context (such as the importance of family connections) and practices associated with call-centre based BPO work are prevalent. Changes in recruitment and selection for the three phases at Beta, alongside the associated influences are summarised in Table 5.13 below:
5.4.2 Attrition Management

Employee attrition is a key challenge for emerging and fast-growing enterprises operating in India. This issue was dominant in reflections about retention by managers at Beta and was tackled through a monetary incentive. Over the five year period of the research Beta strengthened an existing annual loyalty bonus to reward length of service. Interestingly, although the number of employees who left the organisation voluntarily was low, the number whose employment was terminated was high relative to the size of the organisation, suggesting that Beta’s recruitment and selection or training processes may be less effective than managers believed. In Phase 1 Beta used pay and bonuses (extrinsic motivators) to stem attrition rates at both locations:

‘...financially we are...one of the best paying organisations in the industry. Apart from this employees can see growth potential and have a shared vision. This is what keeps them with us. (Board Member, Interview, Mumbai, Phase 1)

Beta has claimed lower attrition rates in comparison to the wider Indian BPO industry. In fact, company brochures make this a ‘selling point’ for recruitment of
new employees and for business development, and board members are very proud of their low attrition figures. This was reiterated by a respondent from Mumbai:

...in fact, within our organisation the attrition rate is higher...in the UK which was 10% last year in comparison to our two Indian operations in Mumbai and Gurgaon. (Practice Head, Interview, Mumbai, Phase 2,)

Focus group interviews confirm these figures:

...we have only two persons who left in the last one year. In comparison...we have fired twelve in the same time period. Compare this with the national attrition rate of 20-30% or the attrition rate in the BPO sector which is as high as 35% or more, specifically the RPO sector where the rate is 25-30% and you see we are well off. (Board Member, Focus Group, Mumbai, Phase1)

By the latter half of Phase 2, Beta had greater attrition at Mumbai than at Gurgaon. Reasons quoted were ‘higher demands’ by their highly skilled researchers at Mumbai. These researchers dealt with high-end work which included interacting with and coordinating career moves of high flying executives from around the world. In response, the more intrinsic demands of researchers at Mumbai were included in their retention strategies, but were linked to higher performance levels. In comparison, the retention strategies at Gurgaon continued to include more extrinsic financial motivators. During Phase 3 there was strong growth in Beta’s business development as they collaborated with business partners in the Asia-Pacific region, Europe and Northern America. During this period, researchers and business development professionals from at least five different nationalities joined the Indian operations and Indian (Mumbai) researchers travelled to these five countries to work on smaller projects as expatriates. Thus Beta sought to position itself as a successful and fast growing multinational organisation. A summary of attrition management for the three phases at Beta, alongside the associated influences are summarised in Table 5.14 below:
Attrition

Attrition is a problem area similar to other BPO organizations. Annual loyalty bonuses and upper quartile pay awards are strengthened to deal with the challenge. Beta has low attrition rates in comparison to the BPO industry. Company brochures make this a ‘selling point’ for recruitment of new employees and for business development. Board Members are very proud of their low attrition figures. Attrition on rise again after the downturn. Almost equal to levels in 2006, but slowly pulling back. Role of HR in devising short to long term retention strategies seen to be paramount. Support of senior management for these strategies. Attrition seen to be the biggest challenge for HR.

Table 5:14 Attrition Management at Beta

5.4.3 Absence Management

Absence at Beta in both its Indian locations, during the first phase was seen to be a key challenge for Practice Heads during Phase 1 when no HR department existed. In a labour-intensive industry such as BPO, a strong stance towards ‘unplanned absence’, especially ‘non-intimating’ leave is common and financial penalties for these behaviours were high at both Beta locations. However Phase 2 witnessed a change in how Beta viewed absence at Mumbai in comparison to Gurgaon. At Gurgaon, the strict position on absence management was accepted:

As part of the management we have to ensure that absenteeism is nipped in the bud and hence the fines we have in place act as a deterrent. (Practice Head, Focus Group, Gurgaon, Phase 3)

In addition to utilising an extrinsic approach to combat attrition, Beta utilised a financial penalty system in order to manage employee attendance. Over the five-year research period attendance became an increasingly prominent issue and fines for unplanned non-attendance were introduced and utilised, reflecting call-centre sector norms rather than those that might be associated with the less transactional KPO sector. A more ‘relaxed’ approach was adopted with the harder to replace skilled
employees in Mumbai. Absence Management findings for the three phases at Beta, alongside the associated influences are summarised in Table 5.15 below:

<table>
<thead>
<tr>
<th>HR practices- Beta</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence / attendance management</td>
<td>Absence is a key challenge for Practice Heads who routinely make a point to record absentees and note if the leave was ‘intimated’ or otherwise at the beginning of each shift.</td>
<td>Evidence from the two phases of the research indicate that morale of staff in all sites has improved steadily. However, this general satisfaction is tempered by comments about manager’s ‘strictness’ to ‘non-intimating’ leave (unplanned absence) and financial penalties are high.</td>
<td>Gurgaon continues to have absence management issues and management suggested that absenteeism is directly related to attrition levels. Employees at the Mumbai office were now working late hours (organisational citizenship behaviour) and were motivated due its new brand image and growing business.</td>
<td>Local cultural factors Management style BPO sector HR challenges</td>
</tr>
</tbody>
</table>

Table 5:15 Absence Management at Beta

5.4.4 Training and Development

Although recruitment and selection practices were influenced by local context, training and development practices were less affected, although the data suggest a good ‘fit’ with practice in the wider BPO sector. Significant changes to the provision of training occurred over the research period, which can be understood within the context of the maturation of the BPO sector more generally. Participants at all levels in the research indicated a strong commitment to training. During the period of the research one Board Member assumed responsibility for training across the whole organisation and the practical and innovative approaches to training delivery developed over the five-year period were well ahead of industry norms:

We take training quite seriously.... It forms the crux of our strategy. We are into a business that is labour intensive and hence it is but natural that we train our researchers to be most productive. (Board Member, Interview, Mumbai, Phase 1)
Training at both sites integrated technical instruction with practical activity and in addition, shadowing and mentoring were introduced at the Mumbai operation to enable identification and development of the skills and interests of newly hired researchers. However, unlike Alpha, the data indicate a clear focus on technical and skill-related training; longer-term or career development interventions were not mentioned by any respondent in the interviews or focus groups in the first phase or at the start of Phase 2. They started to be mentioned and discussed in the latter stages of Phase 2 and in Phase 3, as is evident from the following quotations from respondents.

In Mumbai, a researcher compares previous training to the current training at Beta:

In comparison to my previous jobs, training here is hands-on. You learn and enjoy both. (Researcher, Interview, Mumbai, Phase 2)

Similarly, in Gurgaon, a researcher states how training is shared:

‘We help our new colleagues when they train. That way we get to know them better because we would have to work together later’ (Researcher, Interview, Gurgaon, Phase 3)

Whilst in Mumbai a researcher reiterates the importance of training for employees:

We realised that to be satisfied at the job, one must know how to perform well and this can be achieved by training. (Researcher, Interview, Mumbai, Phase 3)

A respondent from HQ, during a focus group discussion, explains how one had to be ready to impart training and how one learnt on the job, especially in India:

We at HQ have to ‘hit the ground running’. Also since most of us have had exposure in different sectors of HRO, we need minimal training. But then we learn every day. Every day is a learning experience, especially in India. (Practice Head (UK), Focus Group, Mumbai, Phase 3)

Provision for induction and socialisation was a further area where considerable change occurred over the period of research. Some induction sessions were observed in Mumbai and Gurgaon and the processes changed and evolved over the five years, with more care and attention being taken. Focus group members reflected on this and a change of purpose of induction was discernible from ‘just initial training’ to a wider socialisation process and, in Mumbai, an assessment of in which sector of research the new employee would be comfortable. Where further training is required
this starts immediately and is overlapped within the induction period. The following quotations illustrate these developments.

A Practice Head from Mumbai states the importance of induction and how in the past people who were not exposed to the BPO atmosphere left during induction:

In the past we have had applicants who have realised during induction that they are not meant to work here. This was because we hired people without doing the things we are doing now. (Practice Head, Interview, Mumbai, Phase 2)

In Mumbai a respondent explains the importance and at the same time the stress, mentioned by the colleague from Gurgaon above:

Remembering my time, it was hard work from the word go. In comparison to my last job...we had more fun time during induction. But now I am reaping the benefits. I have learnt a lot. (Researcher, Interview, Mumbai, Phase 3)

Training, learning and development findings for the three phases at Beta, alongside the associated influences are summarised in Table 5.16 below:

<table>
<thead>
<tr>
<th>HR practices-Beta</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
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</thead>
<tbody>
<tr>
<td><strong>Training</strong></td>
<td>Training is a key challenge for Beta in line with other organizations in the HRO and BPO sector. Training is provided for newly hired workers to develop technical competence. Focus is on classroom delivery.</td>
<td>Significant investment in training has been made. Training is viewed as an investment rather than a cost and employees are encouraged to take it seriously. One board member has taken responsibility for training and a range of different training methods are used by specialist trainers who deliver the training in India.</td>
<td>An attempt to streamline training and make it uniform at both locations. However Gurgaon secondary in terms of its training priorities, with Mumbai operations being shown to be more important (service offering). Elements of both technical and interpersonal training included at Gurgaon but leadership and consultancy training included at Mumbai.</td>
<td>BPO sector HR challenges. HR aspirations of senior managers HR department working with trainers</td>
</tr>
</tbody>
</table>

Table 5:16 Training, Learning & Development at Beta
5.4.5 Performance Management

In terms of performance and reward practices at Beta, a clear focus on extrinsic rewards is evident from the data; financial incentive schemes being integrated with policies on pay with an explicit focus on the instrumental motivation of employees. Beta adopted a strategy of ‘upper quartile’ (higher) pay to foster recruitment and limit attrition:

Our salaries are almost 30% higher than the market rates in the non-calling BPO sector. But we look for quality candidates as they are the ones who would deliver. (Board Member, Interview, Mumbai, Phase 2)

Interviews further highlighted how pay is seen as a significant motivator. This confirms what a Board Member stated in Phase 1 of the research:

Because we pay well, our researchers stay with us longer. Money is a motivator and we understand that. (Board Member, Interview, Mumbai, Phase 1)

Initially intrinsic motivators did not feature in the data. Even at the Mumbai site, where the work is less transactional and more knowledge orientated, the explicit focus was on pay as an incentive and a reward. However later phases showed a move towards intrinsic motivation, influenced by the changing profile, needs and work of researchers. The quotations below illustrate the explicit links between pay and performance:

Attrition would be less if the management pay well. I have known people leave for 5% more. (Researcher, Interview, Gurgaon, Phase 1)

Respondents from Mumbai further reiterate this importance of extrinsic motivational factor, even in Phase 3 of the research:

I have known colleagues who have researched the job market and now they are satisfied that they earn more. (Researcher, Interview, Mumbai, Phase 3)

We have had people from other organisations coming in for interviews and using our offer letters for an increase in their own organisation. (Practice Head, Focus Group, Mumbai, Phase 3)

A respondent from Gurgaon further added:

In Gurgaon we are located among other bigger MNC organisations and we have friends working around us. They are always comparing salaries
and we are known to be better pay-masters. (Practice Head, Focus Group, Gurgaon, Phase 3)

Data have also provided evidence that Beta’s strategy is to offer upper-quartile pay at its Indian sites and employees seem satisfied with relative levels of pay, which also limits attrition levels. Around the canteens and coffee machines employees are sometimes heard speaking about their friends in other neighbouring organisations and often ‘refer’ known people as candidates to fill vacancies in Beta. BPO sector-wide assumptions about the importance of extrinsic rewards are clearly prevalent at Beta. Performance Management findings for the three phases at Beta, alongside the associated influences are summarised in Table 5.17 below:

<table>
<thead>
<tr>
<th>HR practices-Beta</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
</table>
| Performance incentives | Performance based incentive scheme is introduced; based on client and internal score-card. | The financial incentive scheme is perceived as an effective retention and motivational process. Employees frequently talk informally about these schemes; how much they have earned and how close they are to earning ‘rewards’. | Performance management remains differentiated at all its locations. Mumbai employees given greater opportunity to earn. Also retention linked in to incentives (e.g. loyalty bonuses, share option schemes etc) | Local cultural factors
HR aspirations of senior managers
Management style
Service offering |

Table 5:17 Performance Management at Beta

5.4.6 Management Style

In common with much of the business culture in India, seniority, status and group affiliation is important in Beta. Data confirmed significant deference to the Practice Head (UK) by Practice Heads in India. Each location was organised differently to meet its own contingent circumstances with different job profiles and different structures in each of them. Over the five year period of the research it became apparent that on both a formal and informal basis the Practice Head role was becoming increasingly powerful. The Practice Heads at the Indian sites rarely
interacted with each other except when attending group meetings. This, however, changed during the latter stages of the research when the management made communication mandatory and PHs were asked to talk to each other on a regular basis. International growth fuelled this change.

Another important influence on the management style, organisational culture and framing of HR policy and strategy at Beta has been that of the founder members. Being a UK-headquartered organisation and the founder members having a British educational background played a large part in the influence mentioned above. Initially during Phase 1 the management style was described as a mix of ‘laissez-faire’ and ‘democratic’. Informally staff reported finding this difficult, indicating that they felt ‘lost’ and not able to meet targets on time. Some informal concerns about insubordination and a ‘carefree’ culture were also expressed by Practice Heads. This indicated that the autonomy and added responsibility had an opposite and negative effect to that intended. By Phase 2 distinct management styles had developed in Mumbai and Gurgaon. In Mumbai consultants are ‘consulted’, but a more autocratic style was evident in Gurgaon with high levels of management controls and quick decision-making. By Phase 3, with the rapid expansion, change was necessary in Mumbai. The change represented a mix of the different businesses Beta was involved with, however the overriding influence of the founder members (still the largest shareholders) on Beta management style, culture and HR policy and strategy was still evident. Other board members and employees looked up to them and often referred to their leadership, success at a young age and hands-on approach to business.

The important influence of the nature of the service provision is evident in the data relating to management style in Beta, something which changed significantly over the five year period of the research. In interviews the founders referred to the organisation as open and consultative and a management style based on this approach was initially adopted across all sites. Over time, however, the open and consultative style was less appreciated, particularly in Gurgaon, and a more hierarchical style was introduced. Respondents suggested that Indian culture was the ‘driving force’ in the changing management style; one of them reflecting, for example, that:
...there seems to be a cultural thing that seems to be the reason why the earlier management style was not successful in our Indian operations. (Practice Head, UK, Focus Group, Mumbai, Phase 2)

Data also suggested, however, that the different nature of the service offering is more relevant to management behaviours. Management Style findings for the three phases at Beta, alongside the associated influences are summarised in Table 5.18 below:

<table>
<thead>
<tr>
<th>HR practices- Beta</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management style</td>
<td>The espoused management style is described as a mix of ‘Laissez Faire’ and ‘democratic’. Informally staff reported finding this difficult indicating that they felt ‘lost’ and not able to meet targets on time. Some informal concern about insubordination and a ‘carefree’ culture was also expressed by Practice Heads.</td>
<td>Distinct management styles have been developed in UK, Mumbai and Gurgaon. Mumbai consultants are ‘consulted’ but a more autocratic style is evident at Gurgaon with high levels of management controls and quick decision making.</td>
<td>Mumbai now has management control over Gurgaon. HR and operations now controlled from Mumbai office. So are the other locations in India and Asia-Pacific region- reporting to the Mumbai office. Mumbai thus has become the regional HQ though it still reports to the UK head office.</td>
<td>Local cultural influences BPO sector HR challenges Type of service provision</td>
</tr>
</tbody>
</table>

Table 5:18 Management Style at Beta

5.5 Summary

In summary, three key features in the indigenous development of HR practices at Beta are evident. First, a differentiation of approaches at the two sites was evident. The case highlights an increasing commitment to the use of extrinsic monetary incentives, rewards and penalties to influence and regulate employee performance and behaviour at Gurgaon whereas at Mumbai there was a move from extrinsic to intrinsic motivators. Second, the data indicate the cross-organisation investment in the development of training processes to underpin a strategy of differentiation from other BPO and HRO providers in the sector, but one that focuses on technical and
task-related training and familiarisation and which does not seem to include any longer term career management or development opportunities. This, again, is changing for their Mumbai operations. Therefore, although the espoused approach to performance and reward, as well as the approach to training, is consistent across the organisation the analysis also highlights the importance of work-task (service offering) and local employment context. Over the five-year period of the research a clear differentiation is evident in the recruitment and retention, training and development and performance management HR processes at the sites in Gurgaon and Mumbai; the emphasis is on maintaining both local indigenous flexibility as much as organisational consistency. Two internal influences were shown to be significant: the HR policy aspirations of board members in line with the identity of the organisation as an HR services provider and management style preferences. However, these influences were themselves mediated by two external factors: firstly, by local, indigenous norms and expectations and secondly, by the work-task environment of each site. Overall, as was the case with Alpha, three main areas stood out. First, the attempt to develop and articulate formal structured and sophisticated HR activities and to ‘role model’ systematic HR practices, more akin to HPWS. Second, through the above, there was further evidence of branding and the company portraying itself as a niche player within the RPO sector, through employer branding strategies. However, third, attendance, attrition and retention were contentious ongoing issues faced by Beta, and hence other HRM practices revolved around this perennial issue of attrition.

5.6 Case Study Organisational Context: Gamma

The third case study organisation provides a further perspective on the issues. Gamma is a US owned and headquartered niche HRO services provider, focused on mid-market companies (Hesketh, 2006; Sako & Tierney; 2005 Rowan, 2008). They support HR processes across the entire employee life cycle spanning what they, like Alpha, call ‘hire to retire’. Gamma's unique vision for its Indian model is to deliver the same, if not better, services as its rivals, but from a rural base (Gamma’s website). Gamma initially started its BPO business in 2004, with 250 associates in Surathkal, 150 in Pimpri, 12 in Mumbai and 18 in Bangalore. Two of their operations in India are featured in this research; their centre of excellence (CoE) in
Bangalore and their rural BPO (RBPO) operations in Surathkal in South India. During the recession staff numbers fell to 190 in Surathkal and 12 in Bangalore but by April 2010 had increased to 210 in Surathkal and 15 in Bangalore. They have decided on a leaner organisation post-recession.

Gamma provides the opportunity to examine HR in a different BPO form. As the BPO industry has flourished in India, so more and more companies began establishing operations in the metropolitan cities to capitalise on the available human resources and physical infrastructure (NASSCOM, 2010). However, this led to intense competition for available talent and frequent poaching of staff. Also, many employees considered a BPO job as a short-term one and opted for higher education or business management studies once they had earned enough money to support their higher education plans (Kuruvilla & Ranganathan, 2008; Naronha & D'Cruz, 2009). These factors resulted in high employee turnover and attrition rates which increased recruitment and training costs for many BPO companies, as already documented with Alpha and Beta (e.g. Taylor & Bain, 1995; Budhwar & Bhatnagar, 2009; Kuruvilla & Ranganathan, 2010). In response some IT/BPO companies have ‘migrated’ their operations to lower cost destinations. Two low cost options are (NASSCOM, 2010):

1. Shifting operations or a part of the operations to potential low-cost areas like China, Malaysia or the Philippines
2. Tapping the vast pool of skilled and cheap workforce in rural areas in India itself.

A number of Indian BPO organisations have chosen option one above (e.g. Alpha locating some businesses in China and Beta assessing Hong Kong and Singapore as an alternative business location). Other BPO companies (including Gamma) opted for the second option and have set up operations in smaller towns and villages. The low cost of operations and lower employee attrition levels are the key benefits that these companies derive from their rural operations. However, the main challenges that the rural BPOs face are under-developed infrastructure facilities, lack of power, and poor telecommunications, transportation, education, and other support facilities. Upgrading the relevant skills of rural BPO staff is also a critical factor in
improving service quality levels (Times of India, 2008). To bridge this gap by initiating development at the village level, and to put rural India on a par with major cities, the Government of India has partnered with private bodies to ensure the availability of education facilities and adequate infrastructure to people in rural areas. The establishment of BPOs in villages is expected to result in the development of rural infrastructure, increases in the standard of living, and better employment opportunities (NASSCOM, 2010). Gamma was one of the first to take advantage of the Indian government’s initiatives on RBPO.

After its successful launch in the US (and hence its US headquartering), Gamma is witnessing strong growth in demand for "quality HRO IT services at cheaper cost" (company website) and initiated a dedicated offshore centre that went operational in 2005. An expansion of its operations into new, more volatile and potentially lucrative markets like China and the Middle East, along with their current clientele in Europe and North America was being planned by the end of 2011. Gamma have recently acquired and established joint ventures with several organisations in the Asia-Pacific and North American markets.

In light of the above discussion, it was interesting to explore how challenges and tensions for managing people in rural areas who are undertaking BPO work, especially for international clients, are met. In contrast to Alpha and Beta, this case provides an opportunity to compare HR practices with the now fairly well-researched and documented literature on HRM in Indian urban BPOs (Budhwar & Singh 2007; Budhwar & Bhatnagar 2009) and wider Western HR best practices (Dowling et al., 2008; Briscoe et al., 2008; Brewster et al., 2005). Moreover like Beta, Gamma’s Bangalore office became, over time, its country specific HQ (Budhwar, 2012). Table 5.19 below lists the primary data collection at the two locations, by research stage and method.
5.7 HRM at Gamma

Unlike Beta, Gamma started with a dedicated HR department at both locations studied. However since their Surathkal operations were located in the rural BPO sector (a Tier 3 city) the HRM issues and challenges were very different in comparison to those in Bangalore. RBPO is a new concept (a newly introduced business model) within the larger Indian BPO industry, and so there were no HR benchmarks or best practices. However, compared to Beta, at the start of the research period, HRM at Gamma was more sophisticated and strategic in nature, perhaps as a result of the founder members belief in ‘good’ HR practices. There was also evidence that this strategic outlook towards managing HR continued throughout the research period. Within Gamma, sophisticated HRM is evident in various aspects of HR practices such as recruitment and selection, training and development, compensation management, performance and reward management, attrition and reward strategies and staff welfare. This was evident at both locations studied, but more so at Bangalore, its urban centre of excellence.
At Surathkal, Gamma maintained an incremental development of HR practices, policies and strategies. Leaders at Gamma scouted for the latest and unique HR best practices at multinational and Indian owned businesses. When these were identified, Gamma’s strategic team evaluated them and developed hybrid and crossvergent variants that they envisaged would suit their business model. Thus Gamma used ‘best fit’ HR practices instead of ‘best practice’ HR. An interesting aspect observed at Gamma was that though it followed a path of strategic HRM from its inception, it always listened to its employees, undertook consultations and gave feedback, before it continued with, modified or scrapped particular HR interventions. Indigenous and innovative HR practices were noticeable within recruitment and selection, training and development, compensation management, performance and reward management, motivation and leadership, and business culture and welfare measures.

5.7.1 Recruitment and Selection
Gamma adopted different HR strategies and policies in the two different locations studied. Bangalore was the home of experienced and skilled senior staff. On the other hand, Surathkal was where the operational aspects of the HRO business were conducted. In this area Gamma faced unique challenges in recruiting people with good soft skills (for example, good spoken English, telephone etiquette, communicating through emails, cultural awareness, etc.). Technical competencies were not seen as a barrier to recruitment. During the first phase of this research Gamma spent a considerable amount of time and expenses in trying to identify candidates who possessed the soft skills mentioned above:

Let’s be very frank…it’s very difficult to get people with good soft skills in rural areas. Technically they may be sound. So what we look at is to try and train them in these soft skills. Whether they have got enough exposure and enough capacity to handle the logical part of it- is the question. So we gauge if they have, good logic, then if we think they are good people for us to work, we would recruit them. We typically look at their academic record throughout right from their preliminaries...to tenth standard and twelfth or whatever...we go as far as possible and see what grades they have got in mathematics. That drives most of our recruitment. We have learnt very fast that this is the simplest way we can do quality recruitment. (Board Member, Interview, Surathkal, Phase 2)
During the initial period of Phase 2 of this research, due to a lack of candidates with soft skills, Gamma decided to instead spend time and money in training selected candidates in them. However during the latter half of the second phase, Gamma’s priorities changed:

...most of the work at Surathkal did not require us to possess soft skills. Initially we thought it was a necessity and an industry norm, but later realised it was not really required...clients visited us on few occasions and we put forward our employees that met the criteria of soft skills...that is speaking good English, etc... (Manager, Interview, Surathkal, Phase 3).

Therefore during the latter half of the second phase it concentrated more on technical skills. Having taken this decision Gamma has now directed its strategy and budget towards staff and career development that will, it believes, be beneficial to both employee and the organisation.

Gamma also made a strategic decision to locate their Surathkal operations within the campuses of two regional engineering colleges and the recruitment and selection strategy at Surathkal included recruiting students from them and a few neighbouring science. These students came from different parts of the country. Selected students worked part-time basis during term time and full-time otherwise. Interestingly it was seen that there was knowledge transfer taking place at Gamma. Students trained their rural colleagues with relevant soft skills and in return learned several technical skills from their more technically experienced and trained rural colleagues. Another interesting aspect was the inability of Gamma to attract urban talent to rural Surathkal. Initially Gamma tried very hard by advertising their Surathkal positions in Bangalore. However, very few applied and those that were selected did not stay for long:

What happens in Tier two and three cities or rural areas is that they lack the skills to handle GD's [group discussions], interviews and similar tests. So what we look for and of course, now know we require, are people with very high logical abilities. So as long as that is matched we go further and see if they are could enhance their integrity and things like that...and of course attitude is one of the key factors which we look at. These are the two things which we look at especially when we are recruiting from Tier 2 and Tier 3 cities. (Chief HR Manager, Interview, Bangalore, Phase 3)
In Bangalore where most of the business development and customer facing work took place, Gamma faced different recruitment challenges. The most evident was attracting quality people to work for a newly established BPO business, but, once recruitment had taken place, poor staff retention also caused problems. During the second phase of the research Gamma expanded on its business model and acquired an organisation in Singapore. Also, during this period, though being a downturn, business and global projects increased which resulted in a very good financial year (2008-09). From then on, Gamma was in a position to publicise their performance and hence attract talent for their headquarters in Bangalore:

In terms of Tier 1, where we have the centre of excellences, that’s going to follow a different pattern altogether where we look at very high-end people coming out from very good schools and colleges and backgrounds and lot of things because they decide the strategy part of it and these people do the execution part of it. So there are two different kinds of HR strategies and policies we adopt because we need two different sets of people to run this company. So I think that’s the way we do the HR selection process. (Board Member, Focus Group, Surathkal, Phase 3)

The nascent RBPO model prevalent and initiated by Gamma was in itself unique. This led to managing its people innovatively and also by incorporating various localised interventions observed at both Bangalore and Surathkal. At Bangalore where most of the strategic and highly skilled/knowledgeable work was undertaken, employees’ perception of it was, in the words of a respondent:

...a distinct culture of a budding and promising multinational. (Manager, Interview, Surathkal, Phase 1)

In contrast, at Surathkal the challenges and tensions of it being a fairly new BPO start-up organisation with its major operations in rural India, for the first part of the research were in the words of another respondent:

...not working out well...we did not think the rural model would be seen as negative by people. (Manager, Interview, Bangalore, Phase 1).

However from Phase 2 onwards with the Government intervention, this turned into a business opportunity which Gamma used to its advantage. The apparently negative image of having its operations in rural India and being a fairly new BPO organisation in Bangalore was flipped and the company portrayed itself as a positive
model with the ability to attract greater business projects due to its greater cost effectiveness and that this was the future within the Indian BPO industry.

