

Training and Development in Indian ITES Industry

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Abstract: *In this paper the key focus is on the significance of training and development of front line executives in ITES sector, details about ITES industry and the growth of GDP due to emergence of BPO firms in India, the various methods of training such as cross training, retraining are adapted to make the training significant. The role of training and development for the employee in the development of their career in the organization. The importance of agility in ITES sector, the concept of train the trainers which is the key factor with respect to the training. The role of social balance sheet to identify the training cost invested by the organization and the vital role of organization to make the employees to perform their effectively by imparting proper training by designing the training module effectively and the role of employees to get trained in the respective fields to perform the tasks effectively. The role of HRD and the Subject Matter experts (SMEs) in designing the training program, the co-relation of firm's performance as whole and training practices that helps to achieve the strategic strategic results.*

Keywords: *Cross Training, Retraining, Social Balance sheet, Agility, Role of HRD.*

Introduction

The human resource functioning is changing with time and with this change, the relationship between the training function and

other management activities is also changing. Training actually provides the opportunity to raise the profile development activities in the organization. To increase the commitment level of employees and growth in quality movement, senior management team are now increasing the role of training. Such aspects of HRM require careful planning as well as greater emphasis on employee development and long term education. Training is now the important tool of Human Resource Management to control the attrition rate because it helps in motivating employees, achieving their professional and personal goals, increasing the level of job satisfaction, etc. and Training and Development is a subsystem of an organization. It ensures that randomness is reduced and learning or behavioral change takes place in structured format.

ITES refers to Information technology enabled services. BPO or Business process outsourcing is the arm of ITES, which facilitates delivery of services through the use of information technology. ITES services are diverse in nature. It's easier to understand by segregating it as customer interactive services and back office operations for remote customers. The Indian ITES-BPO industry continues to report phenomenal growth. Further, riding on the boom, its contribution to the service sector and eventually to the country's GDP is on the rise. The industry has come a long way, from just offering traditional outsourced data entry work, to providing high end knowledge

Significance of Training and Development in ITES Industry: A Study on a BPO

services to global clients. The rapid growth of the outsourcing segment has been accomplished by broadening and deepening of services across a range of verticals. This range of services can broadly be classified into four categories consisting finance and accounting, customer care, human resource, and a wide range of other vertical-specific and niche services like content development. Training and Development plays a key role in ITES industry, if the training is not significant then it is the huge loss for the company and as well as to the employee as he may not be able to perform the tasks efficiently. Hence the training and development assumes a vital role in the organization.

Theoretical Frame work

Every organization imparts training according to the competence of their employees which helps the employees to grow in their career and also for the organizational growth. In ITES industry communication skills, interpersonal skills, customer handling skills are required and it is also important for the employees to know about the culture of outsourcing customers and the organization to provide significant training to their employees. If the training is not significant, then it will be a huge loss for the organization and it will not help the organization to achieve its objectives. It is important for the organization to recognize the competencies of the employees and design the training program by analyzing the competency gap. Training is different from teaching. Here, unlike in other educational courses in schools or colleges, there is no compulsion to stick with the prescribed syllabus and courseware. Training the trainers is one of the key functions for any BPO. During the early stages of ITES industry evolution in India, the trainers from the host country used to train the employees, which cost the organization a lot. Then training the trainer's concept emerged.

Employees in BPO companies are engaged in marketing, grievance handling, and technical support services over the telephone. Thus, they need to understand the accents they hear

over the phone and also need to be well-trained in communication skills. That is where training comes into the picture. The evolution of training in the BPO industry began with foreign nationals, who came in to train new ranks on accents, soft skills, processes and products, etc...

Training in the BPO industry can be split into two basic elements:

1. Voice and accent training: The objective of the trainer is to improve the speech and diction of the trainees and help them develop a 'global, neutral accent'.
2. Process training: The objective is to familiarise trainees with standard operating procedures and operating applications for the process, be it collections/billing, technical support or sales.

Reasons behind the increasing training need in the BPO industry

Training has become a major tool to retain employees. People working in BPO companies face the problem of night shift, job stress that results in de motivation. Well-designed training program with clear career path increases the job satisfaction among the young professionals and help them in becoming efficient and effective at the work place. Therefore, organizations have to handle such challenges of meeting training needs, although, the sector is taking a lot of initiatives in conducting training for new joinees. Companies align business goals with training costs. But what more important is, is the development of the skills of middle management. Various BPO's have an elaborate training infrastructure that includes Computer-Based Training rooms, and specially trained and qualified in-house trainers. The companies are now busy designing training programs for their employees. These companies try identifying the strengths and weaknesses and are emphasizing more on their personalities, problem solving skills and leadership skills. With constant change in processes, technologies, techniques, methods, etc., there

is a constant need of updation, training and development the BPO employees to consistently deliver customer goals.

Review of Literature

The Indian IT-BPO sector has taken the lead in ensuring that requisite remedial sections are undertaken, to avoid any form of a talent crisis. Training has become a regular and significant component in the induction process at all IT-BPO firms. Several firms have also established dedicated facilities and teams, for employee skill enhancement initiatives, the importance of the cross training to avoid situations of idle time, service quality in ITES outsourcing with respect to the service operations, ITES Triad model as a frame work to enhance quality in the IS/ITES system. The triad comprises the consumer, client and the vendor. The linkages between them were analysed in the context of existing knowledge. A study of the B2C link between the client-consumer is very important in identifying the needs of the consumer (Bhimaraya A. Metri , T. T. Niranjana, 2008). In such a dynamic and interactive transactional work environment, employees are expected to be very agile. Agility is our capacity to be consistently adaptable without having to change. It is the efficiency with which we can respond to nonstop change, Agility is a systems-based capacity, not a singular trait. It takes more than will, or an open mind, to be flexible.

Focus agility: Planning, updating, following up, analysis, debriefing, thinking strategically, goal setting, vision, focus, external and internal brand definition and alignment, committing and recommitting to a course of action based on interest not position.

Resources agility: Analysis, taking initiative, organization alignment, customer mind set, brainstorming, relationship building, negotiations, risk assessment, courage, partnership, collaboration, making adjustments.

Performance agility: Measuring performance, clarifying expectations, engaging others, candor, coaching, process improvement,

removing barriers, accountability, building ownership, dealing with difficult situations. Building agile work practices is an opportunity and challenge and a way we can impact every aspect of the business.

The universities must ensure that IT graduates are trained in industry and communication skills, in addition to technical skills. Jointly universities and companies must focus on providing training that emphasizes experience along with the curriculum. Some skills like project leadership and managing expectations cannot be tested when hiring the employees; those skills will be revealed over a period of time after an employee is in the workplace and also taught in-house with on-the job training as well as in graduate programs that help prepare technical professionals to become leaders. (Jerry Luftman, Rajkumar M. Kempaiah, 2007)

Human resource management practices such as training, participation or incentive compensation significantly contribute to firm performance “social balance sheet” provides detailed information about the workforce like number of people employed and involved in training programs or training costs, The potential effect of employer provided training and education on firm performance or productivity (Patsy Van de Wiele, 2