A key challenge, especially during Phase 1 and up to the middle of Phase 2 was the inability to attract ‘urban’ talent. Gamma managed to overcome this due to a combination of economic growth, geographical expansion, collaborations, joint ventures and securing large HRO deals from global clients. By Phase 3 candidates from urban areas were looking for rural experience, something that might also be attributed to the economic downturn and employment consequences in other parts of the labour market. In Phase 2, Gamma also introduced new incentive schemes directly related to business development targets and performance, such as an ‘employee share option scheme’ (ESOPS). The following quote puts the above discussion into perspective:

....but to offset the risks of the employees we either opt for equity or we opt for very good pay....related to revenues and similar profit sharing schemes. More of revenue-sharing is at the centre of excellence, such as our share schemes....’ (Board Member, Interview, Surathkal, Phase 2)

During the last phase of this research, Gamma opened the way for staff at Surathkal who met certain conditions (minimum of three and a half years service, annual targets achieved and seem as creative and innovative) to move to larger cities and join their offices in Bangalore or Mumbai (their other centre of excellence). New profit sharing and business ownership schemes have also been introduced at the Bangalore site. Findings relating to recruitment and selection for the three phases at Gamma, alongside the associated influences are summarised in Table 5.20 below:
5.7.2 Attrition and Retention Management

Attrition and retention at Surathkal, though not as bad as the rates within the Indian BPO sector as a whole, was still an issue, particularly, as in the case of Beta, for employees who had completed three to four years of service and felt they could do better by moving to BPO organisations in larger cities. Reasons quoted were career advancement, personal development and standards of living. A Board Member at Gamma acknowledged the problem of attrition:

It [attrition] is definitely a problem. Attrition is a big issue, the reason being if the market picks up, so the demand for quality professionals and experience is always rated highly in the IT sector. So attrition is an issue for any company which is in the mid segment which is from 100 to 300 or 400 people...but there are ways and means to try and reduce attrition through various processes, strategies and policies. Our attrition rates last year were about 20%. This year, at one stage, it went up to 22% but again this year we are planning to bring it down to about 15% to 18% and slowly reduce it to about 10%...we are trying our best... (Board Member, Interview, Surathkal, Phase 3)

Profit sharing and business ownership schemes were initiated at Gamma’s centre of excellences as part of their retention strategy and by Phase 3, the attrition...
rates were lower than the general or broader Indian BPO levels. In addition Gamma followed the now well-established industry norm, initiated by Alpha, of collaborating with academic institutions. As already indicated, in Phases 1 and 2, this was done in an informal way, more so because Gamma had strategically placed its operations on the campuses of two engineering colleges. In the context of stemming attrition and recruiting from colleges and ‘experienced’ recruits, the HR manager at Bangalore explains:

Typically what we do we send mailers to each and every college in the state who we think…we normally would go and do our first level of inspection. We speak to a lot of people including alumni and we check their credentials on their web site. We do our due diligence on the college itself as to whether their credentials are good enough and they’ve got integrity, attitude, etc. Once that is established then we get in touch with the college’s recruitment officer. We try and communicate with them and tell them our requirements. Now this is for freshers who we recruit on campus. For experienced people, our HR department usually use websites such as naukri.com or monster.com or others. We then approach the training institutes. Then we let them know our specifications. If we are looking at particular skill sets we either go through the websites, the job websites or we approach the training institutes. Those are a few methods we normally use. (Chief HR Manager, Focus Group, Bangalore, Phase 3)

Gamma’s other retention strategies, introduced in 2009-2010, were in the form of other company benefits. One such example was the ‘associate development programme’, where any associate who has completed two years service is offered help and advice on building personal assets. This involves bringing in chartered accountants, bankers, insurance contractors, etc. to offer advice on good investment strategies. Other features are links to builders and help for associates buying their own homes through providing some kind of corporate leverage. In this way Gamma initiated a range of value-added services and financial packages promote loyalty. Findings relating to attrition and retention management for the three phases at Gamma, alongside the associated influences are summarised in Table 5.21 below:
5.7.3 Reward and Performance Management

For a company of such a small size, the data indicate that the performance management strategy included elements such as benchmarking, “bell curve” analysis, 360 degree feedback, etc. Reward strategies were directly linked to monthly and annual performance, shadowing, internal training, leadership development, mentoring and role modelling. A Board member explains:

Every three months there is a process where the associates, their colleagues along with their seniors give a 360 degrees feedback as to their performance, what kind of roles they played, etc. So now what happens is we put a process wherein we want the associates to excel way beyond their normal capacities. Now to do that what we do is we put people into a leadership role which is again being monitored and mentored by the seniors. So we want to identify the next set of leaders which is again the roles and responsibilities of the seniors. So we push performance based on how much a senior becomes dispensable. The more dispensable he is, he creates himself another two or three people to take up his job the more he is rated on the performance rather than just...
delivering a basic level of what is required. (Board Member, Interview, Surathkal, Phase 2)

Over the period of the research Gamma linked performance, reward, motivation, welfare, loyalty, leadership and career development to its compensation strategy. A variety of innovative initiatives linking these were evident throughout the research period, as explained here. Initially during Phase 1 at Surathkal, employees started with higher pay but their yearly increments were not as high as those in the Indian BPO industry. This prompted employees to look for change. In Phases 2 and 3 Gamma tried to stem this by initiating several retaining schemes such as an option to move to their other centres of excellence, loyalty and experienced based incentives, increased autonomy and responsibility linked to promotions, etc. In the third phase Bangalore utilised profit and revenue sharing schemes in place of the performance and target based bonuses initiated in Phases 1 and 2. Gamma has different reward schemes for different associates based on their nature of duties. One such example is explained by the HR manager from Surathkal:

We also have a reward scheme…what we call a process named ‘Each One Teach One’. Every month we identify a person who has mentored another person and the person who is being mentored can recommend his/her mentor. So they say okay, this X, Y, Z person has helped me on this aspect. He has been doing so and so things like that. So ‘Each One Teach One’ is a new programme which we have launched where we encourage a lot of technical and industry or sector knowledge to flow through our ranks. (Chief HR Manager, Interview, Surathkal, Phase 3)

Findings relating to reward and performance management for the three phases at Gamma, alongside the associated influences are summarised in Table 5.22 below:
Table 5.22  Reward and Performance Management at Gamma

5.7.5 Training and Development

As was the case with Alpha, Gamma distinguishes clearly between training and development. Training for Gamma is short-term, project-oriented and just-in-time, whereas development is longer-term, career-oriented and strategic in nature. During Phase 1 Gamma had increased its funding and strategic direction in terms of training and development. However, as noted in earlier sections, it then ceased all training activities and concentrated more on staff development. As is also evident in previous sections, Gamma initiated several innovative and unique staff development schemes that were linked to performance, motivation and career advancement. These were evident in the form of shadowing, grooming, mentoring, delegating, autonomy, benchmarking and peer-reviewing, etc.:

Every senior associate will have one or two associates under them so that they can groom them to the next level and identify their skills, etc. So right from the beginning they have somebody to look after them and especially in terms of their skills, communication or whatever it is. As a motivational tool the performance and incentives of the seniors are also
tied up to how well they perform on these parameters. (Chief HR Manager, Interview, Surathkal, Phase 2)

From Phase 2 onwards, managers decided to concentrate more on knowledge exchange and employee development:

...so it’s the retention, performance of their subordinates that directly ties up with the seniors. We are trying to build a chain so that everybody is responsible down the line as to what they are doing and whether they are doing the right thing? Are they delegating the right processes, etc...So there is a lot of onus, responsibility and a sense that the seniors have to take care of their juniors and groom them to the right level. That’s the kind of pyramid or framework we are trying to build where every senior person will be more and more responsible for their subordinates rather than just doing their daily routine things at that point. (Board Member, Focus Group, Surathkal, Phase 3)

Findings relating to training and development for the three phases at Gamma, alongside the associated influences are summarised in Table 5.23 below:

<table>
<thead>
<tr>
<th>HR practices- Gamma</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Development</td>
<td>Unique training challenges faced by Gamma unlike other organizations in the HRO and BPO sector. Significant investment in training has been made. Training is provided for newly hired workers to develop both soft and technical competencies. Focus is mainly on soft skills in rural Suratkal.</td>
<td>Training is discontinued. A clear distinction is made between training and development, with a focus only on development. Cross-training between local rural and urban students encouraged. Locals learn soft skills and students learn technical skills.</td>
<td>Knowledge exchange and employee / human capital development is the priority for Gamma. Training is just-in-time and concentrates only on technical improvements.</td>
<td>RBPO sector HR challenges. HR aspirations of senior managers (especially founders) Role of HR is paramount</td>
</tr>
</tbody>
</table>

Table 5:23  Training and Development at Gamma
5.7.6 Welfare and Benefits Management

As with both Alpha and Beta, welfare and benefits at Gamma also reflected a paternalistic orientation. Over the three research periods, the number of welfare and benefits increased:

Yes, I think, I think staff welfare is very critical for us. We make sure that that anybody who exceeds more than 8 to 9 hours of work on a daily basis is taken care of in many ways, not only monetary wise, we make sure that they go for regular health check-ups and we also see that the office atmosphere, the lighting, the food and things like that are not an issue. (Board Member, Interview, Surathkal, Phase 2)

In addition, Gamma provides associates with free lunch on a daily basis. If associates come to work on Saturdays or work more than the regular days per week, they are offered free breakfast, lunch and dinner. Gamma has been doing this since its inception. In Phase 2 of the research the company introduced a regular health check camp and if an associate is having chronic health problems then appropriate medical referrals are made. Thus welfare at Gamma was very ‘personalised’ and ‘paternalistic’. Findings relating to welfare and benefits management for the three phases at Gamma, alongside the associated influences are summarised in Table 5.24 below:
Table 5.24  Welfare and Benefits at Gamma

<table>
<thead>
<tr>
<th>HR practices- Gamma</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare and Benefits</td>
<td>A paternalistic approach taken by Gamma towards welfare and benefits for its employees. Free meals for employees on a daily basis. Greater emphasis on welfare as compared to the wider BPO industry.</td>
<td>Welfare measures continue in this period, although there is a recession. Includes health check camps.</td>
<td>Welfare and benefits are still key to Gamma. The level of paternalism at Gamma was higher than that of Beta and Alpha.</td>
<td>RBPO sector HR challenges Management style HR aspirations of senior managers Greater cultural need for welfarist approach at rural locations</td>
</tr>
</tbody>
</table>

5.7.7 HRM Policy and Strategy at Gamma

As already indicated, the business culture and HR management at Gamma is highly influenced by the senior leadership, especially the founder members who gained their experience in Western countries and had a US educational background. Data also revealed that the founder members made it a point to instil a culture that was professional and business oriented but at the same time they felt the need to be connected to the ‘floor’ where the operations of Gamma’s business took place. Unlike the norm and Indian culture of respectfully addressing senior members by certain titles, the culture inculcated at Gamma was to address all senior staff by their first names. Senior members were also often seen mingling and working with associates at their workstations and they spent large periods at the Surathkal operations. This was evident at all stages of this research. Initially the main reason given was:

...the need to formally set up the operations in a professional manner. (Founder Member, Interview, Surathkal, Phase 1).
However, at later stages, this ‘habit’ became a ‘good business practice’. The senior management also spent a considerable amount of their time consulting and talking to their associates and this helped in two ways. First, staff felt important, involved and motivated and second, the management got to know good and bad practice and identify areas for improvement. Another example of inculcating good practice and culture, in terms of grooming associates, is explained by the board member as follows:

...so what happens [in terms of grooming] is that inculcates a culture of making sure that that you share everything you have. So once you start sharing and grooming and getting things together you then start moving up the ladder. And you create a good culture and cooperation and coordination with people down. They respect you because you have groomed them to that position. So that kind of culture is what we are inculcating and that’s the process we are following and it needs to be built up. And our reward system too is linked to grooming. Each associate is rated by two or three people – two among his own peers and one senior. They can choose if they want otherwise we just randomly allocate that. If they want they can choose, it’s not an issue. So they just rank on whatever is required. (Board Member, Focus Group, Surathkal, Phase 3)

Gamma’s business model being novel and nascent meant they needed to be proactive as well as strategic in their outlook towards managing HR. Several changes were evident and these were different when compared to Alpha and Beta. Throughout the three phases an emphasis on constant improvement and development to attain maximum success was also seen. Like Beta, Gamma had two different HR strategies and subsequent policies at their two locations studied. However one striking differentiator (with Beta), was the high importance of maintaining good HR practices at its rural operations in Surathkal. By the end of the research period this was portrayed as a corporate social responsibility (CSR) initiative to gain further business. On the other hand, its Bangalore office was more like the Mumbai office of Beta where more strategic, business development and knowledge-based work was undertaken. Thus when asked about the future of this model and the challenges faced, in the first phase, when the research started, the Board member replied:

... if you look at the overall spectrum of the work in the Indian BPO industry 70% to 75% is very low end services which anybody and
everybody can do provided they have a few soft skills and technical knowledge...which they with our help can upgrade themselves. On the other hand, technically 30% to 25% of an Indian HRO/BPO company’s work force is required to run the high-end consulting and what we call the front end staff. So I think that’s the model we are operating upon. Hopefully we should do well in the next couple of years. (Board Member, Focus Group, Surathkal, Phase 1)

In Phase 3, when asked the same question, the same respondent said:

We have been successful. Our model is going to be replicated by what we have achieved...centre of excellences based in cities where you can get thorough bred and high calibre people.... at the same time 75% of our work first will come from Tier 2 and Tier 3 cities in the future, that’s the model we are going to continue working on. (Board Member, Interview, Bangalore, Phase 3).

Findings relating to HR policy and strategy for the three phases at Gamma, alongside the associated influences are summarised in Table 5.25 below:

<table>
<thead>
<tr>
<th>HR policy and strategy</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Associated influences</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR practices- Gamma</td>
<td>Sophisticated HR practices evident with a written policy and strategy document for both its locations. An attempt to aspire to emulate larger BPO wide HR strategies.</td>
<td>The HR policies and strategies initiated in phase one had to be modified and several changes had to be made. For example, that of training and performance.</td>
<td>A continued focus on sophisticated and strategic HRM with special emphasis on retention and brand-building through its RBPO business model. Distinctive HR evident that could suggest were applicable to operations within RBPO organisations.</td>
<td>Organisational size and life cycle issues. Entrepreneurial culture instilled by founder members Distinctive RBPO challenges Move toward greater professionalism and being proactive</td>
</tr>
</tbody>
</table>

Table 5:25  HR Policy and Strategy at Gamma

5.8 Chapter Conclusions

Thus far, this chapter has offered a brief overview of the main features of HR roles and practices in each of the case organisations. As evidenced in this chapter, attrition and retention were major challenges for HR in all three case study organisations, and to some extent, other HR practice developments were all in some way designed,
adapted and revolved around, solving and minimising attrition and improving retention. In addition, different ‘good-practice’ or ‘sophisticated’ HRM practices became evident, over time, at the three case study organisations. Additionally, at all three organisations ‘brand’, ‘image’ and ‘reputation’ were important focus areas and they portrayed these through adaptation of these good, sophisticated HRM practices, as discussed below.

First, all the organisations reviewed, refined and adapted their recruitment and selection practices to select appropriate staff and clearly communicate the organisational culture, its offerings and expectations. In many cases psychometric testing and interview techniques were conducted in a way to gauge not only skills, competencies, experience and qualifications but also ‘fit’. Thus every effort was taken at this initial stage of recruitment and selection to avoid candidates who would exit at an early stage, thus avoiding attrition and maintaining brand image and reputation. Learning, training and development strategies were also influenced by the concerns about attrition and were developed to encourage retention of valued employees. Investment in career development also increased over time, to potentially avoid candidates and employees from being de-motivated, disillusioned and exiting. Pay and reward strategies were a key method of retention and motivation in all the case organisations and locations. All three organisations had attractive compensation and benefit packages designed for different levels and locations/operations. These set out to be fair, generous and timely (e.g. annual bonuses, quarterly rewards, etc.). Reward strategies were designed to encourage individual and team performance and create competitiveness and overall, this too, was linked to avoiding and minimising attrition, and thus enhancing overall firm performance. A striving for high performance is also evident in all three firms. In different ways they each set out to develop a culture of ‘performance’ providing employees with the opportunity to develop their skills and knowledge and be change-focused in working methods, processes and strategies, both technological and managerial. At the same time, welfare measures and strategies were paternalistic in nature, aimed primarily at keeping employees motivated and content, with an overall goal of retention. Culturally, too, employees in India looked towards and expected management to
look after and be sympathetic towards their needs. Management reciprocated (though with a condition of performance, efficiency, output and loyalty).

This descriptive chapter indicates the emergence of a distinctive approach to HRM at the three case study organisations. The different elements of the approach to HR are analysed in more depth in the next chapter by examining these features in more depth as guided by the research objectives and in response to the research questions.
Chapter 6: Analysis of HR Strategy and Outcomes

6. Introduction
This chapter analyses HR practices and the way that they changed over time for the three case study organisations. It is structured through three processes. The first process is the deductive construction of HRM through six *a priori* themes. The second process includes the deconstruction of HRM at the three case study organisations through a combination of deductive and inductive methods and portrayed through the twenty-one first and ninety-three second level emergent themes. The third process entailed Bernard and Ryan’s (2010) inductive ‘observational’ and ‘manipulative’ techniques to then reconstruct and interpret the data. Figure 6.1 shows the three processes:

![Diagram showing the three processes of constructing, deconstructing, and reconstructing HRM themes through iterative deductive and inductive methodologies]

*Figure 6:1 The Process of Constructing, Deconstructing and Reconstructing of HRM Themes Through Iterative Deductive and Inductive Methodologies*
The analysis thus begins deductively. From an initial grounding in the literature review and the conceptual framework derived from the literature about HR and HPWS, data linked to six *a priori* themes are examined in detail. This section of the thesis, thus, discusses six broad first level *a priori* themes, supported by further relevant twenty-one second level and ninety-three third level sub-themes, in relation to and in context of ‘HRM practices’ and ‘the role of HR’, over time (longitudinally). These have emerged through the iteration of template and processual analyses, as described in the methodology chapter. The six first level *a priori* themes were initially informed by the literature (see literature review in Chapters 2 and 3), the research questions (see Introduction, Chapter 1) and the conceptual framework (see Chapter 3). These six *a priori* themes are considered alongside second level *a priori* and third level emergent themes that emerged from the data, over the three phases of the research. For break-up and clarity, please refer to the map in Figure 6.2 below.

As indicated in the methodology chapter, Bernard and Ryan’s (2010) ‘systematic techniques’ of data findings and presentation are initially utilised through ‘profile matrices with qualitative data’, portraying the cases (comprising the three case-study organisations and their relevant studied locations) in the columns and the ‘variables’ (in the form of emergent themes and sub-themes) in the rows. These provide a representation or ‘historical detail’ of HRM/HPWP in the three case-study organisations (at each location and against each time period/phase) as they developed and changed longitudinally over the five-year research period. This was done to reduce and manage large sets of data to a matrix wherein the sign ‘✓’ is used to portray relevance and the sign ‘X’ is used to portray non-relevance and also, overall, from a meta-analysis point of view, to ‘let us see the patterns’ (Bernard & Ryan, 2010:115) of HRM/HPWP/S development and change over time. Thus, through the evidence (the data), a simple question was asked pertaining to each stage/time period, location, and theme/subtheme, i.e. was the relevant theme/subtheme prevalent or not? Thereafter the prevalent HPWP were calculated into percentages in relevant tables to portray the ‘results’. Thus the analysis here paved the way to answer the first two research questions i.e. to identify bundles of HPWP in Indian BPO organisations and subsequent change over time and second, to
identify country-specific HRM practices. In doing so, it further examines the principal drivers of change and the role of HR within the three high performing HRO/BPO organisations longitudinally over the five year period. Thus, in effect, it observes, scrutinises and validates the effect of cyclical economic fluctuations, over the three research phases, on HR practices in the three case-study organisations.

Thereafter, further analysis is undertaken, in the form of Bernard and Ryan’s (2010) observational and manipulative techniques, whereby two discussion areas emerge through the clustering of themes from the analysis. These two areas form the main argument sections for the discussion chapter. These thematic linkages are depicted in the pictorial map above (Figure 6.2). At this point of departure, the research shifts to a more inductive approach, wherein a holistic understanding of HR practices and contribution to HPWS in HRO/BPO organisations in India is made.
6.1 Deductive Analysis (Processes 1 and 2)

The first level *a priori* themes and second level *a priori* subthemes in the context of ‘HRM practices’ and the ‘role of HRM’ are listed, as depicted in Template 6.1 (The same process follows, after the current discussion, for the second template i.e. ‘the role of HRM’, over time). Please refer to the conceptual framework (Figure 3.3, Chapter 3) to see from where these first level *a priori* themes gain their origin and emerge. At this stage of the analysis, therefore, a form of deductive reasoning is used to assess the way that areas ‘expected’ from the literature occurred in practice in the three case-study organisations. Also, these are minimal and broad at this stage, so as not to ‘blinker’ the analysis (Bangara, Freeman & Schroder, 2011).

As depicted in the map (Figure 6.2 above), and Template 6.1 below, the six first and twenty-one second level *a priori* themes are further expanded and enlarged, through ninety-three emergent themes from the data. The overall picture is now depicted in the following Table 6.1 wherein the first level *a priori* themes are coded, numbered 1.0 to 6.0; the second level *a priori* themes are coded, numbered 1.1 to 6.5; and the third level emergent themes 1.1.1 to 6.5.4.

In the following sections, each of the first level *a priori* themes are defined, with the justification for their choice, alongside the second level *a priori* subthemes, and analysed against the third level *emergent* themes, as evidence for each of these, starting with first, career management. In doing so, cross-case, cross-location and cross-time (phase) analysis is depicted in summary tables. The scores for each location and the total scores for each case study organisation are then reported below each table.

6.2 Career Management (code 1.0)

On the bases of the literature review and conceptual framework (Figure 3.3, Chapter 3), it was envisaged that the three high performing case-study organisations would have career management policies and strategies in place. These would entail set ‘employee competencies and quality’ standards and would pursue ‘persistent recruitment’ and ‘sophisticated hiring’ practices and policies. Thus the workforce perceptions and attributions as featured in the conceptual framework would be mainly influenced by career management practices over time, to aid in positive and
high performing HR outcomes. In summary, there would be ‘career development’ strategies in place, as evident from the following Template 6.2:

**Research Template**

(a priori themes- **First level**)  (a priori subthemes- **Second level**)  

1.0 Career Management

2.0 Human Capital Development

3.0 Management Style

4.0 Employee Focus

5.0 Performance Management

6.0 Role of HR over time (Longitudinal) - **First level**

- 1.1 Employee Competencies & Quality
- 1.2 Persistent Recruitment
- 1.3 Sophisticated Hiring
- 1.4 Career Development
- 2.1 Individual Development Focus
- 2.2 Extensive Training
- 2.3 Employee Development Values
- 2.4 Coaching & Mentoring
- 3.1 Decentralisation of Authority
- 3.2 Status & Hierarchical Distinctions
- 3.3 Transparency
- 4.1 Internal Focus & Growth
- 4.2 Alumni Network
- 4.3 Employment Security
- 5.1 Stringent Performance Parameters
- 5.2 Performance-based Compensation

**Template 6.1:** List of a priori themes and subthemes, in the context of HRM practices (construction of a priori HRM)
<table>
<thead>
<tr>
<th>First level <em>a priori</em> themes (prior to fieldwork)</th>
<th>Second level <em>a priori</em> subthemes (over phase one)</th>
<th>Third level <em>emergent</em> themes (over phases two and three)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.0- Career Management</strong></td>
<td>1.1- Employee Competencies &amp; Quality Models; 1.1.2-Defined Competencies; 1.1.3-Attributes &amp; Results; 1.1.4-Competency Models; 1.1.5-Shared Understanding</td>
<td>1.1.1-Skills &amp; Attributes; 1.1.2-Defined Competencies; 1.1.3-Attributes &amp; Results; 1.1.4-Competency Models; 1.1.5-Shared Understanding</td>
</tr>
<tr>
<td></td>
<td>1.2- Persistent Recruitment</td>
<td>1.2.1-On-going Challenge; 1.2.2-Unique Style &amp; Focus; 1.2.3-Academic Links; 1.2.4-Extensive Interviewing; 1.2.5-Employee Referrals</td>
</tr>
<tr>
<td></td>
<td>1.3- Sophisticated Hiring</td>
<td>1.3.1-Greater Applicants per Vacancy; 1.3.2-Cultural Fit; 1.3.3-Critical Skills, Behaviour &amp; Attitude; 1.3.4-Screening Rounds; 1.3.5-Senior(s) Involvement; 1.3.6-Assessment of the Process</td>
</tr>
<tr>
<td></td>
<td>1.4- Career Development</td>
<td>1.4.1-Defined Career Paths; 1.4.2-Simplified Career Paths; 1.4.3-Orientation/Socialisation Focus; 1.4.4-Job Rotation &amp; Enlargement; 1.4.5-Regular Periodic Evaluation</td>
</tr>
<tr>
<td><strong>2.0- Human Capital Development</strong></td>
<td><strong>2.1- Individual Development Focus</strong></td>
<td><strong>2.1.1-Talent Mind-set; 2.1.2-Leading by Example; 2.1.3-Planning Employee Development; 2.1.4-Leadership Development</strong></td>
</tr>
<tr>
<td></td>
<td><strong>2.2- Extensive Training</strong></td>
<td><strong>2.2.1-Education; 2.2.2-Multiple Implications; 2.2.3-Performance Improvements; 2.2.4-On-the-job Training &amp; Development</strong></td>
</tr>
<tr>
<td></td>
<td><strong>2.3- Employee Development Values</strong></td>
<td><strong>2.3.1-Problem Identification &amp; Solving Mechanism; 2.3.2-Cost &amp; Fad?; 2.3.3-Competitive Advantage; 2.3.4-Return on Investment (RoI)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>2.4- Coaching &amp; Mentoring</strong></td>
<td><strong>2.4.1-Managers as Coaches; 2.4.2-Training Coaches; 2.4.3-Coaching Competencies; 2.4.4-Managers as Mentors; 2.4.5-Coaching Focus; 2.4.6-Mentoring Focus</strong></td>
</tr>
<tr>
<td><strong>3.0- Management Style</strong></td>
<td><strong>3.1- Decentralisation of Authority</strong></td>
<td><strong>3.1.1-Peer Influence; 3.1.2-Creativity Enhancement; 3.1.3-Cost Avoidance; 3.1.4-Redeployment Strategy</strong></td>
</tr>
<tr>
<td></td>
<td><strong>3.2- Status &amp; Hierarchical Distinctions</strong></td>
<td><strong>3.2.1-Symbolism; 3.2.2-Reduced Wage Inequity; 3.2.3-Sense of Common Fate</strong></td>
</tr>
<tr>
<td></td>
<td><strong>3.3- Transparency</strong></td>
<td><strong>3.3.1-Trust; 3.3.2-Information Availability Advantages; 3.3.3-Aids Business Decisions</strong></td>
</tr>
<tr>
<td><strong>4.0- Employee Focus</strong></td>
<td><strong>4.1- Internal Focus &amp; Growth</strong></td>
<td><strong>4.1.1-Cost Advantage; 4.1.2-Best-fit developmental strategies; 4.1.3-Retention Focus; 4.1.4-Short Vs Long Term Focus; 4.1.5-Human Capital Focus; 4.1.6-Job Rotation &amp; Enlargement; 4.1.7-Employee Welfare</strong></td>
</tr>
<tr>
<td></td>
<td><strong>4.2- Alumni Network</strong></td>
<td><strong>4.2.1-Maintaining &amp; Building Relationships; 4.2.2-Positive Power &amp; Value; 4.2.3-Social Capital Focus</strong></td>
</tr>
<tr>
<td></td>
<td><strong>4.3- Employment Security</strong></td>
<td><strong>4.3.1-Cost Factor; 4.3.2-Leaner Hiring (leading to Retention); 4.3.3-Greater Productivity; 4.3.4-Increased Trust; 4.3.5-Longer term Perspective; 4.3.6-Performance is Key</strong></td>
</tr>
<tr>
<td><strong>5.0- Performance Management</strong></td>
<td><strong>5.1- Stringent Performance Parameters</strong></td>
<td><strong>5.1.1-Focus on Rigour; 5.1.2-'What’ &amp; ‘How’ Focus; 5.1.3-Exit Strategies; 5.1.4-Performance Improvement; 5.1.5-Clear Communication</strong></td>
</tr>
<tr>
<td></td>
<td><strong>5.2- Performance-based Compensation</strong></td>
<td><strong>5.2.1-Equity &amp; Fairness; 5.2.2-Profit-Sharing Mechanisms; 5.2.3-Flexibility; 5.2.4-Anti-Complacency Policies</strong></td>
</tr>
<tr>
<td><strong>6.0- Role of HR over time (Longitudinal)</strong></td>
<td><strong>6.1- Focus on being Proactive</strong></td>
<td><strong>6.1.1-Employee Development Decisions; 6.1.2-Diagnosing Readiness; 6.1.3-Competitive Insights; 6.1.4-Realistic Appraisal</strong></td>
</tr>
<tr>
<td></td>
<td><strong>6.2- Focus on HR Systems &amp; Processes</strong></td>
<td><strong>6.2.1-Improve Systems; 6.2.2-Build Best-practices; 6.2.3-Utilise External Consultants &amp; Experts</strong></td>
</tr>
<tr>
<td></td>
<td><strong>6.3- Focus on Leading Change</strong></td>
<td><strong>6.3.1-Execution of Change Plans; 6.3.2-Cultural Implications; 6.3.3-Mustering Stakeholder Support</strong></td>
</tr>
<tr>
<td></td>
<td><strong>6.4- Focus on Human Capital Development</strong></td>
<td><strong>6.4.1-Internal Reputation; 6.4.2-A Reality Check; 6.4.3-Managerial Focus; 6.4.4-Employee Focus; 6.4.5-Talent Scouts &amp; Sponsors</strong></td>
</tr>
<tr>
<td></td>
<td><strong>6.5- Focus on Reputational Capital</strong></td>
<td><strong>6.5.1-External Reputation; 6.5.2-Public Relations; 6.5.3-Commitment Message; 6.5.4-External Relationships</strong></td>
</tr>
</tbody>
</table>

Table 6:1 Thematic table (deconstruction of HRM) depicting the coded numbering of the three levels of template themes, over the research period
Five emergent themes were evident from the data (see Table 6.2 below), for the three organisations in relation to the theme ‘focus on competencies and qualities’. First, all three organisations identified the requisite ‘skills and attributes’ for their employees and potential employees that they believed would lead to increased individual and firm performance; second attempts were made by the organisations to have identified ‘defined competencies’; third, a combination of ‘attributes and results’ was linked to its overall business strategy; fourth, each of the three organisations developed its individual ‘competency models’; lastly, fifth, these were then translated as a culture across the organisations, i.e. a sense of ‘shared understanding’.

Template 6.2: Career Management

2.1 Focus on Competencies and Qualities (code 1.1)
As is evident from the following table and scores, employee competencies and qualities was a priority for Alpha, both at Mumbai and Bangalore and across the three phases of the research. A strong focus on identifying the required competencies and qualities for each category of work and then matching these to the relevant employee’s skills and attributes was a deliberate strategy at Alpha. OD interventions focused on ‘employee value’, linking skills, attributes and competencies to results and thus to culture building and high performance working.

Beta only began to focus on employee competencies and skills at the beginning of Phase 2. Its Mumbai operations were the first to incorporate these strategies although its Gurgaon operations later followed suit. Competency models were not developed until Phase 3 for both sites.

At Gamma’s Bangalore operations a focus on competencies and qualities was the basis of its ‘centre of excellence’ model. The very nature of work and responsibilities undertaken by its employees/associates in Bangalore meant that Gamma had to focus on all the five identified focus sub-areas under this section. Although much smaller in size and a younger organisation, similarities could be drawn with Alpha in terms of practices in this area. This also had a ‘knock-on’ effect at its rural Surathkal operations where these particular practices were initiated in the second phase and continued to be in place in the third phase. In other words practices were tried and tested at Bangalore in terms of their relevance for Surathkal, before they went operational there.

For legend pertaining to the tables see below (Figure 6.3):

---

**Legend:** M-Mumbai; B-Bangalore; G-Gurgaon; S-Surathkal; P1-Phase 1; P2-Phase 2; P3-Phase 3

*Figure 6.3 Legend for Tables Below*
Scores: Alpha (Mumbai) 15/15; Alpha (Bangalore) 15/15; Alpha (overall) 30/30; Beta (Mumbai) 9/15; Beta (Gurgaon) 5/15; Beta (overall) 14/30; Gamma (Bangalore) 15/15; Gamma (Surathkal) 9/15; Gamma (overall) 24/30

6.2.2 Persistent Recruiters (code 1.2)

Five emergent themes emerged as evidence from the data for all three organisations against the theme ‘persistent recruiters’. First, it was an ‘ongoing challenge’ for them to recruit both quality and quantity (especially in the case of Alpha) of the people it required. Second, (in response), each organisation developed its ‘unique style and focus’ of recruitment. Third, ‘academic links’ often featured as part of their strategies. Fourth, in addition, the organisations resorted to a rigorous form of ‘extensive interviewing’; and lastly, fifth, the three organisations developed policies of ‘employee referrals’ to attract candidates that suited their ‘fit’.

Table 6.3 and scores shows a possible ‘lag’ in HR practices by Beta and Gamma. Beta lacked a clearly defined style and focus in terms of recruitment during the first phase and applied the BPO industry’s ‘practices’ to recruitment. Increasing levels of attrition and dissatisfaction levels of staff, however, prompted it to develop an approach more suited to its needs in Phase 2. In terms of forming academic links,
Beta formed alliances with academic institutes later than the other two case-study organisations (in Phases 2 and 3 at Mumbai and Gurgaon respectively). But by Phase 3 it had academic links with UK universities whereby students were offered opportunities and were selected for gap-year and short-term work placements. In contrast, Gamma found that the nature of work and job profile at Bangalore meant newly graduated/still studying recruits were unsuitable and academic links for recruitment purposes were not taken forward.

Extensive interviewing was a further area where Beta’s Mumbai and Gurgaon operations, over the first phase and up to the second phase respectively, lagged behind Alpha and Gamma, reflecting perhaps the lack of an HR department, the nature of the work and business needs of the organisation and the stage in its organisational lifecycle. The same is true for Gamma’s Surathkal operations and for Beta’s employee referral system at Mumbai and Gurgaon.

Recruitment was an on-going challenge for all three organisations, driven by both rapid growth and attrition challenges, common in the BPO sector at this time. The three were competing in the ‘war for talent’, albeit in their own niche markets and this led the organisations to devise and develop uniqueness in their individual recruitment styles and focus.
As a result of the persistent need for recruitment and the relentless focus on performance, increasingly ‘sophisticated hiring’ of employees, was evident in the findings. Within this practice, six emergent themes were revealed by the evidence. First, there were greater number of applicants per vacancy; second, cultural fit was important; third, critical skills, behaviours and attitudes of people hired/to be hired had to be identified; fourth, several rounds of screening were necessary; fifth, involvement of senior people was prevalent; and sixth, assessment of the ‘hiring’ process (see Table 6.4 and scores below).

The number of applicants per position overall was high at all three organisations, although comparatively, it was more so for Alpha as it recruited voluminously. However the exception here was for Beta’s Mumbai and Gamma’s
Bangalore operations. In Mumbai Beta, from Phase 2 onwards, settled for a small number of applicants that could fill the ‘researchers’ vacancies as these were skilled positions requiring unique skills. Due to its lack of clarity regarding the skills required, the first phase attracted many applicants who did not meet the standards required for the positions and work at Beta. In the case of Gamma’s Bangalore operations, candidates were cherry-picked due to the nature of strategic responsibilities and work overall at their centres of excellence. Another notable exception was during Phase 2 at Gamma’s Surathkal operations where a lower number of quality applicants were attracted; this could be attributed to a combination of the recession and being a rural BPO centre. Over the phases of the research, all three organisations shifted the focus of their selection process away from technical skills to ‘cultural fit’, and what were defined as critical skills, behaviours and attitudes. This required several rounds of screening for most organisations, although Gamma’s Surathkal operations changed its strategy of recruiting and held only one screening to gauge candidate fit. In terms of involving senior management in the hiring process, this was initially missing in Phase 1 at Alpha (attributed to its older and wider culture and strategy of senior management’s non-involvement) but from Phase 2 onwards was prevalent. For Beta, reasons for initial non-prevalence was its concentration on growth and other strategic aspects by its senior management, but in the latter phases senior management realised the need to be involved in the hiring process. At Gamma’s Surathkal operations, there was initially in Phase 1 larger involvement, less so in Phase 2 during the recession, but this was restored in Phase 3. All three organisations had periodic assessments of their hiring processes and strategies and continuously improved upon them.
### Sophisticated Hiring

**Identified sub-focus area(s) (emergent concepts)**

<table>
<thead>
<tr>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
</tbody>
</table>

**Greater number of Applicants per Vacancy**
- P1: ✔ ✔ ✔ ✔ X ✔
- P2: ✔ ✔ X ✔ X X
- P3: ✔ ✔ X ✔ X ✔

**Cultural Fit**
- P1: X X X X X X
- P2: ✔ ✔ ✔ ✔ ✔ X
- P3: ✔ ✔ ✔ ✔ ✔ X

**Critical Skills, Behaviours and Attitudes**
- P1: X X X X ✔ X
- P2: ✔ ✔ X X ✔ X
- P3: ✔ ✔ ✔ ✔ ✔ X

**Screening Rounds**
- P1: ✔ ✔ X X ✔ X
- P2: ✔ ✔ X X ✔ X
- P3: ✔ ✔ X X ✔ X

**Involvement of Senior People**
- P1: X X ✔ ✔ X ✔
- P2: ✔ ✔ X X ✔ X
- P3: ✔ ✔ ✔ ✔ ✔ X

**Assessment of the Process.**
- P1: ✔ ✔ ✔ ✔ ✔ ✔
- P2: ✔ ✔ ✔ ✔ ✔ ✔
- P3: ✔ ✔ ✔ ✔ ✔ ✔

| Table 6.4 Sophisticated Hiring |

**Scores:** Alpha (Mumbai) 15/18; Alpha (Bangalore) 15/18; Alpha (overall) 30/36; Beta (Mumbai) 9/18; Beta (Gurgaon) 10/18; Beta (overall) 19/36; Gamma (Bangalore) 14/18; Gamma (Surathkal) 8/18; Gamma (overall) 22/36

### 6.2.4 Career Development (code 1.4)

Five emergent themes were evident within this sub *a priori* theme of ‘career development’, within each of the three organisations, over time. These were, first, ‘defined career paths’ for its employees, to start with, which were second, ‘simplified’ over time (and hence these are separate subthemes one and two); third, all three organisations had a robust induction, ‘orientation’ or ‘socialisation’ process in place; fourth, the use of ‘job rotation and enlargement’ policies; fifth and lastly, the career paths were subject to ‘regular periodic evaluation’, over time.

As is evident from the following scores and Table 6.5, all five sub-focus areas within the larger focus area of being career architects were more or less prevalent for the three case-study organisations. Non-prevalent areas are discussed below, before discussing the prevalent areas.

As observed from the scores and Table 6.5 below, Beta’s Mumbai and Gurgaon operations and Gamma’s Surathkal operations found that the development
of formal and structured career development processes were mediated by a range of factors including: local indigenous traditions, the nature of the service offering; organisational management style and the aspiration to ‘role model’ systematic HR practices. At first, career development practices in these two organisations reflected the labour-intensive, pragmatic and problem-solving priorities of the BPO sector and their HR practices focused on extrinsic monetary incentives and penalties to influence and regulate employee performance and behaviour - resonant of HR practices in the call centre sector more generally. Hence in the first phase scant evidence was found of career development and HR practices focusing on intrinsic motivation that might be associated with service provision that is less transactional. However, there was noticeable change by Phase 3 where career development processes were more visible at Beta.

At Gamma’s Bangalore operations job rotation and enlargement as well as regular periodic work evaluation were not prevalent during the first two phases, but were visible in Phase 3. Reasons given included the time required for associates to develop and learn within the roles allocated to them. Similar contextual and circumstancial reasons could be attributed to its rural Surathkal operations for the five sub-areas.
### Table 6.5 Career Development

<table>
<thead>
<tr>
<th>Identified sub-focus area (s) (emergent concepts)</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Career Paths</td>
<td>P1</td>
<td>✓ ✓ X X ✓ X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ X X ✓ ✓</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simplified Career Paths</td>
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<td>✓ X X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Orientation Focus</td>
<td>P1</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Job Rotation and Enlargement</td>
<td>P1</td>
<td>✓ ✓ X X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Regular Periodic Evaluation</td>
<td>P1</td>
<td>✓ ✓ X X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
</tbody>
</table>

**Scores:** Alpha (Mumbai) 15/15; Alpha (Bangalore) 15/15; Alpha (overall) 30/30; Beta (Mumbai) 11/15; Beta (Gurgaon) 8/15; Beta (overall) 19/30; Gamma (Bangalore) 13/15; Gamma (Surathkal) 11/15; Gamma (overall) 24/30

#### 6.3 Human Capital Development (code 2.0)

As indicated in the conceptual model (Figure 3.3, Chapter 3), high performing organisations would be expected to have appropriate ‘human capital development’ strategies and a commitment to ‘individual developmental’ needs, and include extensive training strategies, alongside on-the-job development such as coaching and mentoring, contributing to ‘employee development values’. In terms of the resource and knowledge based view of the firm, these employees development strategies would be expected from the ‘outsourced’ firms ‘human capital’.

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6.3.1 Individual Development Focus (code 2.1)

A focus on ‘individual development’ emerged over time in the organisations as their managements adopted a ‘talent mindset’. Practicing what was being strategised i.e. ‘practicing what they preached’, also became more evident, alongside ‘development planning’ and being proactive to reward performers. In the process the organisations looked for future leaders through ‘leadership development’ initiatives.

As is evident from the scores and Table 6.6 below, Alpha, the largest and most established of the three, demonstrated all these characteristics at both locations and
in all three phases. The ‘spend’ on developing staff was viewed as an investment and also a long term strategic retention tool. OD interventions too (as outlined in Chapter 5), incorporated staff development strategies. As will be discussed later, this can be understood as part of its wider organisational reputation and image which became a priority in a context of increasing competition and sustainability challenges.

Beta on the other hand, provided scant evidence of an HC development focus in the first phase, either at Mumbai or Gurgaon. However by Phase 3 this had changed; there was an HR department, its senior management made quality hiring, including staff development, a priority; and this was done in line with its overall strategy. Staff developmental planning at Gurgaon was initiated only in Phase 3 as compared to Phase 2 for Mumbai. This could be attributed to the positioning of Mumbai, reflecting the different service offering and the added responsibility and autonomy as a country-specific regional HQ (Budhwar, 2012).

Similar lifecycle and service offering interpretations to the case of Beta above could be made for Gamma in the context of these areas. However, in comparison with Beta, leadership development strategies had been in place since the first phase, both at Bangalore and Surathkal. Also for Gamma, its Bangalore office initiated developmental strategies at an earlier stage; this was attributed to the ‘elitist’ nature of work, responsibilities and smaller headcount.

Overall, all three case-study organisations adhered to the four identified sub-areas over time. By Phase 3 staff development strategies had become an important part of all of their HR strategies.
**Table 6.6 Individual Development Focus**

<table>
<thead>
<tr>
<th>Individual Development Focus</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area(s) (emergent concepts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent Mind-set</td>
<td>P1</td>
<td>✓ ✓</td>
<td>X X</td>
<td>X X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓</td>
<td>X X</td>
<td>✓ X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading by Example</td>
<td>P1</td>
<td>✓ ✓</td>
<td>X X</td>
<td>X X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓</td>
<td>X X</td>
<td>✓ X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning Employee Development</td>
<td>P1</td>
<td>✓ ✓</td>
<td>X X</td>
<td>X X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ X</td>
<td></td>
<td>✓ X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Development</td>
<td>P1</td>
<td>✓ ✓</td>
<td>X X</td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Scores: Alpha (Mumbai) 9/12; Alpha (Bangalore) 9/12; Alpha (overall) 18/24; Beta (Mumbai) 6/12; Beta (Gurgaon) 5/12; Beta (overall) 11/24; Gamma (Bangalore) 9/12; Gamma (Surathkal) 6/12; Gamma (overall) 15/24

6.3.2 Extensive Training (code 2.2)

Data from the case studies suggest a constant ‘focus on training’. The three organisations were committed to focusing on ‘learning and educating’, something that they incorporated in their ‘culture and skill development’ with an increasing emphasis on ‘performance improvement’ and use of ‘on-the-job development’.

Alpha, as seen in the scores and Table 6.7 below, invested heavily in training, learning and development. This was an integral part of Alpha’s overall strategy throughout the five year period of the research.

For Beta, training was more of a challenge. Training was provided for newly hired workers to develop technical competence in a classroom setting. Significant investment in training was made; it was viewed as an investment rather than a cost and employees encouraged to take it seriously. Responsibility for training, starting in
Phase 2, included a range of different training methods used by specialist trainers from the UK who deliver training in India. Significant changes to the provision of training occurred over the three phases, both at Beta and Gamma, which can be understood within the context of the maturation of the BPO sector more generally. Participants at all levels in the research indicated a strong commitment to training over time. During the period of the research one (Beta) Board member assumed responsibility for training across the whole organisation and practical and innovative approaches to training delivery were developed over the three phases, well ahead of industry norms. Training at both sites of Beta and Gamma integrated technical instruction with practical activity and, in addition, shadowing and mentoring were introduced at Beta’s Mumbai operation. This enabled identification and development of the skills and interests of newly hired employees. However, throughout Beta and Gamma, the data indicate a focus on technical and skill-related training. At Gamma’s Surathkal operations, the traditional training was discontinued, however, knowledge transfer between rural and urban colleagues was encouraged and money was spent on individual development policies. Thus overall, at all three organisations, the reason for the emphasis on training, learning and development was given as ‘performance improvements’, ‘staff retention’ and ‘brand and image building’ contributing to greater firm performance.
6.3.3 Continuous Training (code 2.3)

Four emergent themes formed the evidence for the \textit{a priori} sub-theme ‘continuous training’. The first was, ‘problem identification and solving mechanisms’, wherein the three case studies operated in a labour and skills intensive industry and hence were always conscious of the need to identify problems in advance and look for proactive and effective problem solving mechanisms. As is evident from the previous section, none of the three case study organisations treated training as a ‘cost or a fad’; it was seen to be a source of ‘competitive advantage’ and they expected it to generate a ‘return on investment’ (ROI).

As is indicative of the BPO sector generally, and evident from the following scores and Table 6.8, all three organisations took training seriously. The nature of the Indian HRO/BPO industry is such that it is ‘skills oriented’. A high level of initiative, too, is required both at personal and team level. Thus requisite training is seen as focal here. Another aspect of it being a technology industry is that it is ever changing and evolving and to add to this there is a high level of competitiveness that
exists, and an increasingly demanding foreign clientele makes training all the more challenging. Thus problem-solving, appreciating and initiating change and maintaining quality means employees and team members needed to be trained in all aspects to be at the top of their game. Gamma’s Surathkal and Beta’s Gurgaon operations both saw a lull in training activities during the recession but it was reinstated in Phase 3 at Gurgaon for Beta, although ‘soft skills’ training was done away with at Gamma’s Surathkal operations (as detailed and discussed in the findings). Thus training costs were cut at these two operations specifically as they were seen to be of secondary importance for the organisation overall in comparison to their other operations and the nature of their service offering. These became the norm at Gurgaon (Beta) and Surathkal (Gamma) and ‘just-in-time’ technical training is offered at both these locations appropriate to the projects they receive.

<table>
<thead>
<tr>
<th>Continuous Training</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area(s) (emergent concepts)</td>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
<tr>
<td>Problem Identification and Solving Mechanism</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Cost and Fade?</td>
<td>P1</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td></td>
<td>P3</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Return on Investment (RoI)</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 6.8 Continuous Training

Scores: Alpha (Mumbai) 9/12; Alpha (Bangalore) 9/12; Alpha (overall) 18/24; Beta (Mumbai) 9/12; Beta (Gurgaon) 9/12; Beta (overall) 18/24; Gamma (Bangalore) 9/12; Gamma (Surathkal) 8/12; Gamma (overall) 17/24

Overall, for all three organisations, different training strategies existed for each location, based on the service offering and the importance it held in the organisational structure. The following two Figures 6.4 and 6.5 depict how
‘continuous training’ evolved over the five-year longitudinal period at the three case-study organisations:

Figure 6:4 A Training Model (Initial Phases) (Adapted From Data Information From The Three Cases [Initial Structure- Alpha])

Figure: A Training Model (Initial Phases) showing the components such as Project Needs, Skill Set Required, Technology, Education Programmes, Basic Education, Induction Training, Just-in Time Training, Project, Hiring, Entrance Tests, Induction Training, Just-in Time Training, Project, and Knowledge Management.
6.3.4 Coaching and Mentoring (code 2.4)

Six emergent themes related to continuous off the job development were found within the three case study organisations, supporting and identified as linked to the theme ‘focus on coaching and mentoring’. The emergent themes here are identified as ‘managers as coaches’ and the expectation of managers to take continued responsibility of being ‘training coaches’ for the future. ‘Coaching competencies’ were also included within selection criteria, at various phases, for staff at the three case organisations. ‘Managers as mentors’ were an accepted fact within the three organisations and a clear ‘coaching’ and ‘mentoring’ focus respectively was also prevalent overall.

Each phase witnessed developments in all three case-study organisations in their coaching and mentoring practices. Managers and supervisors were expected to possess coaching and mentoring skills and it was their job to coach new and junior colleagues. Training in coaching and mentoring was given ‘on the job’ to newly appointed managers and supervisors and experienced employees were also encouraged to coach and mentor new employees and, in the process, improve their own technical and coaching/mentoring skills. Performance appraisals at all three organisations included an evaluation of both coaching and mentoring abilities and these competencies played a major part in promotions and rewards. Inter- and intra-team learning was encouraged as well as multi-tasking and multi-skilling. Mentoring, on the other hand, was part of a shadowing process. The main reasons for a focus on this area were reported to be performance improvements, cost saving, and knowledge and skills sharing and transfer that would eventually lead to identification of valuable staff, retention and increased firm performance.
### Table 6:9 Coaching and Mentoring

<table>
<thead>
<tr>
<th>Coaching &amp; Mentoring</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area (s)</td>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
<tr>
<td>(emergent concepts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers as Coaches</td>
<td>P1</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
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<tr>
<td>Training Coaches</td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td>Coaching Competencies</td>
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<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Managers as Mentors</td>
<td>P1</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Coaching Focus</td>
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<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
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<td>✓</td>
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<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Mentoring Focus</td>
<td>P1</td>
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<td>✓</td>
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<tr>
<td></td>
<td>P2</td>
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</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Scores:** Alpha (Mumbai) 18/18; Alpha (Bangalore) 18/18; Alpha (overall) 36/36; Beta (Mumbai) 18/18; Beta (Gurgaon) 18/18; Beta (overall) 36/36; Gamma (Bangalore) 18/18; Gamma (Surathkal) 18/18; Gamma (overall) 36/36
6.4 Management Style (code 3.0)

The literature relating to high performing organisations indicate a management style supporting ‘decentralisation of authority’; lower and minimal ‘status and hierarchical distinctions’; and ‘transparency’ in communication and decision making. Please refer to Figure 3.3, Chapter 3, for the conceptual model. Thus, these would be the motivations and expectations of the firms outsourcing to India, although the cultural and institutional contexts could dictate divergent views. HPWS do not occur by chance, but require management choice, commitment and decision. Thus, this part of the analysis examines the issues of management style to illustrate these issues. This section thus examines the evidence from the three case organisations in the light of the conceptual framework (see Chapter 3).

6.4.1 Decentralisation of Authority (code 3.1)

In the context of the second level sub a priori theme ‘decentralisation of authority’, four emergent themes emerged and these are indicated in the scores and Table 6.10 below. These were strong ‘peer influences’, wherein teams and individuals substituted ‘hierarchical controls’ of work (Pfeffer, 1998); this also led to ‘creativity’, which was performance focused. There was also evidence that management encouraged decentralisation, as part of their ‘cost avoidance’ strategies; and lastly, decentralisation led to redeployment strategies within the organisations, instead of layoffs.

In a ‘high power distance’ country like India (Hofstede, 2007), hierarchy based management systems and centralisation of authority would automatically be expected. However, during the duration of this research, this was not seen to be the case. Alpha encouraged self-managed teams and decentralisation throughout the three phases which, they argued, increased creativity and problem-solving. However at Alpha traditional ways of operating and the influence of the larger Alpha group underpinned a hierarchical structure and led to a focus on individual skill/work rather than team work during the first phase. Also, in terms of redeployment strategies which were initially seen in the first phase at Alpha, the recession (in Phase 2) caused their removal (which subsequently became the norm). This reflected a move away from the older paternalistic culture to a clear focus on performance instead.
Comparatively at Beta, the initial short-term focus (for example, no HR department) coupled with a focus on its organisational growth and expansion strategy meant a non-prevalence of the emergent areas (below) in the initial phases. However, the strategic decision to develop its Mumbai office as its regional country-specific HQ and the resultant establishment and importance of a professionally managed HR department saw a marked change in team-working and decentralisation strategies. The initial inattention of Beta’s Gurgaon operations, which was reliant and controlled by Mumbai office, and which also has a culture of non-acceptance of
autonomy, responsibility etc. by staff at Gurgaon, resulted in a change in its management style and also led to a lack of practice in the above areas. Some creativity and problem-solving examples were however, reported in Gurgaon in Phase 3.

Gamma on the other hand, as was the case with Beta, concentrated initially on individual skills, attributes and qualities. This was mainly attributed to its US influence and the structure and nature of its work. However, there was a marked change in the later phases with a move towards encouraging self-managed teams and decentralisation of authority. This move encouraged staff to be more creative.

<table>
<thead>
<tr>
<th>Decentralisation of Authority</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(emergent concepts)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Peer Influence</td>
<td>P1</td>
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<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
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<td></td>
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<td></td>
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<td></td>
<td>P3</td>
<td>X</td>
<td>X</td>
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</tbody>
</table>

Table 6.10 Decentralisation of Authority

Scores: Alpha (Mumbai) 9/12; Alpha (Bangalore) 9/12; Alpha (overall) 18/24; Beta (Mumbai) 6/12; Beta (Gurgaon) 1/12; Beta (overall) 7/24; Gamma (Bangalore) 6/12; Gamma (Surathkal) 4/12; Gamma (overall) 10/24

6.4.2 Status and Hierarchical Distinctions (code 3.2)

Three emergent themes as evidence were identified to support the *a priori* sub-theme ‘status and hierarchical distinctions’, as is evident from the following Table 6.11. The first were ‘symbols’ through institutionalised symbolism for each case-study organisation; This reduction in status and hierarchical distinctions among its
employees led the three case-study organisations to a scenario of ‘reduction of wage inequality’ amongst its staff and also encouraged a ‘sense of common fate’ overall.

At Alpha, though, over time, there seemed to be a sense of diminishing status distinction (see Table 6.11 below). The first phase witnessed distinct statuses as the older and wider organisational Alpha culture was prevalent. From the second phase onwards, however, employees communicated and interacted with managers on a first name basis. This was unusual for an Indian organisation, used to hierarchy and high power distance (Hofstede, 2007). Over time, more Western-style symbolic actions were evident including dress, language etc., perhaps reflecting the global expansion and subsequent multi-national interactions. At the same time, the introduction of the EVA system linking performance, reward and remuneration, underpinned a sense of reduction in wage inequality as it became possible to earn substantial sums irrespective of position in the hierarchy. Thus a ‘sense of common fate’ was achieved over a period of time. At Beta and Gamma, on the other hand, distinctions in hierarchy were made, especially at Gurgaon and Surathkal, based on experience, ability and promise. Major influences here were the nature of work undertaken, workforce constitution and position in the overall organisation. Thus, as was seen through previously discussed focus areas too, Beta’s Mumbai and Gamma’s Bangalore operations were more akin to Alpha’s operations, and Beta’s Gurgaon operations was more or less similar to Gamma’s rural Surathkal operations, lending further weight to the argument that the nature of the service offering was critical to the emergent approaches to HRM.
### Status & Hierarchical Distinctions

#### Identified sub-focus area (s)

*emergent concepts*

<table>
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<tr>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
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<td>M</td>
<td>B</td>
<td>M</td>
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<td>X</td>
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<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Sense of Common Fate</td>
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<tr>
<td></td>
<td>P3</td>
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<td>✓</td>
</tr>
</tbody>
</table>

#### Table 6.11 Status and Hierarchical Distinctions

**Scores:** Alpha (Mumbai) 7/9; Alpha (Bangalore) 7/9; Alpha (overall) 14/18; Beta (Mumbai) 7/9; Beta (Gurgaon) 2/9; Beta (overall) 9/18; Gamma (Bangalore) 8/9; Gamma (Surathkal) 5/9; Gamma (overall) 13/18

### 6.4.3 Transparency (code 3.3)

Three emergent themes as evidence were identified to support the *a priori* sub-theme ‘transparency’. These were identified as trust; advantages of information availability and aiding decision-making.

As is evident from the following scores and Table 6.12, transparency, in terms of sharing of financial and performance indices, and information among its respective employees and staff, was overall seen to be prevalent at the three case-study organisations. Trust was paramount when it came to this sharing, especially when the industry faced acute rates of attrition. However competitively, Alpha always scored better in the industry, being one of the earliest and largest established Indian HRO/BPO organisations. Moreover, ‘gagging orders’ were incorporated in employee contracts which secured the organisation’s safety and protection. These applied to Beta and Gamma too. The major advantages seen here for the three case-study organisations were increased motivation and performance which in turn aided in decision-making at all levels. The exception was Beta’s Gurgaon operations, which was again left out and treated in a detached manner when compared to
Mumbai. Although ‘trust’ was initiated by overall firm management, the site culture in Gurgaon - where any sort of employee autonomy or initiative was viewed suspiciously – doomed it to failure. It also, as was discussed previously, had a detrimental effect and hence a change in management style was initiated soon after Phase 1. Other than this, both for Beta and Gamma, the recession saw a temporary withdrawal of this trust and transparency, but a quick return in Phase 3 when normalcy prevailed.

This highlights the rather ambiguous way in which organisations in the Indian BPO/HRO industry worked. On one hand they portrayed ‘transparency’ and ‘trust’ and on the other there was ‘distrust’ and ‘doubt’, due to high attrition levels and hence gagging clauses.

<table>
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<td>(emergent concepts)</td>
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<td></td>
<td>P3</td>
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<tr>
<td></td>
<td>P2</td>
<td>✔</td>
<td>✔</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Aids Business Decisions</td>
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<td>✔</td>
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<tr>
<td></td>
<td>P3</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
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</table>

Table 6: transparency

Scores: Alpha (Mumbai) 9/9; Alpha (Bangalore) 9/9; Alpha (overall) 18/18; Beta (Mumbai) 7/9; Beta (Gurgaon) 3/9; Beta (overall) 10/18; Gamma (Bangalore) 8/9; Gamma (Surathkal) 5/9; Gamma (overall) 13/18

6.5 Employee Focus (code 4.0)

It is envisaged that these high performing organisations would also focus strongly on their employees, as human resources, assets and capital. Considering the TCE theory this could however be argued otherwise, as cost-wise scant attention would be given
to the employees working in outsourced firms. Hence, ‘internal focus and growth’ strategies is an interesting area to investigate. With high turnover and attrition rates, it is further envisaged that there would some focus on ‘alumni networking’. There would also be a strong focus on ‘employment security’ to attract and retain valued staff. In summary, the focus on employees, albeit taking the cultural and institutional contexts into consideration would be an important part of the firms’ overall and HR strategy (see Template 6.5 below and also refer to conceptual framework Figure 3.3, Chapter 3).

Template 6.5: Employee Focus
6.5.1 Internal Focus and Growth (code 4.1)

Seven emergent themes were evident that supported the strategy to ‘focus on internal growth’. All three organisations looked within themselves for employee-development. The major motivation was that of cost, i.e. saving on recruitment and training. Each designed and developed its own specific strategy. This occurred in a context of anxiety about retention and it made good business sense. The evidence suggests a general feeling within the three organisations that they were developing ‘corporate assets’, over time and ‘job rotation and enlargement’. This assisted in exposure and gaining newer skill sets: in addition, paternalistic and welfarist measures were prevalent across all three.

As is evident from the following scores and Table 6.13, Alpha again scores positively on all six identified focus sub-areas when it comes to internal growth strategies. As time passed, these aspects also became prevalent both at Mumbai and Bangalore who achieved a ‘spend’ of around 10 percent of income on learning, training and development. Moreover their strategy of giving autonomy of choice of work areas to employees and encouraging employees to nominate themselves for specific training and developmental areas (providing it was in line with their business needs) added to this advantage. Lacking in Phase 1 was clarity in terms of the choice of employees selected for these developmental needs though it claimed to have a selection process in place. Therefore, over time all organisations enacted a strategy of ‘growth from the inside’ (i.e. internal employee development strategies) with the aspiration of people staying longer (a retention tool).

For Beta and Gamma too, the scenario was more or less similar in terms of employment security. Beta’s Mumbai operations were similar to Gamma’s Bangalore operations whilst Beta’s Gurgaon operations were similar to Gamma’s Surathkal operations. These variations and similarities again were attributed to the nature of work, service offering, importance and priorities of senior management and, on a macro level, a rural-urban employee treatment divide. Life cycle arguments made in the previous sections could also be applied to both. The same can also be said of the lack of a HR department or professionals, in Phase 1 and partly in Phase 2, in Beta’s case. However, there were unique training methods, as discussed in previous sections (and as was evident in the findings), with the employee at the
centre, albeit the motive of retention was paramount for the organisation for such a concentration of focus against the focus of development. However, holistically all three case-study organisations looked to focus their HR and overall strategies internally towards their internal assets (human resources). They did this through a concentration on external networks and agencies such as academia, professional bodies, etc., thus treating their internal resources as corporate assets.

Common to all three case-study organisations was the prevalence of job rotation and enlargement and the welfare aspects over the three phases. In terms of job rotation and enlargement, multi-tasking and exposure to different business areas seemed a deliberate strategy at all three organisations over a period of time. This perhaps was the norm across the Indian HRO/BPO industry, though absent from the extant literature to date. This also aided the organisations to identify areas where staff either excelled or were not very good and their independent careers were then developed accordingly. Hence performance was important for these organisations. Lastly, the paternalistic and welfarist attitude of the three organisations is due to deep-rooted cultural and institutional reasons.

<table>
<thead>
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<th>Internal Focus &amp; Growth</th>
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<th>Gamma</th>
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<td></td>
<td>P3</td>
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<tr>
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<td></td>
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<td></td>
<td>P3</td>
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</tr>
</tbody>
</table>

Table 6:13 Internal Focus and Growth
Scores: Alpha (Mumbai) 21/21; Alpha (Bangalore) 21/21; Alpha (overall) 42/42; Beta (Mumbai) 16/21; Beta (Gurgaon) 12/21; Beta (overall) 28/42; Gamma (Bangalore) 16/21; Gamma (Surathkal) 15/21; Gamma (overall) 31/42

6.5.2 Alumni Network (code 4.2)

Four emergent themes were found as evidence within the three case-study organisations, supporting and identified as linked to a ‘focus on alumni networking’ (see scores and Table 6.14 below). Emergent themes here were first, ‘maintaining and building relationships’ with alumni; two, this was seen as a ‘positive power’ with the three organisations; three, and as a result, this positive power was then translated into ‘positive value’ (see positive value demonstrated by the three organisations in the findings section); and four, the organisations witnessed ‘accrued benefits’ over time.

Maintaining and building on alumni relations was also inherent for these organisations, especially Alpha, which was already a well-established globally known organisation and brand. For Beta and Gamma this was evident in the two later phases. Respondents attributed this to the developmental stage the two organisations were in in their respective life cycles. However both Beta and Gamma tapped into their previous work experiences and networks that included employees at all levels and at locations of competitors, clients etc. It was also observed that this networking and social connection (capital) culture was carried forward from university level and previous work experiences and was traced back to a cultural aspect prevalent in India. Especially observable was the ‘old boys’ network across the three organisations. For example, ex-Indian Institute of Management (IIM) graduates working at the three organisations knew, and kept in touch with, their respective year groups and various opportunities and industry news was shared through social events and meets. As part of the reflexive process, it would be noteworthy that the researcher was also previously part of this network and it was helpful to gain access and information in the research process.
Table 6:14 Alumni Network

**Scores:** Alpha (Mumbai) 9/9; Alpha (Bangalore) 9/9; Alpha (overall) 18/18; Beta (Mumbai) 6/9; Beta (Gurgaon) 3/9; Beta (overall) 9/18; Gamma (Bangalore) 3/9; Gamma (Surathkal) 3/9; Gamma (overall) 6/18

### 6.5.3 Employment Security (code 4.3)

Six emergent themes were found as evidence within the three case study organisations, supporting and identified as linked to ‘employment security’: cost (saving); leaner hiring; greater productivity; increased trust; longer term perspective; and performance.

As is evident (from the following scores and Table 6.15 below), overall, projecting ‘employment security’ to current employees and potential recruits, made good business sense in terms of cost for the three organisations. Alpha did what it believed to be, ‘the right thing’ in terms of selecting, training and developing its people and its wider organisational approach to paternalism meant a sense of security for its employees. However, for Beta and Gamma, being newly formed organisations, this took time. The primary reason for the initial lack at both these organisations was their short term approach and lack of a development infrastructure. In addition, the challenge of attrition focused energies towards retention and led to neglect of other aspects in the process. In terms of the second sub-focus area, that of ‘leaner hiring’, this was not generally possible across the three organisations because of the nature of the industry and individual growth trajectories. However, Gamma’s
Bangalore operations were an exception, due to the centre of excellence structure and nature of work there. The correlation of ‘employee security’ with ‘greater productivity’ and ‘increased trust’ in the minds of those involved became apparent from Phase 2 onwards; they required time to develop and achieve. However, overall it was believed at all three organisations that employees who saw a long-term future with the firm performed better than those who did not.

<table>
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<td>P3</td>
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<td>P3</td>
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</tbody>
</table>

Table 6.15  Employment Security

**Scores:** Alpha (Mumbai) 13/18; Alpha (Bangalore) 13/18; Alpha (overall) 26/36; Beta (Mumbai) 9/18; Beta (Gurgaon) 7/18; Beta (overall) 16/36; Gamma (Bangalore) 18/18; Gamma (Surathkal) 8/18; Gamma (overall) 26/36

6.6 Performance Management (code 5.0)
The literature and the conceptual framework (Figure 3.3, Chapter 3) of this research argue that employee performance is one of the most important aspects contributing to an organisation’s overall high performance. Thus, such organisations would inevitably have ‘stringent performance parameters’. From an employee’s point of view, the motivation to perform better would be dependent on ‘performance-based compensation’ strategies, which it is envisaged would be prevalent in the case-study
organisations. In essence then, the sustainability and performance of the overall organisation would rest on the employee’s performance (see Template 6.6 below).

5.0 Performance Management - First level

5.1 Stringent Performance Parameters

5.1.1 Focus on Rigour
5.1.2 'What' & 'How' Focus
5.1.3 Exit Strategies
5.1.4 Performance Improvement
5.1.5 Clear Communication

5.2 Performance-based Compensation

5.2.1 Equity & Fairness
5.2.2 Profit Sharing Mechanisms
5.2.3 Flexibility
5.2.4 Anti-Complacency Policies

Template 6.6: Performance Management

6.6.1 Stringent Performance Parameters (code 5.1)

Five emergent themes, from the three case organisations, were evident, supporting a ‘focus on stringent performance parameters’. ‘Rigour’ was seen as key for the three organisations, when it came to performance and hence this formed subtheme one; two, performance strategies at the three organisations focused on the ‘what and how’ of performance; three, in terms of attrition the organisations have voluntary ‘exit strategies’ in place for non-performers; four, a constant emphasis on ‘performance
improvement’ could be seen; lastly, five, ‘clear communication’ lines, in terms of performance expectations, were apparent.

Structured and Western-style HR practices, including many of those associated with high performance work systems, became more evident over time at the three organisations, especially at Alpha. As it grew and became more of a global company, the enactment of high performance practices was evident. Before the first phase, an ‘economic value added’ (EVA) performance management system based around corporate, team and individual performance, and linked to individual appraisal was initiated. The second phase witnessed an enhanced emphasis on employee performance in order to take advantage of the existing resource base. In this period, managers were able to extend the EVA model globally throughout the company to reward management, with individual pay above a baseline amount now being contingent on performance at corporate, team and employee levels. The third phase saw an increased focus on organisational and staff performance and a ‘harder’, Western-style approach to HRM was characteristic of this period, notably through the integration of performance and reward management systems.

Phases 1 and 2 at Beta and Gamma witnessed a clear focus on a ‘short-term’ focus, which was evident from the data - financial incentive schemes being integrated with policies on pay with an explicit focus on the instrumental motivation of employees. Both Beta and Gamma at their Gurgaon and Surathkal operations respectively, thus adopted a strategy of upper quartile (higher) pay which was used to foster recruitment and to limit attrition. Communication was generally clear, although more so at Alpha as evident from the scores and Table 6.16 below.
### Stringent Performance Parameters

<table>
<thead>
<tr>
<th>Identified sub-focus area (s) (emergent concepts)</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on Rigour</td>
<td>P1</td>
<td>X</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>‘What and How’ Focus</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Exit Strategies</td>
<td>P1</td>
<td>X</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Performance Improvement</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Clear Communication</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Table 6:16 Stringent Performance Parameters**

**Scores:** Alpha (Mumbai) 12/15; Alpha (Bangalore) 12/15; Alpha (overall) 24/30; Beta (Mumbai) 10/15; Beta (Gurgaon) 8/15; Beta (overall) 18/30; Gamma (Bangalore) 13/15; Gamma (Surathkal) 9/15; Gamma (overall) 22/30

### 6.6.2 Performance-based Compensation (code 5.2)

Four emergent themes formed the evidence for the *a priori* sub-theme ‘performance-based compensation’. Emergent themes as evidence in Table.6.17 below were equity and fairness; profit sharing mechanisms; flexibility; and complacency or non-existence of it.

As is evident from the following scores, Table 6.17 and the findings section, though Alpha did not offer compensation packages as high as those compared to others in the industry, it offered other intangible and long-term benefits that its competitors did not, such as, autonomy to choose area of work, training in new areas, job security, performance-based pay, etc. In Phase 2 it also started profit-sharing mechanisms in conjunction with the EVA strategy discussed earlier. This led to its employees being flexible. However after from the first phase where there was some
sense of complacency due to employees taking advantage of the paternalistic and wider Alpha group culture of the organisation, the emphasis moved to performance.

Beta and Gamma on the other hand, as is evident in Table 6.17, below, offered high compensation packages to its employees. The primary reason was to attract talent and to retain employees. However, profit-sharing mechanisms were prevalent only in the later phases as both organisations developed over time. Flexibility, too, was encouraged only in the later stages as both organisations concentrated on employees developing and learning within their existing roles and work. Performance was key at both organisations and this was expected as they paid higher compensation packages.

<table>
<thead>
<tr>
<th>Performance-based Compensation Identified sub-focus area(s) (emergent concepts)</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M B</td>
<td>M G</td>
<td>B S</td>
</tr>
<tr>
<td>Equity and Fairness</td>
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<td>X X</td>
<td>✓ X</td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Profit Sharing Mechanisms</td>
<td>P1</td>
<td>X X X X</td>
<td>✓ X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ X X</td>
<td>✓ X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ X</td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>P1</td>
<td>✓ ✓ X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓ ✓ ✓ X</td>
<td>✓ X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ X</td>
<td></td>
</tr>
<tr>
<td>Anti-Complacency Policies</td>
<td>P1</td>
<td>✓ ✓ X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>X X X X</td>
<td>X X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>X X X X</td>
<td>X X</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.17 Performance-based Compensation

**Scores:** Alpha (Mumbai) 8/12; Alpha (Bangalore) 8/12; Alpha (overall) 16/24; Beta (Mumbai) 6/12; Beta (Gurgaon) 4/12; Beta (overall) 10/24; Gamma (Bangalore) 8/12; Gamma (Surathkal) 5/12; Gamma (overall) 13/24

Having analysed the five broad *a priori* themes and their relevant subthemes against the emergent themes (as evidence), in the context of ‘HRM practices’ above, the next section analyses the second level *a priori* themes in the context of the ‘Role
of HR’ over time. Thereafter, further inductive analysis and grounds for a detailed discussion will follow (process 3).

**6.7 Role of HR Over Time (code 6.0)**

The last first level *a priori* theme addressed in the analysis is an important area in the context of this research. The role of HR over time in designing, implementing and overseeing the other five areas of HR is well documented in the literature and portrayed in the conceptual framework (Figure 3.3, Chapter 3).

The five *a priori* themes are derived from the literature relating to strategic HRM and HPWSs, and their corresponding subthemes, under the ‘role of HR’ over time (see Template 6.7 below) are first, a focus on being proactive, second, a focus on HR systems and processes, third, a focus on leading change, fourth, a focus on employee development, and fifth, a focus on reputational capital. Each of these is discussed against the emergent evidential themes below.

**6.7.1 Focus on Being Proactive (code 6.1)**

The first area of focus was on HR ‘being proactive’. This was seen to be developing over time for the three organisations. The first subtheme under this broad area was the role of HR in ‘employee development decisions’ for each of the three organisations; second, ‘diagnosing readiness’ for its organisation in terms of what is currently happening and what needs to be done; third, a growing need was felt by HR within the three organisations for ‘competitive insights’ in relation to building themselves into high performers and branded talent developers; and fourth, a ‘realistic appraisal’ by HR was, over time, required and complied with.
The major question here was whether HR was proactively involved in managing people over the five-year research period? As is evident from the scores and Table 6.18 below, Alpha and Gamma, with established HR departments and senior management support, were proactive. Beta’s lack of a specialised HR department in the first phase meant it could not focus on HR being proactive. However, a proactive
stance by Beta was evident in the later stages, first in Mumbai and latter in Gurgaon. As was evident in the findings discussed in previous sections, at Alpha a re-branding exercise was planned based on its renewed OD strategy. Hence, at Alpha, a well thought-out strategy was incorporated. At Beta, once the HR department was operational and once its Mumbai office had the autonomy and added responsibility of a regional HQ (coupled with encouragement, support and confidence from senior management), it had proactive HR strategies in place. Gamma, on the other hand, had preconceived strategies that included HR strategies based on their low-cost CSR rural BPO focus. The timing of incorporating and delivering these strategies was key for HR at all three firms and, as things were moving at a rapid pace, it was all the more challenging. An interesting part of the analysis was that HR strategies and the role of HR therein at Alpha was deliberate in comparison to it being emergent at Beta and a mix of both was evident at Gamma. Thus the flexibility of HR to adapt to the fast changing environment for Beta and Gamma meant that their proactive HR focus (on need and readiness) had to be emergent. However Alpha, being more established and professionally managed, already had strategic plans in place. All three organisations had ‘audits’ in place to appraise their respective strategies. The above analyses are depicted in Table 6.18 and are also evident from the scores below.
Focus on being Proactive
Identified sub-focus area(s) (emergent concepts)

<table>
<thead>
<tr>
<th></th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
<tr>
<td>Employee Development</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>Decisions</td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Diagnosing Readiness</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Competitive Insights</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Realistic Appraisal</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 6:18  HR Focus on Being Proactive

Scores: Alpha (Mumbai) 12/12; Alpha (Bangalore 12/12; Alpha (overall) 24/24; Beta (Mumbai) 8/12; Beta (Gurgaon) 4/12; Beta (overall) 12/24; Gamma (Bangalore) 12/12; Gamma (Surathkal) 12/12; Gamma (overall) 24/24

6.7.2 Focus on HR Systems and Processes (code 6.2)

Following on from the above, the second broad area for HR was a ‘focus on HR systems and processes’. Subtheme one was to ‘improve systems’ for the required development; two, to then ‘build best practices’, as was evident within the three organisations; and three, to an extent to ‘utilise external consultants and experts’, as was seen to be the case in the three organisations.

This area of focus for HR was more internal in terms of focusing on its HR systems and processes. Alpha’s OD interventions identified these and built upon these outputs to improve its current systems. It also built on its best practices and included Westernised and newer practices that it thought appropriate, and in the process built a combination of its own best practice and best fit systems and processes. External consultants and experts were used throughout the three phases at Alpha, mainly due to its globalisation programmes. In Beta’s case, after its HR department was formed,
it immediately focused on improving and incorporating best-practice HR systems and processes (which were UK centric) but over a period of time built upon these by adapting suitable systems and processes to suit its Mumbai and Gurgaon operations respectively. Gamma, on the other hand, came in with US-centred best practices that it incorporated from its inception, but over a period of time had to adapt localised practices to suit its Indian rural operations. Eventually both Beta and Gamma used external consultants and experts, but it was seen that this ceased temporarily for Beta during Phase 2, possibly due to the recession and was prevalent for Gamma only in Phase 3 as the need was not felt initially. These analyses under this head are depicted in Table 6.19 and the scores below:

<table>
<thead>
<tr>
<th>Focus on HR Systems &amp; Processes</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(emergent concepts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓ ✓ ✓</td>
<td>X</td>
<td>X</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>P2</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ X</td>
<td>✓ ✓</td>
<td></td>
</tr>
<tr>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Best Practices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓ ✓ ✓</td>
<td>✓ X</td>
<td>✓ ✓</td>
<td></td>
</tr>
<tr>
<td>P2</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td></td>
</tr>
<tr>
<td>P3</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilising External Consultants &amp; Experts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>X X</td>
<td></td>
</tr>
<tr>
<td>P2</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>X X</td>
<td></td>
</tr>
<tr>
<td>P3</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>X X</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.19  HR Focus on HR Systems and Processes

Scores: Alpha (Mumbai) 9/9; Alpha (Bangalore 9/9; Alpha (overall) 18/18; Beta (Mumbai) 6/9; Beta (Gurgaon) 4/9; Beta (overall) 10/18; Gamma (Bangalore) 7/9; Gamma (Surathkal) 7/9; Gamma (overall) 14/18
6.7.3 Focus on Leading Change (code 6.3)

The third broad area was that of a ‘focus on leading change’. Over time, change was omnipresent and the role of HR in leading this change was seen to be paramount for the three organisations. The first subtheme here was that of ‘execution of change plans’, as change was emergent in some cases; second, whilst executing change HR needed to and kept ‘an eye on cultural implications’; third, change was led and executed by HR by also ‘mustering overall stakeholder support’.

The role of HR in leading change was seen to be evident through all three HR departments within the case-study organisations. For Beta, of course, Phase 1 did not have a HR department. At Alpha, HR focused on being proactive in the OD interventions, incorporating its overall business strategies accordingly. The role of HR was also crucial in determining cultural implications. Alpha aimed to move away from its overly paternalistic culture to a ‘performing and accountable’ culture, however it could not completely ignore the overall brand, strategies and culture of its parent organisation of being paternalistic and employee friendly. Their focus on all stakeholders in their OD interventions was helpful and it thus gained support, which helped overall and sent positive signals, thus enhancing its global brand image. Hence, HR at Alpha faced a challenge which it handled well over time. HR at both Beta and Gamma, too, were very much involved with change. Beta was expanding at a rapid pace and its Mumbai office gained autonomy and hence had increased responsibility, which meant HR there had to match its headquarters’ expectations. Perhaps in this process, HR at its Gurgaon operations was left unattended to a certain extent, which was due to an over reliance on Mumbai. However Beta realised that its overall image had to be maintained and hence, by Phase 3, HR needs at Gurgaon were not being ignored. Gamma’s US-centred best practices also ensured HR had a lead role in leading change. However its realisation of the negatives of over reliance on these best practices and its flexibility in adapting localised practices with an eye on cultural implications helped in aiding stakeholder support overall. Here too, the above analyses under this head are depicted in Table 6.20 and from the scores below:
**Identified sub-focus area(s)**
*emergent concepts*

<table>
<thead>
<tr>
<th>Focus on Leading Change</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
<tr>
<td>Execution of Change Plans</td>
<td>P1</td>
<td>❖</td>
<td>❖</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>❖</td>
<td>❖</td>
<td>❖</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>❖</td>
<td>❖</td>
<td>❖</td>
</tr>
<tr>
<td>An eye on Cultural Implications</td>
<td>P1</td>
<td>❖</td>
<td>❖</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>❖</td>
<td>❖</td>
<td>❖</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>❖</td>
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</tr>
<tr>
<td></td>
<td>P2</td>
<td>❖</td>
<td>❖</td>
<td>❖</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>❖</td>
<td>❖</td>
<td>❖</td>
</tr>
</tbody>
</table>

**Table 6.20 HR Focus on Leading Change**

**Scores:** Alpha (Mumbai) 9/9; Alpha (Bangalore 9/9; Alpha (overall) 18/18; Beta (Mumbai) 6/9; Beta (Gurgaon) 6/9; Beta (overall) 12/18; Gamma (Bangalore) 9/9; Gamma (Surathkal) 9/9; Gamma (overall) 18/18

### 6.7.4 Focus on Human Capital Development (code 6.4)

The fourth area linked to the role for HR was a ‘focus on Human Capital development’. The importance of ‘reputation’ within and outside the three organisations and the role of HR in utilising employee development as a reputational tool was subtheme one; two was the role of HR examining the organisation for ‘a reality check’ in terms of its business needs; three, ‘managerial focus’ as evident in the context of employee development by HR within the three organisations, as managers were seen as strategists; four, that said, HR at the three organisations did not lose sight of the ‘employee focus’; lastly, five, whilst developing employees, HR at the organisations were also ‘talent scouts and sponsors’.

As was evident in the findings and previous discussion above, all three case-study organisations over all three phases adapted employee development strategies. At the core of the Indian HRO/BPO industry lie the skills and competencies of its staff and its good reputation among foreign clients was seen to be paramount. It was in this context then that employee development for HR was seen to make good business
sense. Sustainability and competitiveness for these organisations thus primarily meant reputations and HR leaders had the responsibility of making sure these reputations stayed high. In fact, HR at the three organisations focused on making employee development their culture and part of every employee’s job, both imparting and receiving. The above analyses are depicted in the following Table 6.21 and are evident from the scores below:

<table>
<thead>
<tr>
<th>Focus on Human Capital Development</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(emergent concepts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>A Reality Check</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Managerial Focus</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employee Focus</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Talent Scouts and Sponsors</td>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 6.21 HR Focus on Employee Development

**Scores:** Alpha (Mumbai) 15/15; Alpha (Bangalore) 15/15; Alpha (overall) 30/30; Beta (Mumbai) 15/15; Beta (Gurgaon) 15/15; Beta (overall) 30/30; Gamma (Bangalore) 15/15; Gamma (Surathkal) 15/15; Gamma (overall) 30/30

**6.7.5 Focus on Reputational Capital (code 6.5)**

The ‘focus on reputational capital’ by HR was dominant at the three organisations. The role of HR in building of ‘external reputation’ was evident at the organisations and formed subtheme one; two was ‘public relations’ (PR) in terms of its wider employer branding strategy; three, essential and relevant steps by HR towards the ‘commitment message’; lastly, four, maintaining ‘external relationships’, by HR, was also important at and was a cultural requirement of doing business in India generally.
In continuation of the discussion on reputation above, this section pertains to the organisations’ overall reputation from an HR context or responsibility. Evidence discussed previously suggests that at the three firms both external and internal reputational aspects were recognised and relevant branding strategies formulated and implemented to strive and build overall reputation. The above analyses, as in previous sections above, are depicted in Table 6.22 and the scores that follow.

<table>
<thead>
<tr>
<th>Focus on Reputational Capital</th>
<th>Phases</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified sub-focus area (s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(emergent concepts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Public Relations (PR)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Commitment Message</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>External Relationships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>P3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 6.22  HR Focus on Reputational Capital

Scores: Alpha (Mumbai) 12/12; Alpha (Bangalore 12/12; Alpha (overall) 24/24; Beta (Mumbai) 8/12; Beta (Gurgaon) 8/12; Beta (overall) 16/24; Gamma (Bangalore) 12/12; Gamma (Surathkal) 12/12; Gamma (overall) 24/24

6.8 Summary of Deductive Analysis (Processes 1 and 2)

The above sections described in detail the HR processes for the three case-study organisations. The research analysis started deductively by constructing six broad first level *a priori* themes, derived from the literature and conceptual framework, prior to commencement of fieldwork. It then moved on to discuss the twenty-one identified second level *a priori* subthemes, from the data over the first phase of the research. These were then expanded and deconstructed to ninety-three *emergent* themes from the data over Phases 2 and 3. The scores of each of the deconstructed six *a priori* themes pertaining to the three case-study organisations are now
summarised through percentages below, reconstructing the themes above into the emerging HRM discussion themes in the context of HPWS in the three organisations operating in the Indian BPO industry.

In terms of the first *a priori* theme ‘Career management’ (code 1.0), the overall scores for the three organisations were: Alpha 96%; Beta 57% and Gamma 77%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.

<table>
<thead>
<tr>
<th>Career Management Mode</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee competencies and quality (code 1.1)</td>
<td>100</td>
<td>47</td>
<td>80</td>
</tr>
<tr>
<td>Persistent recruitment (code 1.2)</td>
<td>100</td>
<td>63</td>
<td>87</td>
</tr>
<tr>
<td>Sophisticated hiring (code 1.3)</td>
<td>83</td>
<td>53</td>
<td>61</td>
</tr>
<tr>
<td>Career development (code 1.4)</td>
<td>100</td>
<td>63</td>
<td>80</td>
</tr>
<tr>
<td><strong>Overall percentages</strong></td>
<td><strong>96</strong></td>
<td><strong>57</strong></td>
<td><strong>77</strong></td>
</tr>
</tbody>
</table>

Table 6:23  Overall Percentages- Career Management

In terms of the second *a priori* theme ‘Human Capital Development’ (code 2.0) the overall scores for the three organisations were: Alpha 88%; Beta 68% and Gamma 79%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.

<table>
<thead>
<tr>
<th>Human Capital Development (code 2.0)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual development focus (code 2.1)</td>
<td>75</td>
<td>46</td>
<td>63</td>
</tr>
<tr>
<td>Extensive training (code 2.2)</td>
<td>100</td>
<td>50</td>
<td>83</td>
</tr>
<tr>
<td>Continuous training (code 2.3)</td>
<td>75</td>
<td>75</td>
<td>71</td>
</tr>
<tr>
<td>Coaching and mentoring (code 2.4)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Overall percentages</strong></td>
<td><strong>88</strong></td>
<td><strong>68</strong></td>
<td><strong>79</strong></td>
</tr>
</tbody>
</table>

Table 6:24  Overall Percentages- Human Capital Development
In terms of the third *a priori* theme ‘Management Style’ (code 3.0) the overall scores for the three organisations were: Alpha 84%; Beta 45% and Gamma 62%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.

<table>
<thead>
<tr>
<th>Management Style (code 3.0)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentages (%)</td>
<td>75</td>
<td>29</td>
<td>42</td>
</tr>
<tr>
<td>Decentralisation of authority (code 3.1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status and hierarchical distinctions (code 3.2)</td>
<td>78</td>
<td>50</td>
<td>72</td>
</tr>
<tr>
<td>Transparency (code 3.3)</td>
<td>100</td>
<td>56</td>
<td>72</td>
</tr>
<tr>
<td>Overall percentages</td>
<td>84</td>
<td>45</td>
<td>62</td>
</tr>
</tbody>
</table>

Table 6:25  Overall Percentages- Management Style

In terms of the fourth *a priori* theme ‘Employee Focus’ (code 4.0), the overall scores for the three organisations were: Alpha 91%; Beta 54% and Gamma 60%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.

<table>
<thead>
<tr>
<th>Employee focus (code 4.0)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentages (%)</td>
<td>100</td>
<td>67</td>
<td>74</td>
</tr>
<tr>
<td>Internal focus and growth (code 4.1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni network (code 4.2)</td>
<td>100</td>
<td>50</td>
<td>33</td>
</tr>
<tr>
<td>Employment security (code 4.3)</td>
<td>72</td>
<td>44</td>
<td>72</td>
</tr>
<tr>
<td>Overall percentages</td>
<td>91</td>
<td>54</td>
<td>60</td>
</tr>
</tbody>
</table>

Table 6:26  Overall Percentages- Employee Focus

In terms of the fifth *a priori* theme ‘Performance Management’ (code 5.0), the overall scores for the three organisations were: Alpha 74%; Beta 51% and Gamma 64%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.
### Performance management (code 5.0)

<table>
<thead>
<tr>
<th>Stringent performance parameters (code 5.1)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>60</td>
<td>73</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance-based compensation (code 5.2)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>42</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall percentages</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td>51</td>
<td>64</td>
<td></td>
</tr>
</tbody>
</table>

**Table 6:27 Overall Percentages- Performance Management**

In terms of the sixth *a priori* theme ‘Role of HR over time’ (code 6.0), the overall scores for the three organisations were: Alpha 100%; Beta 68% and Gamma 96%. The breakdown in terms of individual second level *a priori* sub-themes is as follows.

### Role of HR over time (code 6.0)

<table>
<thead>
<tr>
<th>HR focus on being proactive (code 6.1)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR focus on HR systems and processes (code 6.2)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>56</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR focus on leading change (code 6.3)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>67</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR focus on employee development (code 6.4)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR focus on reputational capital (code 6.5)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>67</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall percentages</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>68</td>
<td>96</td>
<td></td>
</tr>
</tbody>
</table>

**Table 6:28 Overall Percentages- Role of HR Over Time**

Thus, the examination of the different features of HR strategies and outcomes and their development over time has indicated important patterns, or trends, which emerged from the above discussion. Overall, if the above percentages were added up, the following table would indicate if the three organisations conformed to the six *a priori* constructed HRM practices that would constitute a bundle of HPWP that lead to a HPWS.
Overall, as is evident from the above table, Alpha leads the table followed by Gamma and then Beta. Several initial reasons for this result are put forward and then discussed in detail in the following chapters. As was evident from the analysis above, the result is were mainly due to the different service offering of the organisations, the lifecycle of the organisation and HR itself (for example an initial non-existent HR department in the case of Beta), evolving management style and control, and overall development of organisational strategy driven by factors such as growth, sustainability and competition. More specifically, there are a few arguments that can be made by interpreting the above table. For example, if we take 60% as a benchmark to ascertain if a particular *a priori* theme was prevalent or not, Alpha and Gamma tick the prevalence box on all areas. However, Beta lags behind and it could be argued that overall it falls short of having prevalent HPWS in place. However it does achieve over 60% in two areas: ‘Human Capital development’ and ‘Role of HR over time’. The above analysis also confirms (to varying degrees) the prevalence of the first five *a priori* themes as bundles of sophisticated HRM practices leading to HPWP, with the role of HR (the sixth *a priori* theme) being paramount, over time. However, non-prevalent areas also exist and the reasons for these are discussed in the next chapter. This partly answers research question one i.e. what bundles of HPWPs exist in Indian BPO organisations? Further, there was evidence to suggest

<table>
<thead>
<tr>
<th><em>a priori</em> themes</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career management</td>
<td>96</td>
<td>57</td>
<td>77</td>
</tr>
<tr>
<td>Human Capital development</td>
<td>88</td>
<td>68</td>
<td>79</td>
</tr>
<tr>
<td>Management style</td>
<td>84</td>
<td>45</td>
<td>62</td>
</tr>
<tr>
<td>Employee focus</td>
<td>91</td>
<td>54</td>
<td>60</td>
</tr>
<tr>
<td>Performance management</td>
<td>74</td>
<td>51</td>
<td>64</td>
</tr>
<tr>
<td>Role of HR over time</td>
<td>100</td>
<td>68</td>
<td>96</td>
</tr>
<tr>
<td><strong>Overall percentages conforming to HPWP</strong></td>
<td><strong>89</strong></td>
<td><strong>57</strong></td>
<td><strong>73</strong></td>
</tr>
</tbody>
</table>

Table 6.29 Overall Percentages Conforming to HPWP
that ‘attrition’ and ‘employer branding’ were unique country specific aspects that affected the above bundle of HPWP that were identified, the second research question of the thesis. Therefore, in effect, this analysis section points toward a need for a further level of inductive analysis to confirm these deductive findings. The following section addresses this need.

6.9 Inductive Analysis Using ‘Systematic’ Techniques (Process 3)

In what follows, an additional level of inductive analysis, using ‘systematic’ techniques, is undertaken. This addresses the research questions by examining first, sophisticated HRM practices that contribute to HPWS, and assesses how successful bundles of HRM practices evolved over time (first research question); second, unique country-specific (Indianised) HRM features are identified that affected HPWS - ‘attrition’ and ‘employer-branding’ centric HRM (second research question).

6.9.1 Sophisticated HRM Contributing to HPWS

Analysis of the first, second and third level themes, highlights the development of sophisticated hiring (code 1.3), employee security (code 4.3), performance based compensation (code 5.2), extensive training (code 2.2), employee development values (code 2.3), decentralisation of authority (code 3.1), status and hierarchical distinctions (code 3.2), and transparency (code 3.3). These HR practices are closely linked to aspects of sophisticated HR associated with, and impacting, HPWP/S as identified in the literature (e.g., Pfeffer, 1998). In this section the data relating to employee performance and HRM, employee commitment, employee involvement, and alternative and innovative work practices (AWP/IWP) within the three case-study organisations are examined in more depth.

To examine these four concepts within the three case-study organisations, the hybrid ‘systematic technique’ as prescribed by Bernard and Ryan (2010) (and as detailed in the methodology chapter), in the form of matrices (as depicted in Table 6.30) below was utilised drawing on ‘observational’ analysis (through the technique of ‘repetition’- i.e. repeated occurrence of concepts in texts) and ‘manipulative’ techniques. The manipulative techniques chosen were, first, ‘word lists’ and ‘key-words-in-context’ (KWIC). This included identifying all the ‘unique’ words in text
and then counting the number of times each occurs, alongside, second, ‘word co-occurrence’, based on the observation that many words commonly occur with other words to form a particular idea. The four terms, i.e. employee performance and HRM, employee commitment, employee involvement, and alternative and innovative practices in the context of HPWP/S, were identified and are portrayed in Table 6.30 in the form of matrices within the three case study organisations, across the six locations and three time periods.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Emergent Sophisticated HRM Themes</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M</td>
<td>B</td>
<td>M</td>
</tr>
<tr>
<td>1</td>
<td>Employee performance plus HRM-Firm Performance Link</td>
<td>P1 6 7 5 4 7 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P2 10 8 7 5 8 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P3 9 8 7 5 7 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Employee Commitment-Firm Performance Link</td>
<td>P1 7 9 6 8 8 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P2 4 6 8 7 5 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P3 6 5 5 7 9 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Employee Involvement-Firm Performance Link</td>
<td>P1 5 4 6 3 6 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P2 6 3 4 2 5 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P3 4 5 4 3 4 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>AWP+IWP-Firm Performance Link</td>
<td>P1-P2-P3</td>
<td>11 9 7 9 10 7</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.30: Emergent Sophisticated HRM Themes (Instances of References)

Table 6.30 depicts the number of instances respondents made references to the links between first, employee performance plus HRM and firm performance; second, employee commitment and firm performance; third, employee involvement and firm performance; and fourth, AWP (mainly in the form of attrition-centric-HRM, as analysed below)/IWP (mainly in the form of employer-branding strategies, as analysed below) and firm performance. The table suggests a uniform spread of these words, over the three research periods and the three case-study organisations (six locations) of all the four broad terms linked to firm performance. Within the literature, too, there is no serious debate of which term and group of practices is more suitable or successful. Details linking these findings to the literature are discussed in the next chapter.
6.9.2 Country-Specific (Indianised) HRM Features Affecting HPWS

Through the additional level of inductive analysis, using ‘systematic’ techniques, two unique country-specific (Indianised) HRM features that affected HPWS were identified: ‘attrition’ and ‘employer-branding’ centric HRM. A detailed analysis follows below.

6.9.2.1 Attrition-centric-HRM (ACHRM)

As in the previous section, analysis of the first, second and third level themes brought to light clustering of themes that are relevant to this topical area of Attrition-centric-HRM (ACHRM). This forms the first of the two inductively identified themes in terms of unique country-specific HRM features that affected HPWS. Under this area, all twenty-one second level \textit{a priori} themes were relevant (see map depiction in Figure 6.1 for detailed breakdown and also Figure 6.2) and hence in this section findings are further distilled and discussed in the inductively emerging context and role of the \textit{individual}, \textit{organisation} and \textit{external environment}. It is argued that attrition is influenced by these three entities and contexts. These are identified through Bernard and Ryan’s (2010) hybrid systematic technique described below. The ‘individual’ here being the employee(s); the ‘organisation’ represented by the management; and the ‘external environment’ in this context is the industry, sector and job market. The term attrition-centric HRM is thus coined here: to portray how HRM practices and strategies revolve around attrition. This led the three case-study organisations to develop bundles of ACHRM. Ten unifying inductive themes have emerged, which will be discussed within and under the broader scheme of Schneider’s (1987) ASA model and the existing extant literature (in the discussion chapter. Chapter 8), wherein propositions are framed and a model is developed and presented, based on this discussion and distinctive form of HPWS.

As in the previous section, in terms of evidence for the prevalence of these ten themes, within the three case-study organisations, the systematic technique in the form of matrices (as depicted in Tables 6.31 to 6.33 below) is presented. This was based on ‘manipulative’ techniques wherein, \textit{first}, ‘word lists’ and the ‘key-words-in-context’ (KWIC) technique was utilised, which included identifying all the ‘unique’ words in text and then counting the number of times each occurs and, \textit{second}, ‘word co-occurrence’, based on the observation that many words commonly
occur with other words to form a particular idea. Hence, the ten areas in the context of ACHRM are identified and portrayed in Tables 6.31 to 6.33.

Three discussion themes pertaining to the ‘individual’ in the context of attrition have been identified. These are interest and personality; expectations, beliefs and values; and dissatisfaction, disillusionment and disconnection. In terms of depiction, the third theme is shown as 3a, 3b and 3c respectively (see Table 6.31 below).

Managerial responses from Alpha and employee and managerial responses from Beta and Gamma, shown above, portray a fairly even spread of employees leaving the organisation due to a clash of interests and/or personality between the employees and the organisation, differences in their expectations, beliefs and values, and dissatisfaction, disillusionment and disconnection with the organisation. These are discussed in relation to the extant literature later.

Five discussion themes pertaining to the ‘organisation’ in the context of attrition have been identified. These are individual-organisation attractiveness; culture and job characteristics; internal marketing; cost, image and productivity; and role of HR. These are depicted in Table 6.32.
Here too, there was an even spread across organisations and phases. Hence at Alpha, managerial responses portrayed the importance of the five areas above. The frequency at Alpha was also higher than that of Beta and Gamma. At Beta however, the role of HR could not be reported for the first phase, as it did not have a HR department. Greater analytical and critical discussion follows in further sections.

Two themes pertaining to the ‘external environment’ in the context of attrition have been identified. These are sector or industry-individual attractiveness and labour market/job opportunities. Please refer to Table 6.33 below.

![Table 6:32 Organisational Attribution to Attrition](image)

Table 6:32 Organisational Attribution to Attrition

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>The Organisation</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
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<td></td>
<td>M</td>
<td>M</td>
<td>G</td>
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<tr>
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<td>Individual-organisation attractiveness</td>
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<td>P2 3</td>
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<td>P3 3</td>
<td>4</td>
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<tr>
<td>2</td>
<td>Culture and job characteristics</td>
<td>P1 4</td>
<td>2</td>
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<td></td>
<td>P2 2</td>
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<td>P3 3</td>
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<tr>
<td>3</td>
<td>Internal marketing</td>
<td>P1 4</td>
<td>2</td>
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<td>P2 4</td>
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<td>P3 5</td>
<td>4</td>
<td>2</td>
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<tr>
<td>4</td>
<td>Cost, image and productivity</td>
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<td>P2 5</td>
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<td></td>
<td>P3 4</td>
<td>3</td>
<td>3</td>
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<tr>
<td>5</td>
<td>Role of HR</td>
<td>P1 5</td>
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<td>P2 5</td>
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<td>P3 4</td>
<td>4</td>
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</tbody>
</table>
As with the previous two sections, the two themes under this area are also equally spread across the three organisations and three phases.

Based on the findings and analysis above, it may also be argued that the four aspects of attraction, selection, attrition and retention had dual influences and reflections - on both the employee (in the incarnation of potential employee, current employee, ex-employee and continuing employee respectively) and their respective case-study organisation. Moreover, ‘fit’ was different for each aspect. For attraction, there seemed a ‘potential fit’ for both; for selection, a ‘perceived fit’ for both; for attrition, a ‘misfit’ for both; and for retention, a ‘continued fit’ for both. Examples of each of these are depicted in the model (Figure 6.6) below wherein HR played a crucial role. For example, HR portrayed ‘employer branding’ strategies to attract potential (fit) employees and in response employees matched their individual values, beliefs and personalities to that of the organisation. Organisations, through HR, then selected current employees by utilising psychometric testing, looking for a ‘perceived fit’ in values, beliefs and personalities and employees selected organisations through perceptions formed via communications through employer branding strategies. Attrition at the three case-study organisations occurred through ‘misfit’, voluntarily when ex-employees quit due to several antecedents and reasons.
discussed previously and involuntarily when organisations, through HR, gauged performances and then discharged non-performing employees through dismissals and lay-offs. On the other hand, retention occurred when there was a ‘continued fit’ between employee and organisation and when employees were loyal and satisfied and organisations, again through HR, responded by rewarding and recognising their efforts and performance through internal marketing strategies. Thus overall organisational goals were believed to be achieved and were described as key, by management (respondents), through strategically focusing on the four identified aspects of attraction, selection, attrition and retention by HR.

Figure 6.6 Model Developed Depicting Dual Influences and Reflections on Both the Employee and Organisation

6.9.2.2 ‘Employer Branding’ Strategies

In terms of ‘employer branding’ strategies (the second of the two unique country-specific (Indianised) HRM features that affected HPWS), analysis of the first, second and third level themes, has brought to light clustering of certain themes which were more evident than others. Broadly, the following second level \textit{a priori} themes were evident: individual development focus (code 2.1), internal focus and growth (code 4.1), focus on competencies and qualities (code 1.1), persistent recruiters (code 1.2),
career development (code 1.4), extensive training (code 2.2), stringent performance parameters (code 5.1), coaching and mentoring (code 2.4) and alumni networking (code 4.2). See map depiction in Figure 6.1 for detailed breakdown and also Figure 6.5.

As in the previous sections, here too, based on the evidence from the literature review, three further broad terms used in the context of branding i.e. corporate identity, image and reputation were chosen to analyse employer branding strategies within the three case-study organisations. In terms of evidence for the prevalence of these three concepts within the three case-study organisations, Bernard and Ryan’s (2010), hybrid systematic technique in the form of matrices (as depicted in Table 6.34 below and in the methodology chapter) was utilised.

As discussed in the literature review, Whetten and Mackey (2002) have argued that organisations have personalities and identities just as groups or individuals do, as organisations are not homogenous entities but made up of collective groups and individuals. Also within the literature, three interpretations of organisational identity (Albert & Whetten, 1985) were seen. First, it should capture the essence or ‘claimed central character’ of the organisation; second, it should set out its claimed distinctiveness; and third, it should show continuity over time.

As seen below, terms such as position, known-for, awareness, different/differentiation, and unique/uniqueness have been identified from the research data as ‘words commonly occurring with other words to form a particular idea’ i.e. in this case, ‘identity’. These terms used by the three organisations show affinity with the three principles of Albert and Whetten (1985), claiming to be unique, distinct and consistent over the five-year research period, in their ‘identity’ as an ‘employer’ through their individual ‘employer-branding’ strategies. These were seen to be fairly consistent over the three phases and three organisations as shown below (Table 6.34), thus suggesting the importance of organisational identity.
The second concept of ‘image’ within the literature (Martin & Hetric, 2006:21) is also classified into three types. First, ‘the transmitted image (the visual image or desired image, transmitted by the corporate designers)’, second, ‘the received image (how stakeholders perceive the brand, corporate reputation, or the organizational symbols)’, and third, ‘the construed image (how, for example, employees believe customers see the organization)’. As is evident below (Table 6.35), all three case-study organisations showed evidence of projecting an ‘image’ be it, ‘transmitted’, ‘received’ or ‘construed’. Thus terms identified under employer ‘image’ were brand, image, name, prestige, market leader and niche player. These again were seen to be fairly consistent over the three phases and three organisations as shown below (Table 6.35), indicating the relevance and importance of organisational image.

<table>
<thead>
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<th>Sr. No.</th>
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<th>Delta</th>
<th>Sigma</th>
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<td>P3</td>
<td>5</td>
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</tbody>
</table>

Table 6.34 Corporate Identity and Employer Branding
The third concept of ‘reputation’, within the literature is often referred to as ‘Reputational capital’ and is defined as ‘the difference between the book valuation of an organisation and its market valuation’ (Martin & Hetric, 2006:12). Since it is the timing of these returns that determines their value, an organisation would depend on ‘the number of times and the range of situations in which it can be used to generate such value’ (Dowling, 2001:23). Hence this was captured longitudinally, over time, over the three case study organisations as depicted below. Terms such as rare, envy/envious, trend/trend-setter, follow us/our way, our model, and our success were construed to have meant ‘reputation’. These terms were, like the previous two, fairly consistent over the three phases and over the six locations as shown below (Table 6.36), also suggesting the prevalence and importance of organisational reputation.

<table>
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<th>Sr. No.</th>
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<td>P2</td>
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<td>P1</td>
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<td>P2</td>
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<td>Market Leader</td>
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<td>P3</td>
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<td>P2</td>
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</table>
Overall then, the findings suggest that Alpha, Beta and Gamma all pursued branding strategies seriously. Each had created a brand image, identity and reputation that it utilised to attract potential employees, retain talented people and through this medium, project an image of reliability and quality-consciousness to its clients and customers. Each of the three case-study organisations operated in different locations, had varied HR service offerings and catered to different sets of client/ customers and each had different types of employees with different skill sets and competencies. However each developed brand strategies based on the above and targeted towards stakeholders. Branding was thus a key part of each firm’s strategies. With regard to their image, different facets enabled them to grow, both with regard to employees and, through them, to high performances and services to customers. At the beginning of the research period each organisation had a number of common facets for which each focused on developing an image. With regard to their employees, attractive areas of HR were welfare, attractive compensation packages and autonomy to choose the area of work. Thus through these employer branding and sophisticated HRM practices, the three organisations aimed to achieve high performance and in the process, from a customer point of view, it was delivering through competitive prices and strong innovation, with no compromise on quality.

<table>
<thead>
<tr>
<th>Sr. No.</th>
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<th>Gamma</th>
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<td>4</td>
<td>Follow us-Our way</td>
<td>P1</td>
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Table 6:36 Corporate Reputation and Employer Branding
and efficiency in services. Specific case-study organisation-wise analytical discussions are detailed in the following sections.

Alpha was a globally renowned Indian MNC and, to a degree, had a brand identity, image and reputation to live up to and maintain, as the company has been operating since 1968. However with its recent growth it had to move to develop branding strategies that were uniform and acceptable globally. As they expanded, their strategies evolved in order to accommodate global demands of employees, clients and customers. This growth required the projection of a positive image to potential employees, enabling them to increase their overseas employees from seven percent to thirteen percent in five years. This also linked to positive effects on their brand image due to their expansion providing a better, more established reputation, but also the international nature of their workforce itself helped the company to develop a positive reputation as being a more reputed national, international and multicultural firm.

Beta’s overall business strategy on the other hand was of expanding by following a route of mergers, takeovers and joint ventures. Thus their corporate and brand identity and reputation had to be modified and accommodated according to their new acquisitions, mergers and joint ventures and the new service offerings and client types they inherited. This firm’s service offering was in the area of research process outsourcing (RPO), linked to the broader concept of knowledge process outsourcing (KPO), which requires researchers to be highly analytical, qualified and experienced. Thus the firm had to communicate an ‘advanced’, ‘top-end’ image, and to more of a niche market than was the case for Alpha. Gamma was different in its strategies from the onset. They always portrayed themselves as one of the pioneers in successfully following the rural BPO model (with the firm operating in rural areas with lower staff costs, but the risk of negative perceptions associated with staff from less developed areas). They claim to have turned this around through advertisements, portraying an image of corporate social responsibility by investing in three areas, namely economic, social and intellectual capital in these rural areas, for example, by building skills within these rural communities. An interesting strategy was its deliberate choice of operational location. They chose their rural operations within the campuses of regional engineering colleges, so as to attract engineering students who
opted to work part-time during term and full time otherwise. This was seen as potentially the “future of BPO in India, in order to keep costs low” (Manager, Interview, Bangalore, Phase 2).

6.10 Conclusions
In this chapter an extensive and detailed analytical description of different HR practices was reported. As this research comprises a longitudinal case study method, the elaborate analytical design and process chosen here was the most suited. The three processes aided in answering the first two research questions and also paved the way for the third research question, which was theoretical in nature. Thus, the evolving sustainable HRM practices in the form of the first five a priori themes were found to be prevalent in the form of HPWP. These, in turn, over time, as a bundle evolved as sustainable HPWS in the three organisations. Alpha and Gamma led the scores on most HPWP, in Beta these evolved and became more prevalent over time. The sixth a priori theme i.e. the role of HRM was also paramount in impacting the concept of HPWS, in all three case-study organisations. Further, two overarching influences that were country specific to the Indian BPO industry were found to be Attrition and Employer branding centric strategies, emerged from the first two analytical processes. The third process was more inductive and confirmed these findings. The bundle of HPWP in the form of the five a priori themes were thus affected and influenced by these two strategies. The ensuing chapters in the form of Discussions 1 and 2 analyse the first two research questions respectively. In addition, the theoretical framework of the thesis, i.e. the third research question, is addressed in the next chapter.
Chapter 7 Discussion 1- HPWS in Indian BPO Organisations

7. Introduction
This chapter begins by discussing research question one i.e. what bundles of HR practices constitute HPWS and to what extent these vary over time. It highlights some contradictions and examines the non-prevalence of some HPWS areas in the analysis charts. This chapter also simultaneously discusses the third research question i.e. the extent to which TCE, HC and RBV theories explain the achievement of sustained high performance in the Indian BPO industry. More specifically this chapter discusses how the longitudinal evidence from this study points to six identified theoretical elements, the combination of which lead to an evolutionary RBV of competitiveness. The second research question is discussed in the following chapter.

As was evident from Chapter 6, the longitudinal examination and subsequent data analysis of HR practices at the three case-study organisations indicated the pattern of their development into sophisticated HRM contributing to HPWS, and provides a contextual mapping of the influences on those practices over time. Two key features in their development were evident. First, the study highlighted an initial commitment to the use of short-term extrinsic monetary incentives, rewards and consequences to influence and regulate employee performance and behaviour, especially in the first phase. However, over Phases 2 and 3, there was a move towards a focus on longer-term career and human capital development strategies. Second, the data across the three case-study organisations indicated an investment in the development of, and a focus on, employees (in the form of training and/or development processes, for example), to underpin a strategy of differentiation (and brand building) from other BPO and HRO providers in the sector; driven by their employer branding strategies, over time this investment focused on technical and task-related training and familiarisation which included longer-term career management and development opportunities. Although the approaches to
performance and to training and/or development were consistent across the three organisations, the analysis also highlighted the importance of work-task (service offering) and employment context, also mediated by the different locations within the country, thus suggesting intra-country HRM differences. Over the five years of the research a clear differentiation was evident in the career management, human capital development, management styles, focus on employees, and performance management strategies and HR processes at the six sites; however, an emphasis was seen on maintaining both local flexibility as much as organisational consistency. The analysis also enabled an assessment of the influences on developing HR practices into sophisticated HRM contributing to HPWS, with HR playing an important role. Internal influences are shown to be significant: the HR policy aspirations of senior management members being in line with the identity of the three case-study organisations as HR service providers and management style preferences. However, these influences were themselves mediated by two main external factors: firstly, by local, indigenous norms and expectations and secondly, by the work-task (service offering) environment of each site.

The principal aim of this research was to explore what factors influence the way HR practices contribute to HPWS in HRO/BPO organisations in India and how these practices change over time. Respondents at the three organisations reported that practices and motivation from both the management and employees were associated with higher individual performance which led, in turn, to higher organisational performance. In terms of involvement, too, there was evidence to suggest that HR practices solicited an enhancement of employee skills and knowledge and these were being enlarged and encouraged. In terms of employee performance and HRM, the research findings suggest that HPWP were prevalent in some form and at varying levels. It was noteworthy that a ‘combination’ of practices worked as a ‘bundle’ and that there were ‘additive’ areas that could have been added to the list of prescribed practices within the literature (see Figure 3.2, Chapter 3). In addition, attrition-centric HRM and employer branding strategies were evident in the context of these HRO organisations although they do not currently feature in the HPWS literature. Evidence from this research suggests that the HPWP prevalent at the three case-study organisations were a combination, or bundle, of the five first
level \textit{a priori} themes, namely career management, human capital development, management style, employee focus, performance management. Pfeffer (1998:121), makes it clear that practices would not be successful if used ‘piecemeal’ and that this could be ‘counterproductive’. The data from this research suggest that these practices were ‘synergetic’ in nature for the overall outcome of performance and there seemed to be some influence on the ‘fit’ of these practices resulting from the unique cultural, structural and institutional factors that characterised the case-study organisations; these factors included, but were not limited to, areas such as autonomy, status of regional CSHQ, self-sufficiency and adaptability, feeling of pride, welfare measures, paternalism, no influence/and impact of trade unions and infrastructure. The feeling of ‘pride’ in working at these organisations (as brands), at whatever level or role was also what Cappelli et al. (2010) on their work on India call ‘task-significance’. Similarly ‘adaptability’ was also observed in terms of what Cappelli et al. (2010) describe as ‘jugaad’ in the Indian context. Of these, ‘paternalism’, ‘feeling of pride’, ‘welfare measures’ and ‘self-sufficiency and adaptability’ were important and interconnected influences. All four are features of the wider Indian HRO/BPO sector, but the difference seen here in the three case-study organisations was that there was an added impetus and stress on ‘performance’. Hence, unlike Pfeffer’s (1998:112) assertion that employment security sometimes leads to a sense of working for the civil services “with people just marking time”, at these organisations staff showed a sense of urgency and greater accountability in terms of performance.

The following section discusses the uniformity of the prevalence of HPWS.

\section*{7.1. Uniformity of HPWS Prevalence}
As the data in Chapter 6 indicate, a ‘non-prevalence’ of certain areas of HRM or HPWP was evident at all three case-study organisations. Though reasons for this can be offered, it would normally be envisaged that use of these HRM practices would be needed to lead to better and higher performance. Thus the results of this research, when compared to the best practice literature on HPWP/S are somewhat contradictory. The introduction of the EVA system to stimulate higher efficiency and productivity in terms of performance, compensation and rewards at Alpha, for example, was not fully accepted by all associates. In the cases of Beta and Gamma, even though the organisations aimed to pay in the upper quartile (higher pay), to
provide an extrinsic motivator, the data suggest that this practice led to
dissatisfaction among certain employees culminating, in some instances, into exits
and further addition to the attrition rates overall. Alpha also offered job security, an
autonomous culture, a respected brand image, etc., all intrinsic motivators, but
evidence from the study suggests a ‘disconnect’ between the ‘rhetoric’ of HRM and
the ‘reality’ experienced by its employees (e.g. Legge, 1995; Truss, Gratton, Hope-
Hailey, McGovern & Stiles, 1997; Truss, 2001). In fact, findings from a similar
longitudinal study by Truss (2001) on a single case study, the US multinational
Hewlett-Packard (HP), yielded similar results. Thus, though the three case-study
organisations strategised, portrayed and implemented sophisticated HRM practices
leading over time to HPWP, unintended consequences also resulted, thus confirming
what have been described as the paradoxical and inevitable features of HRM (Truss,

7.1.2 Organisational and Individual Employee Outcomes and Impacts
The research evidence presented here also suggests some conflicts between
organisational and individual employee outcomes, in terms of HPWS. In spite of
‘good’ sophisticated HPWP, there were also high attrition rates. From an
organisational point of view, although all three organisations made efforts to portray
their attractiveness in terms of culture, job characteristics, brand image, etc., the
major trigger for these practices was to minimise costs and improve their image.
However, these efforts did not lead to lower attrition rates. Additionally, loyal, high
performing employees at the three organisations felt under duress to perform better
and put in longer hours (i.e. organisational citizenship behaviour- OCB). In
managerial eyes this was a feature of successful HPWS, but in the context of the
employees it led to some dissatisfaction. Truss (2001) in her longitudinal study on
HPWS in HP saw similar dilemmas in terms of ‘employee satisfaction’, though in
that case, it did not lead to exits or higher levels of attrition. Previous studies such as
Lawler (1992) suggest that HPWS should lead to less voluntary turnover since these
practices provide more flexibility and autonomy to employees. However, this was
not the case in these case-study organisations. Similarly, Arthur (1994) found that
organisations that adopted commitment-based HR systems have lower turnover rates,
compared to organisations that used control-based HR systems. However, in this
research, all six locations and cases saw the same level of turnover over the research period despite different emphases on commitment and control-based HR practice. Huselid’s (1995) study also suggested that the impact of HPWS would have an effect on voluntary turnover. This again was not the case in this research, where the majority of the turnover at all three case-study organisations was voluntary. There is also an opposing influence of high voluntary turnover disrupting what Shaw, Gupta and Delery (2005) call ‘input-throughout-output’ processes more in organisations that depend on HPWS compared to those that do not. It is possible that this is what is happening in the three case-study organisations, as high attrition rates hindered the implementation of HPWS. An alternative argument would be that HPWS in the case-study organisations were tailored and adapted to stem attrition levels.

The issue of ‘culture’ might also affect HPWS. However, previous studies (e.g. Bae & Lawler, 2000; Yalabik, Chen & Lawler, 2008) in East and South East Asia have indicated that US style HPWS can be very effective and have a positive impact on attrition. There are, however, no such benchmark studies on HPWS’ impact on attrition in India. This research indicates that culture (both national and the industry/sector) might play a significant part in HPWS impacting attrition. However, in the case of an emerging economy, it is suggested that managers will be keen to produce ‘high performance’ enhancing strategies and pursue western-based practices (Rocha, 2010; Budhwar, 2012) which may be inconsistent with the external and cultural environment (e.g., Hutchinson, Purcell & Kinnie, 2000). These contextual influences are considered more fully in the next section.

7.1.3 External Environmental and Contextual Influences

The research reported here provides an opportunity to consider the external environmental and contextual influences and the extent to which they resulted in non-prevalence or success of HPWS. The context in which the research was carried out was the Indian BPO sector and the wider Indian labour market. In addition, economic fluctuations (the recession in Phase 2) and the global and local market competition faced by the three case-study organisations provided a further unique context. Thus for example, at Alpha, the implementation and spread of the EVA system during the recession led to a compulsory loss of jobs as it was seen to be competitive in nature. It also had implications on longer-term career aspirations of
associates and this was reflected in employee exits. Also at Beta, the strict costs control and stringent performance parameters hampered staff satisfaction. A similar situation was seen at Gamma with the withdrawal of all training facilities. Thus, events and conditions influenced by the external environment can impact negatively on the deployment of an organisation’s HR. Similar external conditions were prevalent during Truss’s (2001) study on HP, and Hutchinson et al.’s (2000) longitudinal qualitative study on HPWS in a UK call centre. Theoretically, this could be linked to the resourced based view (RBV), which stands on the premise that possessing unique, inimitable resources (HR) and the effective deployment of these resources are paramount to success in achieving competitive advantage (e.g., Barney, 1995). However, the results here prove that the influence of the four identified external influences can hinder this RBV assertion. Further, the RBV suggests that ‘synergy’ or ‘fit’ within the HRM system, in this case the HPWS, is bound to have a beneficial effect and lead to higher performance. However, as was evident in the detailed meta-analysis (charts depicting the prevalence and non-prevalence of HPWS/Sophisticated HRM) the number of [X] signs in the boxes did not adversely impact the three organisations financial success overall.

7.1.5 The Role of HRM in HPWS
The role of HR has mostly been underplayed within the research on HPWS, as has been the role of HR professionals in implementing and carrying the HPWS agenda (Truss & Gill, 2009) forward within organisations [the exception being a recent study by Glover and Butler (2012), on HPWS and the working lives of HR professionals]. However, as depicted in the conceptual framework of the thesis, this study examines the role of HR in strategising, implementing and reflecting on the rollout and effects of HPWS within the three case-study organisations. A whole section, the sixth a priori theme within the analysis chapter, examined the five other a priori themes against the emerging evidence. A deliberate research strategy was to include the HR managers and research questions were designed specifically towards soliciting answers in relation to the specific role of HR in context of HPWS, at various strategic and operational levels. Apart from the focus on employee development, there were no areas of HR practice (or lack of HR practice) that were surprising. However taken as a whole, results from this research suggest that there
has been an increase in the status and role of HR over time (see studies by Budhwar et al., 2006; Budhwar, Woldu & Ogbonna, 2008; Budhwar et al., 2009). A similar longitudinal case study, Rocha (2010) on HPWS in Brazil (albeit a single case study over an eight year period), showed a departure from the traditional HR policies in a Brazilian context. Boxall and Steeneveld’s (1999) study, which was the first industry-based longitudinal investigation into HR strategy and firm performance (HPWS) in a New Zealand context, too, stressed, first, the need to analyse which HR problems need to be treated as strategic, and second, the need for HR to take on the leadership role, when it comes to HPWS. Thus, as seen above, a longitudinal design, such as this research design, makes it possible to track the role of HR over time.

7.1.6 Influences on the HRM Practices and HPWS

This study also provided an opportunity to examine how, over time, the processes associated with organisational change (HPWS) are resolved (e.g. Rocha, 2010). This investigation takes place as organisations move from one set of institutionalised practices to another in response to environmental and contextual change. This process also leads to institutionalising certain HRM practices over time. This evidence of ‘transformation’ and ‘change’ over time would not be possible without the longitudinal research design. Thus, in the context of HPWS, it was possible to chart and map the ebb and flow of the change process and this indicates three major influences on the HRM practices and HPWS, over time at the three case-study organisations. These are discussed below.

7.1.6.1 HR Lifecycle Influence

The first is the HR lifecycle influence. The data for Alpha suggests that within the lifecycle model it moved directly from 'international' to 'global' in contrast to the normal stages of transition (domestic, international, multinational and global) as prescribed by Adler and Ghadar (1990). Alpha followed the path of development from being polycentric in Phase 1, regiocentric in Phase 2 and geocentric in Phase 3 (Heenan & Perlmutter, 1979). Beta and Gamma, like most other HRO/BPO organisations operating in India, started at the international level but by Phase 3 of the research both organisations were moving towards being a Micro-Multi-National (m-MNC). Others have argued that ‘contingencies’ such as differences in technology
(Woodward, 1965) or the stability of the environment in which firm operate
(Lawrence & Lorsch, 1967) are important and that working practices could be
affected by these, as was seen in this research during the three phases of pre-
recession growth, recession and post-recession growth.

7.1.6.2 Organisational Design and Restructuring
The second influence is the organisational design and restructuring, over the five
year research period. The three phases of this research saw Alpha evolve from the
traditional ‘hierarchical’ approach structure (that of an ‘entrepreneurship’ structure)
to that of the ‘network heterarchy’ approach structure (that of an ‘intrapreneurship’
structure). Beta, in comparison, operated more under the ‘polycentric approach’,
with Mumbai being regarded as its regional HQ, by Phase 3. In the case of Gamma,
however, it could be argued that its model of centres of excellences (CoEs) dictated
that it operated under the ‘network- heterarchy’ approach, for example, its Bangalore
operations being responsible for its own individual strategies.

7.1.6.3 Institutionalising HRM
In the context of institutionalising HRM, evidence from the study suggests no
‘coercive isomorphism’ (DiMaggio & Powell, 1983) as there was minimal
interference by the Indian government. The ‘mimetic isomorphism’ (DiMaggio &
Powell, 1983) related closely to Alpha’s best practices approach, which Beta and
Gamma looked to copy and emulate, over time became the norm of the Indian
HRO/BPO industry (e.g. EVA, academic links, performance parameters, etc.)
therefore Beta and Gamma followed most closely the ‘normative isomorphism’
approach, by adapting Alpha’s best practices. In terms of differentiation and
integration (global versus local), findings were mixed for the three organisations and
though HR strategies, policies and practices were ‘localised’, ‘indigenous’ and
‘paternalistic’ (Cappelli et al. 2010) they were also seen as part of high performance
work practices (HPWP) (Osterman, 2000). Interestingly the Indian MNC (Alpha)
was seen moving towards more Westernised practices such as HPWP whilst the UK-
owned Beta and US-owned Gamma were moving towards local indigenous and
‘Indianised’ practices. Hence all three were exploring best practices but ended up
going with ‘best fit’ over time (Purcell, 2006). Comparing global-local HRM
practices within the six locations in India, a range of influencing factors such as service offering, geography, types of employees, client dealing, etc influenced the ways that HRM was institutionalised.

7.1.7 The Longitudinal Link- evolutionary RBV (e-RBV)

The data from this research illuminate a range of issues relevant to evolutionary RBV, human capital (HC) theory and the RBV. Human capital theory focuses on the people working in the organisation who possess the relevant knowledge, skills and abilities (KSAs). These, it is argued, are of economic value to the firm, and thus, in the context of this study, the three case-study organisations would be motivated to invest in these KSAs as HPWS strategies were enacted. From an economic point of view, and from the TCE theory context, these organisations would expect a return on their investment (ROI) in human capital, where people are their assets. Evidence from this research suggests considerable ‘investments’ made in the three case-study organisations in the development of human capital over time. The RBV of the firm approach focuses attention on a firm’s HRM systems and processes as a resource, as the basis of competitive advantage provided they are non-substitutable, inimitable, rare, and valuable. Over the period of this research the three case-study organisations built up HRM systems and processes that were difficult to substitute; were inimitable, to an extent; were unique and rare, also to an extent; and were valuable to all of them. Mueller’s (1996) e-RBV approach highlights the role of both individual employees (as units of human capital) and the HRM system provided that effective resource mobility barriers exist, so that skills and competencies are held and developed within the organisational system. This argument seems to fit with the findings from this study and the data indicated six areas that support an e-RBV interpretation. These are tacit knowledge, the knowledge based view, resource dependency, core competencies and core related specificity, casual ambiguity, and social complexity. Each of these areas, as depicted in Figure 7.1, is discussed below.
7.1.7.1 Tacit Knowledge
Findings from this study suggest that each of the three case-study organisations, in its own unique way, operated through a complex network of organisational routines based on tacit knowledge. Though these routines seemed to be simple sequences, over time they had the ability to support complex patterns of interactions between individuals, even in the absence of rules, directives or significant verbal communication. Most of it was emergent, instead of deliberate, especially in the case of Beta and Gamma. In many ways, tacit knowledge was a source of competitive advantage for these organisations since it was valuable, not readily available in the market, difficult to imitate and not readily substitutable. This is what made attrition rates such a challenge for each of the organisations.

7.1.7.2 Knowledge Based View (KBV)
In terms of the knowledge based view (KBV) of the firm, the evidence of this study is that Alpha evolved and moved from a 'capability recognising' strategy [meaning, MNC organisations possess unique home country specific knowledge-based resources] in Phase 1 to a 'capability driven' strategy [meaning, the organisation builds, protects and exploits mutual HQ and subsidiary capabilities] in Phase 3
(Tallman & Fladmoe-Lindquist, 2002). Opposite arguments could be made for Beta and Gamma as their operations in India were always controlling the ‘agenda’ and hence following a ‘capability-driven’ strategy. Whilst the organisations offering transactional services adopted HR practices in line with the call centre and BPO sector, development towards service provision that embraced ‘transformational’ services more in line with the KBV approach such as ‘Knowledge Process Outsourcing’ (KPO) led to the development of a different ‘internal’ approach to HR (Raman et al, 2007). In addition, the use of networking and socialising to the mutual benefit of the organisations increased over the period of the research supporting relational and social capital (Buckley & Ghauri, 2004; Sparrow & Braun, 2006). As a result knowledge was acquired by employees during international assignments and was then diffused across the respective organisations.

7.1.7.3 Resource Dependency
In terms of resource dependency, the study provides evidence that once an organisation (for example, Alpha) has greater control over various resources it has less dependence on other constituents, entities and affiliates (Brewster et al, 2008). Thus Alpha was in a position to control organisational decision-making and its strategy evolved over the five year period in terms of ‘resource dependency’. During Phase 1 (the pre-recession period of growth) they expanded and hence moved jobs abroad. In the second phase (the recession period) they relocated their jobs to India where the bulk of their talent or resources lay. In Phase 3 they continued with the strategy of retaining jobs/work in India but also expanded and recruited local talent abroad. Thus Alpha was now looking for the best and most talented people globally. Beta and Gamma, in contrast, were owned and headquarteried in the UK and US respectively. However in terms of finance and, to an extent, management expertise they had to depend on their headquarters in the UK and US. In terms of technological expertise, workforce and cost-wise, both organisations were dependent on their subsidiary operations in India, i.e. the locations studied in this research.

7.1.7.4 Core Competencies and Core Related Specificity
It can be argued that the three organisations are in a unique position within the Indian HRO/BPO industry and the wider Indian economy and organisational set-up
and hence they possess HR core competencies (Hamel & Prahalad, 1994) that are unique and not easily replicable. This could be argued for the industry as a whole. Also, from a RBV (Barney, 1991) perspective the theoretical concept of ‘path-dependency’ (Collins & Montgomery, 1997) is characterised here by resources “that are developed over time such that learning and experience provide a cumulative “first mover” advantage” (Becker & Huselid, 1998:57). Thus, evidence from the three case studies suggests that people within the Indian HRO/BPO industry are encouraged to possess attributes and skills that are inimitable and unique and an attempt was seen to be made to develop these over time.

Another linkage in the above context can be made in relation to core-related specificity (Hamel & Prahalad, 1994; Becker & Huselid, 1998). The role of HR has changed over the three research phases (as was evident in the analysis section, in the previous chapter). In the context of change, Johnston and Carrico (1988) speak of strategic orientation with respect to the IT function in organisations. They give three different roles IT could play in an organisation - traditional, evolving and integral. This argument could be extended to the HR function and its activities in the three case-study organisations of this study. Findings from this study suggest links to such a strategic orientation. The first phase witnessed HR playing a ‘traditional’ non-strategic role within the three organisations as it was principally seen to be a support function. It supported operations, facilitated decision-making and was responsible for administration and transactional HR activities. In Phase 2, HR played an ‘evolving’ role, actively supporting each organisation’s strategy, but was not yet an integral part of the strategy formulation process. In the ‘integral’ role, which the three organisations moved into, albeit to varying degrees, HR was used proactively as a strategic weapon to gain competitive advantage by improving productivity, enabling new ways of managing and organising resources, creating new products and services and ultimately establishing new standards of performance in the industry (Johnston & Carrico, 1988). HR and executive management were seen to have worked together to make HR an integral part of corporate strategy and to have used HR as a tool for changing competitive patterns in the industry.

The second argument within the RBV gambit, that of ‘causal-ambiguity’ which is not easy to see in practice, but easily understood in concept, also rings true here.
The concept of being part of the wider Indian HRO/BPO industry, having several complex structures and cultures, and requiring subtle and numerous inter-relationships is applicable in this study. This is explained in detail below.

### 7.1.7.5 Causal Ambiguity

In terms of causal ambiguity, inimitability is an essential element of the resource-based theory and central to understanding the sustainability of competitive advantage. Tacitness, a source of competitive advantage also breeds causal ambiguity. In the context of this research, the example that may be quoted in this context is that of the ‘skilled’ and ‘knowledge’ work undertaken by employees at the three organisations. The tacit knowledge residing in these employees may enable them to excel in their job but they may be unable to codify the decision rules and protocols that underlie their performance. In fact they may not even be aware why they undertake certain actions or of their ensuing consequences. This causal relationship between actions and results remains unclear not only to people within the organisation, but also to rival firms. It is thus argued that in such a case, tacit knowledge is said to have generated causal ambiguity which works as a very effective barrier to imitation. A second form of causal ambiguity is generated by specificity. This means that in the process of getting into a transaction and maintaining it, the parties to a transaction would have incurred transaction-specific investments (as discussed in previous sections) which are difficult to supplant. Because of these specific relationships, these skill and resource deployments can remain ambiguous to competitors and remain inimitable. Thus specificity generates causal ambiguity. A third form of causal ambiguity may emanate from complexity. Ambiguity arising from complexity takes place when a large web of interdependent skills and assets operate within an organisation. Social complexity as a source of ambiguity and consequently a source of competitive advantage, is a common theme running throughout the RBV literature. Evidence in the form of ‘team-work’ being undertaken within the three organisations could also be said to be relevant here. In this case, it is exceedingly difficult to identify the specific source(s) of competitive advantage and hence is ‘causally ambiguous’, as is suggested happens in the three organisations.
7.1.7.6 Social Complexity

Another area of linkage is that of social complexity (Mueller, 1996). Evidence in the form of interviews and focus group data suggests that ‘work’ and ‘activities’ in the three organisations were ‘socially complex’ and hence inimitable and lent a competitive advantage to the respective organisations. As discussed in the literature review, four linkages may now be made here, post data analysis.

First, in terms of organisational history, longitudinal evidence over the five year research period for the three organisations witnessed building and developing (its existing culture in the case of Alpha and new culture in the cases of Beta and Gamma) of unique cultures, through unique historical conditions. Hence, by its very nature, the history of an organisation is path dependent and socially complex. In summary, it was not possible for competitors of the three organisations to go out and imitate their ‘uniqueness’ instantaneously (Collis & Montgomery, 1998). This makes organisational history highly inimitable. Second, organisational culture was also seen to be a source of social complexity. Within the three case-study organisations, organisational culture was seen to result in valuable leadership talents and time that would otherwise be expended in coordinating work and controlling employee effort to achieve desired organisational outcomes (e.g., Schein, 1985). Moreover, organisational culture developed over a period of time and was socially complex, and hence costly to imitate. Third, formal and informal relationships were also seen to be a source of social complexity. All three case-study organisations had linkages to and networked with academic institutes, alumni networks, governmental agencies, training institutions, professional bodies, their competitors, clients in multiple countries, workers and colleagues in multiple countries etc. This gave rise to a high degree of social complexity, which constituted a competitive advantage for the three case-study organisations. Fourth, transaction-specific relationships, too, were seen to be a source of social complexity. Associates at Alpha and Gamma and researchers at Beta who spent two or more years in continuous service at these organisations were exposed to clients and their complex project work over a long period. Moreover, as discussed above, transaction-specific relationships with other groups also led to social complexity. Hence, it is argued that human resources and social complexity are intrinsically linked because social complexity, by definition, must result from
human interactions. It is also argued that the three organisations encouraged retention to intensify such apparent ‘transaction-specific’ relationships.

The following mind-map (Figure 7.2 below) is developed to depict in pictorial terms, the social complexity within which HR in the Indian BPO industry are situated and operate. In conclusion, competitive advantages stemming from organisational history, culture, relationships or transaction-specific human capital might be imitable if one were able to identify and replicate the exact historical occurrences and the interactions, programmes and personalities within the firm.

An Mind-Map Model* depicting Social Complexity in the Indian BPO Industry

*Adapted from analysis of information data from the three research case study organisations (Source of original structure- Alpha)

Figure 7.2 Mind-Map Model depicting social complexity in the Indian BPO Industry

7.2 Summary
This chapter set out to discuss the first research question i.e. what bundles of HR practices constitute HPWS and to what extent these vary over time. Thus, it can be
argued here that though the five first level *a priori* practices (as themes) were prevalent, thus confirming the ‘universalist’ perspective, there were also ‘contingency’ influences as discussed in previous sections of this chapter. Thus as Youndt, Snell, Jr and Lepak (1996:837) put it:

‘…the universal approach helps researchers document the benefits of HR across all contexts, ceteris paribus, and the contingency perspective helps us look more deeply into organisational phenomena to derive more situationally specific theories and prescriptions for management practice. Although support for one perspective over another is ultimately an empirical issue, the two perspectives are not necessarily mutually exclusive’.

Analytical evidence suggested that Alpha, and to an extent Gamma, started with best practices in Phase 1, moved to best fit in Phase 3, and in the transition period were in a state of using ‘best-of-both’ (partly localised best fit practices and partly Western and Indian best practices). Alpha, over time, saw its own best fit practices become industry best practice by Phase 3, with Gamma and Beta following these. Beta on the other hand, started with best-fit in Phase 1, moved to best practices in Phase 3 and in the transition period was utilising best-of both. Thus there was ‘complementation’ and overlapping of the best fit and best practices paradigms in the form of best-of-both within the five year research period within the three case-study organisations. Thus in relation to the first research question, findings from the three case-study organisations suggested that best-practices/best-fit HRM practices, in the form of the *a priori* themes, amalgamated and adopted over time by reworking and adding to the conventional best practices approach. This is depicted in the following model developed below (Figure 7.3):
Hence, over time, appropriately aligned HPWS were seen to be embedded in the strategies implemented throughout the three case-study organisations (Lengnick-Hall & Lengnick-Hall, 1988). Furthermore, this study proposes a longitudinal qualitative approach that suggests the role of fluctuating bundles of HR practices over time in sustaining high performance, thus making a good case against the various survey-based snapshot quantitative approaches. Additionally, there was strong evidence to suggest that the six identified areas of tacit knowledge, the knowledge based view, resource dependency, core competencies and core related specificity, casual ambiguity, and social complexity, in combination provide the basis for an evolutionary resource-based explanation of competitiveness, thus contributing to a sort of ‘entanglement’, over time.

In conclusion, the following model (Figure 7.4 below) is then developed to portray several theoretical connections to the emergent themes of this study.
As is evident from the depiction in the above model, two overarching HPWS supporting strategies are evident from the analysis i.e. ‘attrition-centric’ and ‘employer branding’ strategies. These form the two other discussion chapters, starting with attrition centric HRM, below.
Chapter 8 Discussion 2: Country Specific Influences on HRM Practices in Indian BPOs

8. Introduction
This chapter discusses the second research question i.e. what are the sustainable country-specific HRM features that impact the concept of HPWS in Indian BPO organisations? In so doing, it discusses two areas. First, why, with the prevalence of so many HPWS elements, were there still high attrition levels? Second, to what extent does a resource-attrition-branding proposition explain why traditional HPWS patterns were not consistently observed, and how did this change over time?

Evidence from the study suggests that in the first phase attrition-centric and employer-branding strategies supported (i.e. underpinned) the HPWS, wherein sophisticated HRM contributing to HPWS was the dominant phenomenon in the inter-relationship. During the second phase attrition-centric and employer-branding strategies developed into being part of a particular transmogrification of fluctuating bundles of different HPWP, adapted as an iterative response to particular specific Indian labour and product market conditions, in this case the Indian BPO/HRO industry (see Delbridge et al.’s, (2011) argument about the impact of wider factors on HRM). However, by the third phase attrition-centric and employer-branding strategies were overarching in their influence in the inter-relationship and its significance was greater than the overall HPWS. Hence, attrition-centric and employer-branding strategies were part of an idiosyncratic form (or adaptation), contextually situated in the Indian HRO/BPO environment of HPWS, in which HR plays a major role.

The structure of this chapter is as follows. It first discusses the two identified country-specific influences i.e. attrition-centric and employer-branding HRM on HPWS, before moving to discuss each concept individually. It utilises Schneider’s (1987) attrition-selection-attrition (ASA) model as a basis to flesh out the two entwined/entangled influences. The chapter concludes by drawing on relevant individual (attrition-centric and employer-branding) concept characteristics through two developed models.
8.1: Attrition and Employer Branding centric HRM

Attrition and retention were the biggest challenges for HR within all three case-study organisations. The extant literature also suggests that these challenges plague growth and sustainability (Thite & Russell, 2010; Budhwar et al, 2007; 2008). Many believe (Thite & Russell, 2010) that this has a potentially destabilising effect on other aspects of HR, including recruitment and selection, training and development, remuneration and the overall productivity and profitability of firms - features that were also evident in this research.

Employee retention in the Indian BPO industry matters because of the costs associated with losing/replacing key employees: training time, investment, cost of turnover, interruption of customer service, goodwill of the company, specialised candidate search, employer branding and regaining efficiency. As was evident in this study, HR activities initially fell short of recognising career stages, the need to assist employees with their relevant development needs and designing appropriate growth initiatives; however, the research period, a growing realisation of the need for these could be seen. Positive reinforcement was provided in the later part of the study period, with a focus on issues like diversity in the workforce, quality of work life and rising educational levels coupled with occupational aspirations of the young workforce, etc. This helped the companies create a positive image for both internal and external stakeholders which led to, not only a regular inflow of employees, but better levels of retention of talent. All HR activities were directed towards either maintaining steady attrition rates or lowering growing attrition rates.

The recent literature presents many studies (e.g. Budhwar et al, 2006; Batt et al, 2005a,b; Taylor & Bain, 2006; Mirchandani, 2009; Ramesh, 2004; Batt et al., 2005a; Budhwar et al., 2006a; Taylor & Bain, 2005), some highlighting descriptive accounts and the others focusing on managerial surveys (Thite & Russell, 2010). However, in most studies employee voices have largely been absent with a possible ‘top down’ bias (Thite & Russell, 2010). Employee voices in this study came only from Beta and Gamma. However, a longitudinal study such as this brought out rich insights into the perennial issue of attrition in this evolving, globally significant Indian HRO/BPO industry. In this process several causes and challenges of
managing and mitigating attrition, as well as contingency planning and steps to contain attrition by organisations over time were brought to light.

The second strand of country-specific HRM practices identified in this thesis is employer branding. The growth of the BPO industry in India is a reflection of the growing use of outsourcing across a number of industries and across a range of business activities as firms seek to focus on their core capabilities. It is clear that the purchasing of these services carries a number of risks for client firms, including; possibilities of weak management, hidden costs, loss of innovative capability, and the issues of inexperienced staff, weak management and outdated skills (for a more complete list see Earl, 1996). The data from this study indicate that all three case-study organisations invested in corporate branding strategies (a large part through employer branding strategies) in order to provide reassurance to relevant stakeholders. In the Indian BPO context therefore, employer branding strategies were part of the wider HPWS strategies.

In the BPO context, the origin of the brand may be effectively separated (e.g. established with headquarters in a developed country). In their early stages of international expansion, less established HRO/BPO companies like Beta and Gamma usually rely quite heavily on their country of origin (CoO) in regard to their branding strategies, in order to overcome the then lack of awareness of their individual points of differentiation. This enables them to benefit from the established reputation of CoO (in this case, Brand India). However, the three case-study organisations had headquarters and/or associations with other more developed countries (other than India), but operated in India, and hence heavily linked their brands to this ‘other’ country in order to benefit from its image (UK and US for Beta and Gamma respectively and other regional headquarters in more developed countries for Alpha). Thus when evaluating employer brands they sought to differentiate between those firms both originating from and operating in India, as opposed to those operating in India but associated with a larger corporate body originating from another country, for example, GE, Accenture and IBM. In the case of the latter the links to a more developed country, such as a large British or American firm running HRO/BPO operations from India, could clearly result in very different perceptions.
With regard to the use of Brand India within each organisation’s overall branding strategy, all three acknowledged the fact that India as a brand was a factor in its own individual growth. However, it was clear that in all cases the importance of Brand India to their image reduced through the research period. Towards the start of this period each firm associated itself with the image of India with regard to providing good quality services at a reasonable price, with some emphasis on innovation in their relative services. However, as each firm grew and developed during this period it began to focus on other facets of its image, reducing the relative importance of Brand India. This is highlighted in Figure 8.1 below, which emphasises the reliance of each brand on these common themes towards the beginning of the research, whilst each developed separate positioning towards the end of the research period, as described above.

**Table 8.1**

<table>
<thead>
<tr>
<th>Company Alpha</th>
<th>Company Beta</th>
<th>Company Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian multinational, part of larger group, highly established, Fortune 500 client base, quality and reliable services</td>
<td>UK Headquarters Specialist services in KPO area, highly trained staff in this respect.</td>
<td>US Headquarters Rural BPO, with CSR related perceptions, cost effective, future of outsourcing and opportunity driven.</td>
</tr>
</tbody>
</table>

**Figure 8.1**: Illustration of the Evolution of the HRO/BPO Brands over Time, in Each of the Case Studies

Table 8.1 below identifies a summary of key elements of brand images projected by each case study organisation.
<table>
<thead>
<tr>
<th>Case</th>
<th>Key elements of image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>Over time, communicated itself as being a leader in the industry and highly established. It also benefitted from being part of a larger conglomerate, which was seen to benefit its overall image and provide reassurance for stakeholders. The company also tried to communicate itself as setting standards. However, in the case of this brand it did try to benefit from being recognised as being the largest firm in the sector that originated from India, thus drawing to a small degree on the Indian associations. The company tried to position itself as heading the brand image of India for this type of service.</td>
</tr>
<tr>
<td>Beta</td>
<td>Communicated itself as being a leader in the specialist KPO sector of the industry, with highly trained and well qualified employees. Thus the emphasis was on the provision of a specialist service from well qualified staff. Again this company only drew on its associations with India to a small degree, particularly with its associations to UK, where its headquarters were situated. In the case of this firm therefore these associations provided reassurance to customers, due to being associated with an established country.</td>
</tr>
<tr>
<td>Gamma</td>
<td>Benefited from having its headquarters in the US, where most of its business originated. The company operated as a rural BPO service provider which enabled it to focus on quality, but at a particularly reasonable cost. The company also tried to communicate this as being part of the future of BPO service provision, as this rural model not just lowered costs, but also enabled it to benefit society by providing work in rural areas and building skills in these areas. Thus the firm only used brand India to a degree and largely to highlight the potential corporate responsibility benefits of working with it, and providing jobs and training in rural areas of India.</td>
</tr>
</tbody>
</table>

Table 8:1 Summary of key elements of ‘brand image’ projected by each case study organisation

Brand building was vital and very much part of the overall corporate strategies of all three case-study organisations. Evidence from this study showed that brand building was important for survival in the competitive market they operated in. In regard to Lange et al.’s (2011) research, it was seen that Beta and Gamma’s strategies changed as they developed, effectively moving from largely wanting to raise awareness (being known), towards building their own ‘unique’ identity (being known favourably for something). Evidence also pointed towards variability with regard to the level of strategic development of each firm’s brand. For example, within Alpha strategies were reasonably well developed at the start of the research as the company was relatively well established. Employer branding at Beta, however, showed a clear transition over the five-year period - from personnel administrators to sophisticated and, at times, strategic HRM as described in the previous sections.
Based on the analysis in the previous sections and chapters, the following discussion (drawing on the identified themes in the analysis chapter) ensues, using the headings of attraction, selection and attrition/retention drawn from Schneider’s, 1987 ASA framework.

8.1.1: Attraction

Schneider (1987) suggested that the attraction process in the cycle concerns the fact that people's preferences for particular organisations are based upon an implicit estimate of the congruence of their own personal characteristics and the attributes of potential work organisations. The model also specified that the attributes of interest are personality, attitudes and values. Thus, it could be argued that people find organisations differentially attractive as a function of their implicit judgments of the congruence between those organisations' goals (and structures, processes, and culture as manifestations of those goals) and their own personalities (Schneider, Goldstein & Smith, 1995). This aspect is discussed in the context of this study, drawing on themes from the analysis in Chapter 6.

8.1.1.1: Interest and Personality

Findings suggested that people were differentially attracted to careers in the Indian HRO/BPO industry (in the three case-study organisations) according to their own interests and personality. This was found to be especially true, at least when they joined the Indian HRO/BPO industry. Research data, in the form of interviews and focus-group showed that the attraction in terms of personal interest was due to varied reasons such as exploring the industry, financial independence, a sense of status in dealing with foreign clients, ambition, aspirations, new ideas, contribution to the economy and career advancement. In terms of personality, it was reported through research interviews and focus-group data, that most people at the job interview stage saw themselves as extraverts, outgoing and having a carefree attitude. They were reported to have been interested in ‘innovativeness and the opportunity to learn new skills, etc. The respondent HR managers felt that this was due to the fact that the majority of applicants were (comparatively) young, and modern influences.

Thus evidence points towards people tending to prefer a working environment that identifies with their individual personality and interests. This raises the question;
do HRO/BPO organisations in India use psychometric tests during recruitment to identify personality types that they think will suit their organisations? What personality types are they looking for? And what personality type is attracted to work in the Indian HRO/BPO industry? Overall then, do the above questions feature as part of the HPWS strategies? Evidence from interview and focus-group data from Alpha, Beta and Gamma suggests that all three had some sort of psychometric tests designed and in place within their recruitment and selection strategies. However, Holland’s (1985) research suggests that both people and occupations have personalities. Similarly, Vroom’s work (1966) revolves around the idea that people choose organisations that they believe will be most instrumental in obtaining their valued outcomes. However, within this research, it was not clear if the psychometric tests used were designed taking into account the three case-study organisations ‘personality’ ‘culture’ and ‘values’ for the ‘fit’ required. However, over time, interview data suggests that the organisations came to realise their value, and made attempts to incorporating these aspects within their attraction strategies. It could be argued then that the initial attraction of employees and potential employees to all three case-study organisations seemed to be the ‘pull’ towards a ‘similarity’ of personalities.

Relevant theories within the literature in terms of ‘fit’ include areas such as careers (Holland, 1985), job choice (Hackman & Oldham, 1980), work adjustment (Lofquist & Dawis, 1969) and organisational climate (Joyce & Slocum, 1984). Most studies in this area have considered aspects of individuals (e.g., values and expectations), their interaction with facets of situations and how such interaction affects the individuals' attitudinal and behavioural responses. These ‘aspects of individuals’ through their ‘values and expectations’ were probably missing within the three case-study organisations strategies and also within the broader Indian HRO/BPO industry. However, Alpha, being the largest and most experienced of the three organisations, had certain strategies to address these issues through its OD initiatives. These evolved over the five-year research period. Therefore here, based on the above discussion, it could be concluded that people are, to an extent, differentially attracted to careers in the three Indian HRO/BPO organisations and the wider industry due to their own interests and personality.
8.1.1.2: Individual-Organisation-Sector/Industry Attractiveness

Attractiveness is two-way: first, Individual-Organisation Attractiveness and second, Sector or Industry-Individual Attractiveness. Findings for Individual-Organisation Attractiveness suggested that people are differentially attracted by the attractiveness portrayed by the three case-study HRO/BPO organisations and also the HRO/BPO sector or industry. Research data further suggested that the HRO/BPO organisations studied projected several attractive features to lure in potential employees. The managers interviewed said this was an industry and sector-wide norm. The image that people had about BPOs doing monotonous and unexciting work at unsocial hours and dealing with rude and demanding clients was strongly refuted by the interviewees and they claimed that every effort was made to make joining these organisations seem to be a ‘fun place’ to work at, with ‘fun people’ and where ideas and innovation, along with reaching targets, would be suitably rewarded. The three organisations portrayed themselves as ‘good and fair employers’.

The theme Sector or Industry-Individual Attractiveness overlaps with the above. Research data from all three case-study organisations also suggested that people are differentially attracted by the attractiveness portrayed by the HRO/BPO organisations, sector or industry. The government, NASSCOM and other industry bodies also strive to portray its attractiveness and this is capitalised upon by HRO/BPO organisations. All three organisations reported using the publicity generated by these external agencies was to their benefit, for example, it helped attract potentially good and best-fit employees.

Further, it was also found that these firms were focusing on certain aspects of their overall branding strategies in order to build their employer branding strategies in this developing industry. It was clear that employer branding was entwined within corporate branding, as is suggested in the literature (e.g. Sullivan, 1999). Employer branding was key within an overall branding strategy, due to the people-intensive nature of the industry and quality services, which require a talented and dedicated workforce as the crux of the quality and efficiency it hopes to deliver to clients and customers. This is in line with the argument that employer branding is key to these firms’ ability to attract people and talent at a national and international level (Younger et al, 2007). Alpha claimed to lead in terms of being an ‘employer of
choice’, having won several national and international industry accolades and awards whilst pursuing a strategy of employer branding. Beta, on the other hand, claimed to be one of the best payers and took on quality ‘researchers’ for ‘top end’ work. Gamma claimed to have turned a negative view of potential talent choosing not to work in rural India into a positive view by portraying an employer brand strategy of rural BPO being ‘opportunistic and futuristic’. In each case the attraction of employees fitted within the firm’s overall branding strategy, and also enabled it to build a positive reputation through the quality of its workforce.

All three organisations also resorted to employer branding strategies during economic fluctuations. Findings from the research showed that during the period that included periods before the 2008 economic downturn, the economic downturn and soon after, the three case-study organisations followed austerity strategies, even though productivity, business and profits did not suffer as much as was expected. Interestingly the firms used this period to their advantage by deploying strategies that would reassure stakeholders. For example, Alpha expanded the EVA model to its reward and performance management to boost stakeholder morale. Furthermore, the firms used this period to their individual advantage and improved on aspects such as training, development and performance and, in the process, their overall services, despite the economic conditions. Beta recruited less and concentrated on business development and strategies of acquiring international organisations that could not cope in the recession. Gamma’s business during this period actually improved due to its price positioning, however, all three organisations were cautious about their costs (for example, Gamma stopping training for staff in non-customer-facing roles). Thus each firm went beyond reassurance and actually used this period to its individual advantage. This showed an overall HPWS focus within the three firms which included employer branding strategies.

Research has indicated that people make job choices based on the perceived attractiveness of organisations. Rynes’s (1991) investigation concluded that, given the limited amount of information applicants have early in the job choice process, initial application decisions are based heavily on general impressions of organisational attractiveness. These general impressions were categorised as "organisational image". Analysis of interview data from this research points towards
employer branding strategies being pursued, which are discussed in greater detail in Chapter 9.

Schneider’s ASA model (1987) identified that the attraction process concerns the fact that people's preferences for particular organisations are based upon an implicit estimate of the congruence of their own personal characteristics and the attributes of potential work organisations (Schneider et al. 1995). This suggests that individuals are attracted by the attributes of the organisation and these attributes play an important role in the job/organisation selection decision. The more visible and stronger the positive attributes of the organisation, the more it might appeal to an individual. In summary, general theory in personality psychology and organisational demography, as well as conceptualisations concerning the world of work, suggest that persons are not randomly assigned to settings but that they themselves actively choose the settings into which they fit (Schneider, Goldstein & Smith, 1995) and organisational attributes or attractiveness is one of the factors influencing this decision. This discussion thus leads to the conclusion that people are, to an extent, differentially attracted by the ‘attractiveness’ portrayed by the three-case study Indian HRO/BPO organisations, sector or industry

8.1.2: Selection

According to Schneider’s ASA model (1987) the formal and informal selection procedures used by organisations in the recruitment and hiring of people are identified taking into account the attributes the organisation desires. This suggests that organisations select people who meet their expectations as such selection results in organisations containing people with distinct personalities, and it is these distinct personalities that are responsible for the unique structures, processes, and cultures that characterise organisations. Thus, the organisational structure, process, and culture are the outcome of the people in an organisation (Schneider, 1987; 1995) and so, understandably, organisations carefully identify and select the ‘right’ people. Inferring from, and linking the model to this study, it also follows that people who fit an organisation are more likely to stay and dissimilar ones will leave, as a result of ‘misfit’ between personality characteristics and organisational characteristics. Themes from the analysis section that pertain to ‘selection’ are now discussed below.
8.1.2.1: Culture and Job Characteristics

It was found that the three case-study HRO/BPO organisations select people who they deem ‘fit’ their respective culture and job characteristics. Of the three HRO/BPO organisations studied, each had its own culture and respective job characteristics shaped by factors such as ownership, service offering, location and client type. However, there was also evidence of other common factors which were seen industry-wide, irrespective of the differentiated cultures observed (e.g. training, performance and welfare). Also, to an extent there seemed to be some divergence here (e.g. training methods and processes). Findings also suggested that the recruitment and selection processes were rushed and ‘fit’ was compromised during selection. This was one of the factors felt to contribute to attrition, although all three firms had various criteria for assessing suitable candidates’ ‘fit’. It was also widely reported (by managers and employees) from the two foreign-owned organisations, Beta and Gamma, that their country of origin (Western) influence, in terms of cultural fit, was prevalent. However the local ‘Indianised’ influence was also prevalent when it came to ‘fit’. Also contributing to attrition is the fact that job characteristics were mainly influenced by the projects and clients’ requirements and were seen to be short rather than long-term. This was also probably one of the reasons contributing to higher attrition rates.

Various studies (Milgrom & Roberts, 1995; Frances & Luis, 1996; Becker & Gerhart, 1996) have suggested that organisations have different selection policies and benefits; the similarity is that they link these policies and benefits to desired behaviours and performance outcomes which assists them in effectively selecting and retaining people who fit their cultures. To begin with, as the fit between the abilities of a person and the demands of a job (i.e., abilities-demands) wherein employees’ knowledge, skills and abilities (KSA) are commensurate with the job requirements (as discussed in the previous section on human capital theory). Secondly, as the fit between the desires of a person and the attributes of a job (needs-supplies) wherein employees’ needs, desires, or preferences are met by the jobs that they perform. There has been some evidence of this, through interview and focus-group data, at Beta and Gamma. Alpha had robust processes in place, but struggled to cope with the sheer numbers of its recruitment (approximately a thousand
selections a day worldwide, i.e. around 30,000 in a year); it is not unreasonable to suggest that this may well have hindered their ability to undertake and utilise these processes.

Over the years, the basic idea of person-environment fit has been the emphasis of various theories of adjustment, well-being and satisfaction (Caplan, 1983; French, Caplan & Harrison, 1974; Harrison, 1978; Locke, 1969; Porter, 1961, 1962). Although researchers have examined the effects of fit on several outcomes, most studies concentrate on positive outcomes for individuals, such as improved satisfaction and reduced intention to quit (Kristof, 1996). However, many theorists have also studied its negative consequences at organisational level (Schneider, 1987; Schneider, Kristof, Goldstein & Smith, 1997; Schneider, Smith & Goldstein, 1994; Walsh, 1987). It may therefore be concluded that the three Indian HRO/BPO organisations select people who they deem fit according to their respective culture and job characteristics. However, due to several reasons this is compromised at times.

8.1.2.2: Expectation, Beliefs and Values

Interview and focus group data also pointed towards reasons why individuals joined the three HRO/BPO case-study organisations. One was because they thought that the organisation’s culture and job characteristics would match their expectations and values. Respondents at all three case-study organisations felt that this was the case for current employees. In this context the organisations portrayed their desired culture through job characteristics at time of recruitment. They also stated that their expectations included, amongst other things, job satisfaction, fair remuneration, fair treatment, equal opportunities for career advancement, autonomy at work and job rotation. In terms of values, employee respondents at Beta and Gamma stated that they expected clients and management to treat them well and that their expectations in terms of fairness were mostly being met.

The relevant literature provides various frameworks emphasising the role of people in defining situations or environment (Cable & Graham, 2000; Highhouse, Zickar, Thorsteinson, Stierwalt & Slaughter, 1999). Inferences from such findings suggest that people, when give the choice, prefer an environment or, in this case,
organisation that they assume matches their own values and expectations. Evidence from interview and focus-group data in this study suggests that initial attraction and subsequent selection, both by the organisation and the employee, is based on such expectations. In fact, most previous studies have demonstrated that applicants' perceptions of job and organisational characteristics such as pay, opportunities for advancement, location, career programmes or organisational structure play an important role in their job/organisation selection decision (Honeycutt & Rosen, 1997; Lievens, Decaesteker, Coetsier & Geimaert, 2001; Tlirban & Keon, 1993).

Additionally, Schneider's (1987) ASA framework suggests that job seekers develop perceptions about their fit with organisations based on objective fit, and then select organisations based on those developed perceptions. Moreover, subjective perceptions of person-organisation fit, as was evident in this research, appear particularly relevant in the context of organisational entry, where there is little time for job-seekers to develop interpersonal relationships with organisational members, diminishing the effects of "objective" values congruence on job choice decisions unless it is perceived explicitly by job seekers (Judge & Cable, 1997). Thus under the heading of 'selection', based on the discussion above, another conclusion might be drawn: that initially, people joined the three Indian HRO/BPO organisations because they deemed the organisations’ culture and job characteristics would match their expectations and values. However, due to the extent of exits and attrition rates seen at these three firms, this is questionable.

8.1.3: Attrition and Retention

In his attraction-selection-attrition model, Schneider (1987) succinctly described this proposition by suggesting that particular kinds of individuals are attracted to particular organisations and that those who do not fit an organisation soon leave. The turnover literature is quite clear about the fact that people who do not fit an organisation will tend to leave it (Schneider & Schneider, 1994). Furthermore, employee retention can also influence organisational effectiveness as more experienced employees have greater knowledge of organisational and customer goals (Schneider & Bowen, 1985). Themes from the analysis section that pertain to attrition and retention are now discussed below:
8.1.3.1: Labour Market and Job Opportunities

An important observation and finding from the research data, was that people leaving/joining HRO/BPO organisations was strongly related to the availability, or lack of, opportunities in the job market. This was seen to be true for all three organisations; they mentioned this external factor to be beyond the ‘organisation’ or ‘individual’. As long as there were ample opportunities in the job market both within the sector/industry and beyond, people were reported to take the option to leave and look for ‘greener pastures’. Respondents also reported that the job market for the HRO/BPO industry was said to be ‘flawed’ as there was no initial education or training for new entrants and the perception of the vast majority doing so was that of a ‘stop-gap’ arrangement where people came to sharpen their skills and moved on to other more ‘older’ sectors.

Literature on turnover highlights that job dissatisfaction leads to employee intent to leave and the act of leaving occurs once they have reached a decision on the desirability and perceived ease of movement (March & Simon, 1958). Mobley’s (1977) model suggested that prior to leaving the organisation individuals experiencing job dissatisfaction explore job alternatives and evaluate these in terms of their expected utility. Evidence from interview and focus-group data analysis from this study (all three organisations) suggests that employees in the three case study organisations probably had several external job opportunities in times of economic upturns (Phases 1 and 3 of this study) and hence attrition levels were higher. However, the second phase was that of a downturn (recession) which witnessed lower rates of attrition, primarily because job opportunities were fewer. Hence the relation between intent to leave and ease of movement discussed above surely existed. Mobley’s model involved eight stages before finalising the intention to quit: evaluating the existing job; experiencing job dissatisfaction; thinking of quitting; evaluating the expected utility of search and cost of quitting; intention to search for alternatives; searching for alternatives; evaluating alternatives; and comparing alternatives with the present job. The last five of these stages effectively represent the component parts of perceived alternative opportunities, which include the alternative of withdrawal from the labour market as well as new job opportunities. This was synonymous in what was found in this research where employees within
the three case study organisations ‘exited’ the HRO/BPO industry altogether. Thus, as summed up by Price (1977) the traditional approach therefore views voluntary separation as a consequence of low job satisfaction combined with alternative labour market opportunities that are subjectively perceived as having higher utility and relative ease of movement to alternative employment.

Furthermore, it was seen in this study that employee perceptions are based on the existence of alternative employment opportunities and these alternatives are expected to offer higher returns, not only in terms of remuneration, but also in relation to other factors affecting job satisfaction, where these are an influence on the intention to quit (e.g. Gerhart 1990; Steel & Griffith 1989). Perceptions of alternative opportunities and ease of movement have been found to vary with an organisation’s financial rewards, as seen in this study and with previous research (e.g. Dreher 1982; Jackofsky 1984; Schwab 1991), again suggesting a complex interaction of factors. Low unemployment rates should be positively associated with labour turnover, since tight labour markets provide more opportunities for alternative employment, but there are intervening variables such as the quality and utility of alternative employment and work/family issues: attrition has been linked to increased work hours and irregular work shifts both within the three case-study organisations and the wider Indian HRO/BPO industry. Since employee perceptions of alternative job opportunities appear to influence the intention to quit, part of a labour retention strategy should therefore be addressed to altering employee perceptions (Winterton, 2004). The above discussion would thus lead us to believe that, people leave or join these three case-study Indian HRO/BPO organisations more often or less according to the opportunities available or unavailable in the job market, over other factors such as work/family issues.

8.1.3.2: Cost, Image and Productivity

In terms of this theme, the three case-study HRO/BPO organisations want to retain people because of cost, image and productivity factors. All three organisations used varied mitigation and contingency plans and steps to avoid and stem the rates of attrition. Various strategies were in place but the problem still existed and they all used ways and means to work around it. It was widely stated that it was now an accepted norm within the Indian HRO/BPO model to have high attrition rates and
this was taken into consideration when rates were discussed and cost benefit analysis took place.

Most previous research on attrition in the Indian HRO/BPO industry has mainly concentrated on the levels and organisational influences and reasons. In terms of the possible consequences on organisations and individuals, surprisingly the literature is silent on the positive aspects with greater emphasis (in fact, the only emphasis) on the negative. More surprising is that this is also missing from the Western literature. Mobley’s (1982:113) early arguments including the positive consequences of employee turnover, alongside the negative, for the three parties namely the organisation, individual leavers and individual stayers, as he calls them (see Table 8.2 below), have been largely ignored. Findings from this study reveal that the three case-study organisations and individual stayers were more upbeat about the positive consequences in comparison to focusing on the negative consequences. This could be attributed to five plausible explanations: quality of recruits, percentage of wastages (attrition), adaptable culture of ‘working around the problem’, alleged flawed nature of industry and ‘temporal’ mindset of the younger generation workers. Each of these is discussed below.

First, the largely inferior quality of potential recruits available in the job market (NASSCOM, 2010), the short timeframe and period available for recruitment (e.g. Alpha’s sheer numbers) and the lack of decent processes and rigour by HR at the selection stage (e.g. Beta and Gamma) means that the organisations would expect wastages. Thus the only way that the less performing and ‘misfits’ could be separated from the performing and ‘fit’ employees is through attrition.

Second, the acceptance of the percentage of wastage (attrition) across the industry, over a period of time and the concentration of efforts to retain overall numbers (short-term), instead of concentrating on retaining the best talent was evident (though evidence from the three case-study organisations seemed to suggest this reversed over the five year period). Thus, there seemed to be at least three levels of employees; one, that could be relied upon and that organisations would not let go; two, employees that were eager to learn and develop; and three, those that would be laid off as soon as better alternative employees came in.
Third, the inherent culture of working around the problem of attrition and finding novel and indigenous ways (e.g. Cappelli et al., 2010) to stem and contain attrition levels; and in the process looking at letting go of unsatisfied and underperforming leavers and retaining loyal and performing employees, was also evident.

Fourth, the ‘flawed’ nature of the industry (see relevant arguments made by Kuruvilla & Ranganathan, 2010): being a fairly new industry in comparison with the older established sectors, together with the lack of quality education, skills, competency development and formal training for the HRO/BPO industry led to a gap in supply and demand. Performing and loyal employees who stayed with an organisation over a period of several years are more in demand and thus organisations could also view attrition in a positive light as removing those employees who did not ‘fit’.

Fifth, a ‘temporal’ mind-set of the young generation ‘Y’ employees, whose idea of work and a job is short-term. However, those that were willing to learn and develop stayed with their chosen organisation and were suitably rewarded in the short to medium term. The three case-study organisations have only recently begun to draw medium to long term career development paths and employees are thus attracted to stay and take advantage of these opportunities.
<table>
<thead>
<tr>
<th>Possible Negative Consequences</th>
<th>Organisation</th>
<th>Individual (Leavers)</th>
<th>Individual (Stayers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Costs (recruiting, hiring, assimilation, training)</td>
<td>1. Loss of seniority and related perquisites</td>
<td>1. Disruption of social and communication patterns</td>
<td></td>
</tr>
<tr>
<td>2. Replacement costs</td>
<td>2. Loss of nonvested benefits</td>
<td>2. Loss of functionally valued co-workers</td>
<td></td>
</tr>
<tr>
<td>3. Out-processing costs</td>
<td>3. Disruption of family and social support systems</td>
<td>3. Decreased satisfaction</td>
<td></td>
</tr>
<tr>
<td>4. Disruption of social and communication structures</td>
<td>4. “Grass is greener” phenomenon and subsequent disillusionment</td>
<td>4. Increased work load during and immediately after search for replacement</td>
<td></td>
</tr>
<tr>
<td>5. Productivity loss (during replacement search and retraining)</td>
<td>5. Inflation related costs (e.g. mortgage costs)</td>
<td>5. Decreased cohesion</td>
<td></td>
</tr>
<tr>
<td>7. Decreased satisfaction among stayers</td>
<td>7. Disruption of spouse’s career path</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Negative PR from leavers</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Possible Positive Consequences</th>
<th>Organisation</th>
<th>Individual (Leavers)</th>
<th>Individual (Stayers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Displacement of poor performers</td>
<td>1. Increased earnings</td>
<td>1. Increased internal mobility opportunity</td>
<td></td>
</tr>
<tr>
<td>2. Infusion of new knowledge/technology via replacements</td>
<td>2. Career advancement</td>
<td>2. Stimulation, cross-fertilisation from new co-workers</td>
<td></td>
</tr>
<tr>
<td>3. Stimulate changes in policy and practice</td>
<td>3. Better ‘person-organisation fit’, thus (for example) less stress, better use of skills, interests</td>
<td>3. Increased satisfaction</td>
<td></td>
</tr>
<tr>
<td>4. Increased internal mobility opportunities</td>
<td>4. Renewed stimulation in new environment</td>
<td>4. Increased cohesion</td>
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<tr>
<td>5. Increased structural flexibility</td>
<td>5. Attainment of nonwork values</td>
<td>5. Increased commitment</td>
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<tr>
<td>6. Increased satisfaction amongst stayers</td>
<td>6. Enhanced self-efficacy perceptions</td>
<td></td>
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<tr>
<td>7. Decrease in other ‘withdrawal’ behaviours</td>
<td>7. Self-development</td>
<td></td>
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<tr>
<td>8. Opportunities for cost reduction, consolidation</td>
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</tbody>
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Table 8.2 Some Possible Positive and Negative Individual and Organisational Consequences of Employee Turnover
(Source: Mobley, 1982:113)

Denotes positive consequences
Denotes negative consequences

Further, it was also found that the three case-study organisations were focusing on certain aspects of building their own identity, reputation and image in the wider HRO/BPO industry. Even though each organisation was different in what it did, how it did it and who it catered to, the three were very aware of the importance of brand identity, image and reputation. Alpha had to maintain a pre-existing brand, being part of a wider Alpha group. In sharp contrast Beta and Gamma, in relative terms, had to start from scratch, thus in both cases their respective brand building initially focused on generating awareness at an international level to develop their client bases. Each also had different growth strategies, which related to the different positioning each adopted as they evolved and grew. All three organisations’ growth overseas meant raising brand awareness from national to international levels. Later on as the three developed, and the industry grew, the organisations were able to...
differentiate themselves in the marketplace and build their own individual niches through utilisation of brand strategies, including employer branding.

Thus, in the context of this study, it can be argued that the three Indian HRO/BPO organisations want people to be retained due to cost, image and productivity factors. However, the three organisations were also aware of the positive outcomes of attrition, as evident from the above discussion.

8.1.3.3: Dissatisfaction, Disillusionment and Disconnection

In terms of exit or attrition, findings from all three case-study organisations suggest that people left them because of dissatisfaction, disillusionment and a sense of disconnection. Data from managers who conducted exit interviews and from focus-groups data further suggested that employees were dissatisfied, disillusioned or disconnected in some way. This was either with the management, organisation as a whole, its culture or the sector or industry. Dissatisfactions, according to the respondents were mainly financial, due to disagreement with the boss (manager or supervisor), excessive demands from clients, monotony of work, working late hours, etc. Disillusionment reasons included unkept promises, realisation that their original perceptions of the firm were ‘faulty’, expectations that were not met and lack of interest. They felt disconnected for reasons such as lack of career advancement, realisation that they did not want to work in that industry, etc.

Additionally, the attrition process refers to the idea that people will leave an organisation they do not fit. Hence in the context of this study, it could be hypothesised that a percentage of people who quit were actually ‘misfits’ in the respective case-study organisation. An element within this study, which is of significant focus, is the concept of person-environment (P-E) fit. The magnitude of the difference in turnover rates between the three different organisational cultures raised important questions regarding the significance of person-organisation (P-O) fit too in determining employee retention. Thus, though they had a similar percentage overall, for Alpha ten percent of a hundred odd thousand would be a massive decrease in numbers as compared to Beta or Gamma whose total numbers were within the hundreds. The retention effects of varying person-organisation fit and individual commitment variables found in previous research, however, have been
much smaller than the differences attributable to varying organisational culture values in this study (see, for example, O'Reilly et al, 1991). Thus it could be argued that people leave the three case-study Indian HRO/BPO organisations because of dissatisfaction, disillusionment and disconnection. Truss’s (2001) work on HPWS at HP was also similar, in that employees at HP experienced dissatisfaction, disillusionment and disconnection, although HPWS were prevalent.

In this context, it can further be argued that reasons contributing to employee turnover in the three case-study organisations can be categorised as pull and push factors. It could be attraction of a new job opportunity which pulls individuals; on other occasions they are pushed due to dissatisfaction in their present jobs to seek alternative employment and, at times, a mixture of both. Concepts external to the employee, the pull theory, have been studied primarily by market-oriented researchers in which work was focused on job alternatives and how such alternatives surface. In the industrial relations literature, for example, the supply and demand of labour has been extensively researched as antecedents to employee turnover. On the other hand, constructs internal to the employee, the push theory, have been studied primarily by psychology-oriented researchers who focused on job-related perceptions and attitudes. In the organisational behaviour literature, for example, several psychology-based theories attempt to explain the links between work-related perceptions, job attitudes, intention to quit and actual turnover. These were explored and discussed in previous sections above.

**8.1.3.4: Internal Marketing**

Findings also suggested that the three case-study HRO/BPO organisations use strategies of internal marketing (IM) aimed at satisfying the needs and wants of employees as its internal customers. In this ever competitive market for supremacy, sustainability and survival the Indian HRO/BPO organisations studied and collectively used varied IM strategies. Evidence from research data from the three organisations studied further pointed towards strategies being used to fulfil the needs (albeit temporary ones) of their employees and treated them as internal customers. There was again report and evidence of a Western influence with a mix of some Indianised influence on IM strategies at the three case-study organisations. This was
witnessed in the recruitment, training, motivating and retaining of employees (e.g. free meals at Gamma).

Evidence from interviews and observational data suggest that IM interventions at the three case-study organisations evolved over time. Tansuhaj, Randall and McCulloch (1988:32) have specifically mentioned employee recruitment, training, motivation, communication and retention efforts as part of the mix for IM. More recently, and in the context of the Indian HRO/BPO industry, Budhwar et al., (2009) looked at insights into the Indian call centre industry through the lenses of internal marketing and examined how and if IM might help tackle high employee turnover. Based on their analyses of interview and survey data, and drawing from various media reports, they propose ten internal marketing interventions that are likely to help reduce high turnover rates in Indian call centres. These are: employee harassment prevention; industry-specific training programmes; career planning; innovative recruitment; elimination of accent training; fun in the workplace; family involvement; employee welfare; cultural sensitivity training; and anti-poaching policies. As was evident from the findings and analysis sections, these were prevalent in some form at the three case-study organisations.

Holistically thus, it was seen that the three case-study organisations endorse IM as a strategy which incorporates a multifaceted focus on employee development within the organisational setting which increases their job satisfaction and organisational commitment. A comprehensive IM programme, as witnessed in the three case-study organisations, consists of various facets of employee recruitment, training, motivation, communication and retention efforts with the objective of improving organisational efficiency and effectiveness. Hence based on the discussion of internal marketing above, it could be concluded that the three Indian HRO/BPO organisations used strategies of internal marketing aimed at satisfying the needs and wants of its employees as its internal customers. This could be seen as a part of the larger employer branding strategy.

Further, findings also suggested a strong link between employer brand and Brand India. Thus, the development of corporate and employer brands of these organisations fitted within the wider context of the development of a Brand India. Respondents at all three case-study organisations agreed that being part of Brand
India played a major part in their development as an international brand, which clearly supports the ‘country of origin’ literature (Almond, 2011). A large part of the organisations’ initial success was achievable due to the brand image India had built overseas in providing cheap but efficient and quality HRO/BPO services. Tharoor (2007) identifies Brand India as originating during the World Economic Forum of 2006 in Davos. Thus, these firms were able to benefit from associating themselves with Brand India in their early stages of development allowing them to improve perceptions among employees, shareholders, customers, suppliers and other stakeholders. Respondents at Beta and Gamma were forthright when they stated that the government, along with industry and its related associations like NASSCOM, worked to build on this brand and image portrayed abroad, and that they were now ready to expand internationally, having initially established themselves in markets abroad. The goal at these two organisations was to maintain, utilise and capitalise on Brand India when expanding to international markets and competition. A sense of socio-nationalism was present within all three organisations. However, the results also show that towards the end of the research period the firms relied less on Brand India, each having its own image development strategy.

Further, all three firms resorted to internationalisation of employer branding strategies. Findings suggested that at all three firms the proportion of expatriate employees grew substantially over the period of research. The firms built on the relevant perceptions of Brand India, using not only aspects such as infrastructure and healthcare, but also their own brand image to portray advantages of working for individual firms. This included some of the previously mentioned aspects of the employer image (in the findings and analysis), such as benefits and family support schemes. Another theme that emerged was that those firms with headquarters outside India (Beta and Gamma) were able to benefit from their links to other countries or their country of origin, as described in prior research in this area (e.g. Lin & Sternquist 1994; Haubl 1996; Thakor & Kohli, 1996). However, in the case of Alpha the company drew heavily on its Indian origins and the fact that it was the largest and earliest established Indian HRO/BPO firm in the sector. Furthermore, with regard to the country in which the service was actually produced (which is linked to ‘country of manufacture' in the context of this industry), in the case of both Beta and
Gamma, it is worth noting that whilst each had outside associations, their links to India in this respect were still a key part of their brand. The primary reason perhaps is the origin of the founder members of both companies and their current and previous networking links within the Indian HRO/BPO industry. In the context of social capital, evidence from Beta and Gamma, the two mMNEs in this study, showed that both organisations tapped into people and HR resources in their co-ethnic country (India) to gain ‘competitive advantage’. China, Ireland and Scotland too are countries with similar cross-border co-ethnic social capital examples (Tung, 2008).

8.1.3.5: Role of HR

Findings also suggested that the role of HR is seen to be crucial in controlling attrition within the three case-study organisations and the wider HRO/BPO industry/sector (see previous sections above). All three organisations’ HR managers were of the opinion that HR had a paramount role to play in controlling attrition, and that at times it was insufficient and ‘beyond’ them. Other HR functions too, were being largely led and influenced by this perennial issue of attrition. Pressures from the board, senior management and clients did not help, especially when recruiting (e.g. the numbers to be recruited in a given time frame), training and motivating (e.g. fast results expected). Here blame was often laid on the ‘flawed’ nature of the industry, the ‘mind-set’ of the people who entered it and the educational system that ignored interpersonal and cultural skills.

As was evident in this study, over the five-year period the role of HR and HRM was seen to be sophisticated and structured within the three case-study organisations. Various authors have argued, and concluded, that a well-structured and rationalised HRM approach can significantly improve employee relations with management and enhance overall organisational competitiveness and performance of the organisation (Budhwar, Luthar & Bhatnagar, 2006). However, they argue that the HR focus should be more strategic and with strict structuring of the tasks, there is a need for flexibility, employee empowerment and creating a healthy and stimulating work culture. It has also been highlighted that many companies use the same HR practices in different geographic markets believing that such practices, and the work climate that these practices partially create, help attract and retain employees,
engender positive attitudes and increase employee performance (Neal, West & Patterson, 2005; Patterson, Warr & West, 2004; Rogg, Schmidt, Shull & Schmitt, 2001). This would mean a choice between best-fit and best-practices. Strong evidence from the previous section shows the three case-study organisations to be pursuing ‘complementary’ best fit and best practice HRM. Hence, it could be concluded that the role of HR is seen to be crucial in controlling attrition within the organisations and the wider Indian HRO/BPO industry/sector, again, as part of the wider HPWS.

8.2: Attrition Centric HRM Conclusions

Revisiting the section in the introductory chapter on ‘HRM in India’, it was seen how the highly internationalised BPO sector in the country has been instrumental in HR innovation, through sophisticated and, to an extent, strategic HRM. Findings from this study also confirmed this, during Phase 1, which could thus at this stage be termed as ‘exploratory and confirmatory’. Findings from this study also concur with the existing literature wherein, in the Indian context, this has led to a preoccupation with labour turnover as a major problem. Recently authors have identified for example, the distinctive nature of Indian HRM and employment relations, which is now subject to increasing scrutiny (e.g. Bhattacherjee & Ackers, 2010; Budhwar & Varma, 2010; Kuruvilla & Ranganathan, 2010). Sparrow & Budhwar (1997) have characterised India as a distinctive ‘cultural island’ in terms of HRM practices compared to international competitors and Cappelli et al. (2010) have recently identified a ‘national business philosophy’. However, though these, and more recently others, (e.g. Varma, Budhwar & DeNisi, 2008; Thite & Russell, 2010; Sengupta & Gupta, 2011; Raghuram, 2011) have reiterated the problems (especially attrition) and identified broad macro-level recommendations (Kuruvilla & Ranganathan, 2010), few have identified what organisations at ‘firm level’ were doing to stem and address this perennial problem in the long term. To do so, a longitudinal study, such as this, is best suited (see very recent prescriptions for this by Luthans & Slocum, 2011:405; Guest, 2011:9). Hence, what emerged from this study over the three phases (five years of research) strongly suggests, through the evidence provided earlier, an ‘Attrition-Centric-HRM Model’ being prevalent in the Indian HRO/BPO industry. Four principal elements of this emergent model are
discussed below. These prevalent and emergent elements could be used as propositions for the future:

First, Attrition-centric HRM is pervasive in the sense that employee retention and turnover overshadow the nature and likely effectiveness of many other human resource interventions pursued in the organisation. The data from this study show that the three firms’ HR practices, processes, interventions, policies and strategies all revolved around resolving the perennial problem of labour turnover or attrition. In this HR set out to minimise and stem attrition levels and at the same time maximise retention of valuable ‘fit’ employees. This may have overshadowed and undermined the effectiveness of other HR practices, processes, interventions, policies and strategies had they been enacted on their own.

Second, in re-emerging markets such as India, the internationalisation of the organisations’ operations provided a powerful tool for attrition-centric HRM to manipulate employee retention through the appropriate concatenation of strategic HR policies such as employees’ career development. Hence, firstly, internationalisation and global expansion enabled HR to import global best-practices in an attempt to contain attrition. Secondly, in this process, the organisations resorted to ‘uniform’ HR strategies to attract a varied and diversified global/international workforce.

Third, attrition-centric HRM is adaptive in its willingness to attempt circumvention of structural constraints to employee retention through, for example, forming alliances with educational providers and deployment of training provision (see, amongst others, Offshoring Times, 2006). The aim here is to meet the industry needs in terms of quality, skills, competencies, knowledge, etc. of potential candidates through alliance and networking with academia. This enables recruitment of the “best” and most talented and best ‘fit’ candidates. It also enabled access to research and development (R&D) initiatives with academic researchers such that ‘direct’ contacts with industry could lead to cutting-edge research with positive research funding outcomes for academia.

Fourth, attrition-centric HRM develops a pro-active approach to structural employee turnover problems, adapting HR systems such as performance and reward
management to influence for example, workforce profiling. The problem of ‘inevitability’ of wastage and lack of employee ‘fit’ was partially solved, given the largely inferior quality of potential recruits available in the job market, and the short time frames for mass recruitment. High turnover would thus be expected under such ‘Fordist’ recruitment conditions as an external constraint. Thus the only way that poor performers and ‘misfits’ could be separated from the performing and ‘fit’ employees is through attrition. A further reason was a refocusing of managerial efforts from trying to limit the numbers of leavers per se to an attempt to identify and to selectively retain the ‘best’ talent.

Whilst it seems highly plausible that the above four propositions are applicable to emerging market MNCs more widely, particularly those that are characterised (e.g. Alpha) by organic international expansion more than growth through acquisition (Beta and Gamma), many emerging market economies are characterised by some common features and contradictions. Potential workforces are large, but public infrastructures are of variable quality in spheres such as vocational training.

Further, emerging markets usually face considerable penetration by overseas-owned multinational competitors with relatively sophisticated HR practices, while domestic firms, as late entrants to multinationality, exhibit a legacy of more traditionally indigenous forms of people management. Such liabilities create a perceived demand on the part of emerging market MNCs to ‘catch up’ with their overseas competitors through using multinationality as a tool to facilitate reverse diffusion of more sophisticated HR techniques. However, doubts remain about the appropriate mix of ‘indigenous’ and ‘alien’ HR practices that might best realise this goal in organisations internationalising from emerging markets.

The broader argument is that the concept of attrition-centric HRM helps to move debates in HRM forward, as called for in Delbridge, Hauptmeier and Sengupta’s (2011) review of HRM research in an attempt to widen the focus of international HRM as a discipline. They argue inter alia for extending research beyond the organisation to encompass contextual factors and for the need to embrace contingent approaches to management. Attrition-centric HRM sits outside of the standard dichotomy between ‘soft’, employee-centric models of HRM and the ‘hard’, organisation/performance-centric alternative (see Table 3.1 in Chapter 3).
Clearly, it could be influenced in the direction of either, as suggested by the research data, but this is highly dependent upon contextual factors external to the firm, amply demonstrated in emerging market contexts such as the three investigated here.

In essence then, as was evident from the observations and discussion above and as depicted in the model that developed below (Figure 8.2), the three main influences on attrition within the Indian HRO/BPO industry were identified through the individual, organisation and the external environment. Research findings presented here suggest various internal and external circumstances, reasons and consequences of mitigation, and contingency plans and steps to contain attrition. These involve local indigenous, innovative and evolving practices; as well as Western “best practices”, thus suggesting no single Westernised or Indianised approach. However, their sustainability and competitive edge was being held together by working around the problem of attrition in an improvised and adaptable way (Cappelli et al., 2010), together with finding solutions to contain it - both short and long term. Hence insightful observations were made, contributing to a model being proposed, that will facilitate greater understanding of attrition and have implications for those interested in this still evolving globally significant industry.
In conclusion, findings from the three case-study organisations strongly suggested that ‘sustainability’ and ‘competitiveness’ were key within the HRM strategies and practices, found longitudinally. Sophisticated, structured and formal HRM practices (e.g. Budhwar & Verma, 2011) were evident (as shown in Figure 8.2 above): HRM bundles of ‘High Performance Work Systems’ (HPWS) are evident in the data. In addition, ‘employer branding’ strategies and practices (that have not been examined in depth in other studies) have also been examined. Having discussed HPWS and attrition-centric HRM, here, the next section discusses employer branding strategies.
8.3: Employer Branding Centric HRM Conclusion

In this thesis, attrition was identified as the major challenge for HR and, as discussed above, an ‘attrition-centric HRM’ model was seen to evolve and emerge. The model also identifies strategic HRM interventions widely used by the three organisations over time, i.e. employer branding strategies as part of wider HPWS. Findings also suggest that a ‘triadic’ relationship between HRM, corporate brand and firm performance was emerging from this thesis, with attrition and retention at the centre of it, as depicted in the model developed below (Figure 8.3).

![Figure 8:3 A Model Developed Depicting the HRM-Corporate Brand-Firm Performance ‘Triad’ in the Context of the Indian HRO/BPO Industry](image)

Each of these relationships is discussed here. First, there was strong evidence from this study to suggest that reputation was the bridge between linking corporate brand and firm performance, as was also evident from Dowling’s (2001) study which provided evidence of a link between reputation and branding. Moreover, previous studies have also provided evidence of the link between reputation, brand and firm performance (e.g. Dowling 2002, 2004; Roberts & Dowling 2002). Second, the link, and evidence from this study, between HRM and firm performance through HPWS has been discussed in earlier sections. This too has been widely acknowledged in
recent literature (e.g. Bohlander & Snell 2007; Boxall & Macky 2009, Boxall & Purcell 2003; Guest, 2011; Huselid & Becker, 2011). Third, there was also evidence of a link between HRM and corporate brand through employer branding, an area which is under-researched (see recent evidence from Martin & Groen-in’t Woud (2011); Martin et al. (2011); and as earlier indicated by Smallwood et al. (2007)).

All three case study organisations explored ways and means to identify differentiation and uniqueness in their attrition centric and branding strategies, over time, to achieve consistency in being valuable (V), the underlying principle of RBV. In doing so, they first pursued attrition-centric and employer branding strategies that were rare (R) through sophisticated, and at times, indigenous and strategic HR practices, interventions, policies and strategies (detailed in earlier sections). Second, work practices and other bundles of HR, implemented and communicated through attrition-centric and employer branding initiatives, were being built to be incapable of easy imitation (I) (as discussed on HPWS). Third, attrition-centric and employer branding strategies at the three organisations included many elements of Pfeffer’s (1998) and Smallwood et al.’s (2007) HPWP and branded talent developers respectively and the role of HR at these organisations were seen to be enabling this, facilitated by sufficient organisational resources and opportunity (O). Thus, there is strong evidence of the VRIO framework being relevant here. However, the VRIO framework at the three organisations was more of an emergent strategy than a deliberate one, evolving over time, thus conforming to Mueller’s (1996) evolutionary resource based view (e RBV).

A further element of the evolutionary RBV was the evidence of a social status at the three organisations that, over time, led to inimitability (I of the VRIO framework). In this context Martin, Golland and Grigg (2011:8) argue for a “distinction between an organisation’s needs (1) to be distinctive from others in terms of specific quality and performance attributes and to manage its reputation for being different from others, and (2) to be socially legitimate by accruing social status in the eyes of others”. The three case-study organisations comply with the above: there was ‘distinctiveness’ in terms of ‘quality’ and ‘performance’ and this was visible and was communicated through attrition-centric and employer branding initiatives; and ‘social legitimacy’ was being achieved through social capital.
This chapter has contributed an examination and identification of ‘attrition-centric’ and ‘employer branding’ strategies within the three Indian HRO/BPO organisations. In terms of employer branding this was done with regard to the key aspects of the ‘identity’ they each portrayed in order to establish their desired ‘image’ and ‘reputation’ with various stakeholder groups (with a particular focus on employee branding). There was further evidence of the ‘role of HRM’ in ‘building branded talent developers’, as depicted in the model above (Figure 9.5). Thus in summary, the above model (Figure 9.5) is developed that brings together the various segments discussed in terms of findings, analytical themes and literature/theory in the context of international employer branding strategies within the three case-study organisations.
Chapter 9 Conclusions

This chapter concludes and reflects on the longitudinal research conducted over the five-year period. The principal aim of this research was to explore what factors influence the way HR practices contribute to HPWS in HRO/BPO organisations in India, and how they change over time. The research questions were:

1. What bundles of HR practices constitute HPWS in the Indian BPO industry and how have these varied over time?
2. What are the sustainable country-specific (Indianised) HRM features that affect high performance in Indian BPO organisations?
3. To what extent, and in what ways, do TCE, Human Capital and RBV theories explain the achievement of sustained high performance in the Indian BPO industry?

In what follows this chapter elaborates on the methodological, theoretical and practical contributions made by this thesis and further discusses responses to the above research questions, the research reflexively, and draws final conclusions.

9.1: Methodological contributions of the thesis

This research contributes a longitudinal, qualitative and cross-case analysis and is the first such study in the Indian HRO/BPO sector. In addition, unlike most HPWS research, this study contributes a development of the ‘inverted’ qualitative approach, prefigured in studies like that of Truss (2001). In addition the case-study organisations and their respective locations represent different elements of Yin’s (2009) typology and so add methodological value. Alpha was selected as a ‘critical case’; Beta a ‘typical case’; and Gamma a ‘unique case’. The choices of the six geographical locations also enable a contribution by offering an examination and comparison of the spatial and sub-national differences in HR practices over time.

The analytical process followed in this thesis represents an attempt to elicit, present and communicate the ‘holistic’ longitudinal data through a combined and innovative method of template, processual and systematic analysis. In doing so, as
part of the template and processual methodology, it began with six broad a priori themes derived from the literature review and conceptual framework, prior to commencement of fieldwork. These developed over the time of the research. It then moved on to identify twenty-one second level a priori subthemes from the data over the first phase of the research. These were then expanded to ninety-three emergent themes, from the data over Phases 2 and 3. These templates were represented through several diagrams, charts, tables in the form of matrices and models used as prescribed by King (2004); Crabtree and Miller (1999); Pettigrew (1997) and Bernard and Ryan (2010). Thereafter, through a filtration and distillation process, a further level of inductive analysis, brought out overlapping clusters, which were put together to form the two discussion areas/chapters. These were supplemented and validated by Bernard and Ryan’s (2010) ‘systematic’ ‘observational techniques’ (things to look for) and ‘manipulative techniques’ (ways to process data). The analysis method utilised in this thesis is unique and thus a methodological contribution.

9.2: Responses to Research Questions 1 and 2

The first two research questions are now discussed in relation to the findings, analysis, results and discussion that ensued in previous chapters.

Research question one concerns bundles of HR practices that constitute HPWS in the Indian BPO industry and how these have varied over time. This finding suggests that there were several influences on the HR and performance strategy of the three case organisations. First, attrition was a major influencing factor. Employment relations and employee involvement issues including expectations, beliefs and values, dissatisfaction, disillusionment and disconnection were all evident at some point and featured as part of the attrition ‘problem’. HR practices developed over time to modernise the organisational attractiveness, culture, positive job characteristics achieved through internal marketing strategies, and image management to minimise cost and maximise productivity were the result of attrition-centric HR. The job and labour market and the sector/industry attractiveness were the context for attrition-centric practices and, over time, all three organisations followed a path of attrition-centric-HRM as part of their wider HPWS strategy. At the same time, the competitive environment, economic fluctuations and a need for
sustainability led the three case-study organisations to focus on corporate brand, identity, image, and reputation-building strategies involving employer branding, again as part of their wider HPWS. Career management strategies, human capital development strategies, relevant management styles, a focus on employees and strategic performance management initiatives all formed constituent outcomes of these pressing concerns. HR practitioners were important players in designing and implementing these HPWS strategies. Both attrition-centric HRM and employer branding strategies also influenced managerial intentions and actions; however, the HRM/HPWS outcomes varied for the employees and the organisation. Thus, over time, the three organisations were striving to accomplish a ‘fit’ between the outcomes for employees and organisation. Thus, in responding to the second research question relating to country-specific HRM features, the data suggest that attrition was the ‘aligning’ factor and employer branding represented a way by which the three organisations tried to differentiate themselves.

The second research question addresses the sustainable country-specific (Indianised) HRM features that affect high performance in Indian BPO organisations. Evidence from this study suggested that all three organisations both adopted and adapted (Budhwar, 2012) several Indianised and Western HR practices, which were part of the wider HPWS. Different features of career management, human capital development, management styles, a focus on employees, and performance management reflected both the Western and Indian traditions. The role of HR within the design and implementation of these practices was also evident. However, the empirical evidence in terms of attrition-centric and employer branding elements such as ‘identity’, ‘image’ and ‘reputation’ generated in this study shows how each firm adopted strategies in order to build unique and positive perceptions with its relevant stakeholder groups, both within India and with client organisations in other parts of the world. ‘Brand India’ alongside the BPO/HRO ‘industry identity’ suggests a sense of socio-nationalism (Cappelli et al., 2010), something which was particularly evident at the beginning of the research period but which was replaced over time and to varying extents, by a ‘global brand’ image.
9.3: Contribution to Academic Knowledge - Research Question 3

This thesis contributes a new perspective to debates about the theoretical basis for offshore outsourcing discussion in terms of the third research question. The data suggest that the three case-study organisations developed sophisticated HRM practices which evolved into bundles of HPWS. However, a distinctive form of HRM comprising attrition-centric-HRM and employer branding strategies was the basis for alignment with wider organisational HPWS strategies. An ‘evolutionary resource-based approach’ ((e) RBV) (Mueller, 1996) offers the most compelling explanation of offshore outsourcing. This research contributes by highlighting new insights about how we should understand the (e) RBV that would lead to an evolutionary approach to the development of strategic HR. First, there was evidence that HPWS occurred longitudinally, as a slow, incremental, evolutionary process. Second, HRM and HPWS were facilitated by the existence of ‘pertinent intent’ by the three case study organisations. Third, it drew on underlying processes of employee skills formation that over time became each of the three case study organisation’s competitive advantage. Fourth, it drew on established patterns of ‘spontaneous cooperation’ within the three case study organisations, something that was also evident as being ‘country specific’ (i.e. attrition and employer branding strategies). And fifth, there was ‘HR interdependency’ with other resources, as was evident through the role of HRM. The six dimensions that supported an evolutionary RBV interpretation were tacit knowledge, the knowledge based view, resource dependency, core competencies and core related specificity, casual ambiguity, and social complexity.

In addition, internal HR practices in the three HRO/BPO firms were developed from a motivation to emulate or adopt what are sometimes regarded as global ‘best practice’ HR. These were in parts complementary and in parts contradictory to ‘indigenous’ localised practices. Thus the case-study organisations achieved a complementary mix of ‘best-fit’ and ‘best-practice’ approaches. Over time, the three case-study organisations, at the six locations, altered their approaches according to their needs and the environment. The use of the ‘longitudinal’ design allowed the tracking of the three organisations’ strategies over time, as against a ‘snap-shot’ study reporting a particular strategy as prevalent at one particular time or phase.
The data generated by this research indicate a combination of high performance (HPWS), commitment (HCM) and involvement (HIM) activities. Additionally, alternative work practices (AWP) in the form of attrition-centric HRM and innovative work practices (IWP) in the form of employer branding strategies were developed. The complementary mix of adapted Indianised and Western ‘best-fit’ and ‘best-practices’ approaches are a striking feature of the data. These were largely influenced by internal and external cultural and institutional contexts.

As this research represents the first HRM study into HPWS in knowledge intensive firms (KIFs) (e.g. Davenport, 2005; Thite, 2004), it makes a further contribution to knowledge adding a unique perspective on HPWS in HRO/BPO organisations in India.

This thesis, therefore, contributes a ‘bridging’ study of HRM, HPWS, HRO and the Indian HRO/BPO industry. The three case-study organisations within the HRO sector were specifically chosen to be examined. This sector is unlike the transactional call centre industry, as these are knowledge intensive firms (KIF), where knowledge workers (KW) are employed, and where there is knowledge management (KM). Additionally, an attempt was made through this study on HPWS, to fill in the identified gaps in the resource-performance linkages within the Indian HRO/BPO industry (Lahiri et al., 2012), in the context of the three BPO/HRM vendors (see gap in research on BPO vendors by Li et al., 2010), and at two CSHQ (see Buhdwar, 2012 on country specific HQ) and within six sub-national geographies of India (see Almond, 2011b).

This research highlights the main drivers for offshore outsourcing (encompassing HR offshoring) as costs, potential for knowledge exchanges, concentration on core competencies (embracing HR), shortages and dependency on resources. However, offshore outsourcing of HR is not a one-directional phenomenon. The development of increasingly sophisticated HRM practices, driven by attrition-centric and employer branding HR strategies resulted in the potential for a reciprocal, dynamic, complex, interconnected and interactive process between vendor and vendee, embedded in intellectual, social, reputational and human capital in a developing cultural and institutional context. HRM practices at the offshored location were influenced by these relationships, processes and contexts, which also
evolved, and changed over time. These influences also determined that within the three case-study organisations, HRM practices and the role of HRM both adopted and adapted global best practices and local, indigenous and innovative best-fit approaches (see also Budhwar, 2012). Over time, complementary strategies of both best practice and best fit representing a crossvergence were evident. However, HPWS were not found to be uniformly positive in all areas and there was conflicting evidence on organisational and individual employee outcomes. Methodologically too, as discussed earlier, because the ‘phenomenon under study is not readily distinguishable from its context’ (Yin, 1993:3), the case-study method was deemed necessary and was a deliberate design for this research. Moreover, the longitudinal comparative case method design proved successful, in the context of this thesis as it provided the researcher with the opportunity to “examine continuous processes in context and to draw in the significance of various interconnected levels of analysis” (Pettigrew, 1990:271). The rigorous analytical framework incorporating processual, template and systematic methods also resulted in rich, reliable and valid evidence. These observations, based on the two discussion chapters and responses to the three research questions, are depicted in the following model (Figure 9.1):
9.4: Contribution to Practice

India is a large country with huge economic implications and impact in today’s globalised world; it is currently the second largest growing economy, but assessment of the nuances of Indian management are scarce, especially when it comes to emerging markets and specifically the Indian BPO/HRO industry. This study thus shows how management practices are carried out, over time, within three successful Indian operating BPO/HRO case-study organisations. It also portrays how predominantly Western theories may or may not wholly be applicable and acceptable in the Indian context. Analysis of three varied HRO case-study organisations alone
cannot provide the empirical basis for generalised conclusions but this research provides an indication of how HR practices develop and change in the HRO sector in India. The research suggests five issues with immediate managerial and practical relevance. First, the nature of offshore arrangements may have unexpected consequences for the distribution of HR capabilities between HRO suppliers and clients. This research shows the direct influence of the nature of the service offering on HR capabilities; clarity about the nature and scope of offshored processes and proactive arrangements to ensure important capabilities are not lost to the initiating organisation are, therefore, required. Second, the research highlights the distinctive qualities and insights underpinning HR practices contributing to HPWS in India, specifically the more holistic approach to engagement and high levels of innovation, adoptability and adaptability. However, the initial, and, at times, continuing focus on the short-term at the expense of longer-term issues such as career development and a focus on employees means that managers in such situations must be prepared to deal with rising levels of attrition, stress and burn-out. Results from this study thus also show how managers in India deal with attrition through the identified managerial strategies of attrition-centric HRM and employer branding. Third, at a strategic level, the research indicates the need for senior decision-makers in BPO/HRO organisations to carefully evaluate the utility of HR practices that are seen to be progressive in the light of their ‘fit’ with life-cycle, geographical and sector specific contexts. Fourth, key aspects of organisational ‘identity’ were portrayed by each of the three case-study organisations, in order to establish their desired ‘image’ and ‘reputation’ with various stakeholder groups, with a particular focus on employee branding. There was further evidence of the ‘role of HRM’ in ‘building branded talent developers’, thus suggesting the importance of branding for managers within the Indian BPO/HRO industry. Also, an interesting external factor from a managerial perspective, and very relevant to the Indian HRO/BPO industry, was that of ‘Brand India’ alongside ‘industry identity’; this was particularly evident towards the beginning of the research period but diminished towards the end, as each built its own image and points of differentiation. The fifth, managerial implication of this study is that labour turnover, although costly and disruptive, in emerging markets has structural qualities that can only be even partially addressed when HR policies more broadly have employee wastage as part of their focus. In many ways, this research
shows an example of good practice through relatively low levels of turnover by industry standards. However, a range of HR policies to confront attrition and turn the turnover that remained to the three firms’ advantage only came about as the result of an arduous process of experimentation, intervention and the exploitation of the potential of international expansion.

9.5: Research Reflexivity

There were three major “positional” influences on the research as a result of the academic, professional and personal identity of the researcher and this section offers an initial reflection on these.

Before coming to the UK, I worked for more than a decade (1992-2003) in the world’s largest commercial organisation, the Indian railways. My managerial experience was in various roles involving employee relations, HRM, intelligence, workforce planning and work study. My last role was to manage the work study department whose main responsibilities were to undertake work-related research studies to minimise costs and increase productivity and efficiency, especially through its employees. Hence, I developed proficiency in traditional work-study methods such as time and motion, observational study, cost accounting, cost benefit analysis, etc. In my role I dealt with employee representatives i.e. the trade unions, dissatisfied employees and managers, etc., and was part of a consortium of freelance management consultants for foreign MNC and SME organisations entering the Indian market. This was also the period when India, as an emerging economy, started on the path of economic liberalisation. By the end of the decade and turn of the century, India was surging ahead economically, but there were several unanswered questions from an organisational studies and management point of view. Thus, this practitioner experience and knowledge of management in a large commercial organisation attracted me to research in the Indian BPO/HRO industry, especially because of the minimal influence of the trade unions in this industry. The influence of large foreign firms on HRM practices in India was a further source of interest. These were the reasons behind my migrating to the UK for higher studies.

Second, I discuss the academic influence. Moving from industry to academia in 2006 entailed a learning curve for me. Engaging with research, knowledge transfer
and teaching has been an invigorating experience. Also, coming from an emerging economy such as India, culturally there were dissimilarities in working, writing and professional styles. I came to the UK in 2003 to pursue an MSc course in international HRM. The topic of my MSc dissertation was to look at the role of employee representatives, such as the trade unions in offshore outsourcing, both in the offshoring and offshored countries and my findings suggested that the role of the trade unions were minimal. I then became interested in the managerial role and especially the role of HRM. My interest in the offshore outsourcing phenomenon thus led me to register for a PhD in 2005-06. At the time, I was also teaching part-time, disseminating my knowledge of offshore outsourcing as well as researching it. This subsequently led to an opportunity to apply for and the offer of a full time tenured position which I accepted. Thus, my PhD initially had to be part-time. Also, my initial research design was to compare HRM practices in offshoring organisations and the offshored organisations, in the UK/US and India respectively. Having completed a year of full time PhD registration (2007-08), I now had the opportunity to turn my research design into a longitudinal design, to uncover and unbundle the complexities of the phenomenon and also to fill the void in this topical research area i.e. HPWS in Indian HRO organisations. Further, having conducted an initial analysis of the case-study research organisations, it became clear that a longitudinal qualitative case study design would be best suited to answer the research aims and questions and that there was a clear research gap in this area. Also, the economic fluctuations, i.e. the era of economic boom followed by the global economic recession and downturn, saw organisations in the UK and US withdrawing access for my research. This situation gave me an opportunity to concentrate solely on Indian HRO organisations with whom I had established professional relationships through previous professional native networks.

Having discussed the influences, in what follows, I now give a reflexive account of the longitudinal qualitative research and analysis I undertook.

In the initial stages of the research I was aware that several subthemes were emerging through the initial template analysis; it was difficult to discuss which were more significant and so I tackled them one by one. Understanding the subthemes required ‘mental saturation’ in the data - the first draft took a long time to complete,
was very descriptive and lacked the coherence it needed. When writing the second and more conceptually substantial draft I made deliberate use of a more coherent theoretical framework. A further iteration of the analysis focused more explicitly on the main themes which my research questions addressed. However, I found that further patterns emerged through cross comparison of cases, locations and time periods and I faced the problem of how to integrate the various findings. Certain themes emerged in the three sets of interviews and focus groups; but some appeared more strongly prevalent in all three phases and a few were peculiar to a single phase. This was also the case within cross-case comparisons.

Despite the difficulties posed by the task of analysing the final mass of data collected over five years, i.e. hand-written notes, recordings and transcripts or validated summaries of interviews and focus groups, the task was not without its methodological advantages. First, because there was so much material, patterns appeared fairly readily and could be internally checked and validated. I had no shortage of corroborative evidence and, in consequence, have often been able to generalise with some confidence about my findings. Other benefits were the wide range of potential illustrative material and the varied nature of the data, albeit a “double edged sword”. At the time of the second and third set of interviews I had no clear idea of what the final outcome might be. Furthermore, although the field-work for the research project had been undertaken out of term time, I was teaching full-time during the intervening months and hence this thesis had to compete with my job and, over some months, the birth of a baby and ill health. I have learned that analysis and writing-up are an integrated process but I am a slow and painstaking writer; most of my work goes through several drafts. I found data collection generally enjoyable, analysis intellectually rewarding, and writing painful. I persist as I feel I have something to say that others will want to read and I take professional pride in the completed artefact.

The extent and quality of the information I collected challenged me to search for, and eventually find, connections and relationships between apparently isolated ideas. In seeking not to drown in the data, I found unexpected linkages and connections. Moreover, over the five year period, the fact that I have worked for so long on the material has enabled my ideas to grow slowly, albeit painfully. Hence, I
have been through the iterative process as these ideas have emerged, separated, recombined, been tested against one another and against those of other people, and have eventually been rejected, refined and reshaped. Over time, I have also learned that one has to allow oneself the time to think, at every stage from data collection to interpretation, as there are no quick fixes within longitudinal qualitative research. The extended duration of the research has also presented a challenge in keeping up with the literature. Literature review drafts from the past became increasingly obsolete and needed constant upgrading and updating and the extended period of iterative analysis in pursuit of different themes meant that my ideas also evolved and matured over time. By the end of the five years, I knew my data intimately, a fact which facilitated the search for patterns, interconnections and insights. This also led to creativity, both methodological and theoretical. If the task had been less complex, I would not have needed to struggle as much and might have been satisfied with premature foreclosure and conclusions, as is often done within ‘snapshot’ research.

Over the five years, there were times when I felt frustrated and overwhelmed by the apparent amorphousness or the complexity of the data. However, it was during these frustrating intervening periods that new ideas could surface. The five year longitudinal design has also given me greater opportunities, compared to a non-longitudinal design, to test my thinking against the perceptions and professional insights of academics and practitioners. This was through attending, presenting, gaining valuable feedback, comparing my own work with other professionals and experts, collaborating and networking at relevant academic and practitioner conferences, etc., both in the UK and India. In particular, I have been able to defend and validate my emerging ideas in discussion with practitioners and researchers. Also as this was a unique ‘qualitative’ research in terms of filling the gaps in HPWS research within an emerging market economy, i.e. India and in an important industry, that of HRO, the longitudinal design has allowed me to cross-fertilise with other ideas from other disciplines such as international businesses strategy and marketing.

9.6: Conclusions

The thesis adds to research into HRM in India generally, and into the HRO/BPO sector specifically (Budhwar & Varma, 2010; Budhwar et al., 2006; Saini & Budhwar, 2008), by focusing on the HRO ‘niche’ making use of case study data,
covering six locations, over a five-year period. Four key features emerge from the analysis relevant to the literature and to management practice in HRO organisations. First, although HRO organisations may develop and articulate formal and structured HR activities (Budhwar et al., 2006; Stumpf et al., 2010), these are mediated by local indigenous traditions, the nature of the service offerings; organisational management styles and aspirations to ‘role model’ systematic and sophisticated HR practices, contributing to unique bundles of HPWS. Second, the research indicates how HRM practices are mediated by the labour and skills intensive, service quality, pragmatic and problem-solving priorities of the sector. However, sustainability and high performance were achieved through a developing focus on sophisticated HRM, contributing to HPWS, encompassing ACHRM and EBS, driven by attrition anxiety, but a necessity that developed over time. Though HR practices initially focused on extrinsic monetary incentives and consequences to influence and regulate employee performance and behaviour, (resonant of HR practices in the Indian call centre sector more generally (Budhwar et al., 2006)), over time these developed to focus on employees and their career development and management. Thus, career development and HR practices focusing on intrinsic motivation that might be associated with HRO service provision that is less transactional (e.g. Ramaswami & Dreher, 2010), were evident. Third, an interesting aspect of this research was the nature of the relationship between the three phenomena i.e. HPWS, ACHRM and EBS, that emerged over time as interrelated or mutually ‘entangled’. Fourth, in terms of the overall HPWS, results obtained from this research were not uniformly positive and there was conflicting evidence on organisational and individual employee outcomes, confirming that the ‘paradoxical’ and ‘inevitable’ features of HRM led to a disconnect between the ‘rhetoric’ of HRM and the ‘reality’ experienced by its employees.

The research also contributes to the debate about the theoretical basis of HRO strategies with implications for strategic level decision-makers, thus enabling an evaluation of the extent to which TCE and RBV approaches to HR practices were evident. HR practices at the three organisations, over time, showed evidence of longer-term developmental activities appropriate to organisations that are developing, or have the potential to develop, synergistic HRO relationships.
contributing to resource complementarities with clients, albeit in the form of an ‘evolutionary resource-based approach’ (Mueller, 1996). Indeed the longitudinal aspects of the analysis indicated a decrease in the transactional and extrinsic basis for HR practices and, over time, an incremental increase on a focus on more strategic and intrinsic HPWS strategies. Three alternative conclusions for this change are possible. First, it may be that there was a lag in the development of appropriate HR practices into bundles of HPWS appropriate for a RBV based approach to HRO, bearing in mind the influence of local indigenous factors and the powerful effect of the wider Indian BPO environment. Second, the sheer complexity of the offshoring process and phenomenon, compounded with the multiple contextually distinctive environments in which the HRO and wider Indian BPO industry operates, leads to ‘shape shifting’ and ‘entanglement’ of problem solving and strategic adoptive and adaptive approaches, making it extremely difficult to identify, map and pinpoint reasons and influences of change. Third, it is possible to conclude that, if the three case-study organisations are in any way typical of the HRO sector, HR practices reflect and reinforce client concerns to achieve cost reduction of HR processes in line with TCE approaches and the RBV features of HRO, which were not initially and persistently enacted through any substantive HPWPs, over time. If the latter two explanations are accepted then the ‘promise’ of long-term partnering between HRO organisations and their clients in order to achieve synergistic strategic advantage, mutual organisational learning and human capital development, knowledge sharing, and resource complementarities may still be forthcoming and evolving.
Bibliography


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Appendix 1

Dear ................,

Initial Research Interview request/consent

My name is Vijay Pereira, a Senior Lecturer in the Human Resource & Marketing Management (HRMM) department at the University of Portsmouth Business School, U.K. (Please see/click link below)
http://www.port.ac.uk/departments/academic/hrmm/staff/title,92672,en.html

I write to seek your participation in my Doctorate research focused on ‘Human Resource Offshoring’ (HRO) in India, using your organisation as a case study. It is hoped that the findings and recommendations would help improve the role HR plays in achieving organisational success as a means of achieving competitive advantage in the global business environment. If desired, a copy of the research findings would be available for your benefit. (Please see/click link below for research outline)
http://www.port.ac.uk/departments/academic/hrmm/research/PhDStudents/studentname,69140,en.html

In order to comply with the research ethics, I would like to seek approval to gain access to your organisation and also provide me with an opportunity to interview you and your willing colleagues. As this is planned to be a longitudinal study, I will write back to seek further permissions.

The interview would be conducted face to face, in the summer and it is envisaged to last for approximately 60 minutes. If agreed, all interviews would be recorded and short notes would also be taken. If there is a question you do not feel comfortable to answer you can decline to respond to it. You have the right to withdraw from participating at any time during the research and any data you have provided will be withdrawn at your request. All information will be treated confidentially and all participants remain anonymous. Sensitive information would also not be published.

Should you require further information regarding the research, please do not hesitate to contact me. I would like to thank you for your kind assistance and anticipated participation in the research. It would be appreciated if you could email me if you consent and thereafter a separate confirmation letter would be sent wherein any queries or concerns would be addressed. Please note that this is only a document to show that you willingly consented to participate in this research. I would also be grateful if you ask and recommend your colleagues who would also agree to participate. I look forward to your cooperation and positive reply.

Vijay Pereira
(Senior Lecturer & Researcher)
Department of HRMM
Portsmouth Business School, UK.
Appendix 2

Dear ................,

Research Interview request/consent (Phase 2)

Thank you for your cooperation in responding positively to my earlier request for participating in my research in phase one.

I write to re-seek your participation in the second phase of my Doctorate research focused on ‘Human Resource Offshoring’ (HRO) in India, using your organisation as a case study. As with the first phase, it is hoped that the findings and recommendations would help improve the role HR plays in achieving organisational success as a means of achieving competitive advantage in the global business environment. If desired, a copy of the research findings would be available for your benefit. (Please see/click link below for research outline) http://www.port.ac.uk/departments/academic/hrmm/research/PhDStudents/studentname,69140,en.html

In order to comply with the research ethics, I would like to re-seek approval for phase two of my research to re-gain access to your organisation and also provide me with an opportunity to interview you and your willing colleagues. The broad gist of the research question for this phase would be:

a) To probe and undertake an in-depth enquiry/study into details of HR practices and seek answers to relevant questions from phase one (exploratory stage)
b) To establish the nature of, and drivers/reasons for, any changes in HR practices over time since the exploratory phase.
c) To investigate the role of your organisation’s HR department in coping with change and evolving challenges.

Confidentiality and anonymity policies as detailed in phase one still stand. Should you require further information regarding the research, please do not hesitate to contact me. I would like to thank you for your kind assistance and anticipated participation in the research. It would be appreciated if you could email me if you consent and thereafter a separate confirmation letter would be sent wherein any queries or concerns would be addressed. Please note that this is only a document to show that you willingly consented to participate in this research. I would also be grateful if you ask and recommend your colleagues who would also agree to participate. As earlier, I look forward to your continued cooperation and positive reply.

Vijay Pereira
(Senior Lecturer & Researcher)
Department of HRMM
Portsmouth Business School, UK.
Appendix 3

Dear .................,

Research Interview request/consent (Phase 3)

Thank you for your cooperation in responding positively to my earlier requests for participating in my research in phase one and two.

I write to re-seek your participation in the second phase of my Doctorate research focused on ‘Human Resource Offshoring’ (HRO) in India, using your organisation as a case study. As with the first phase, it is hoped that the findings and recommendations would help improve the role HR plays in achieving organisational success as a means of achieving competitive advantage in the global business environment. If desired, a copy of the research findings would be available for your benefit. (Please see/click link below for research outline) http://www.port.ac.uk/departments/academic/hrmm/research/PhDStudents/studentname,69140,en.html

In order to comply with the research ethics, I would like to re-seek approval for phase two of my research to re-gain access to your organisation and also provide me with an opportunity to interview you and your willing colleagues. The broad gist of the research question for this phase would be:

   a) To investigate further changes if any in HR practices over time since the second probing phase.
   b) To enquire how your organisation’s HR department coped with further change and challenges and to seek your reflections over the five year research period.
   c) To briefly explore futuristic HR plans and strategies.

Confidentiality and anonymity policies as detailed in phase one and two still stand. Should you require further information regarding the research, please do not hesitate to contact me. I would like to thank you for your kind assistance and anticipated participation in the research. It would be appreciated if you could email me if you consent and thereafter a separate confirmation letter would be sent wherein any queries or concerns would be addressed. Please note that this is only a document to show that you willingly consented to participate in this research. I would also be grateful if you ask and recommend your colleagues who would also agree to participate. As earlier, I look forward to your continued cooperation and positive reply.

Vijay Pereira
(Senior Lecturer & Researcher)
Department of HRMM
Portsmouth Business School, UK
Appendix 4

(UoP Research Ethics Review Checklist)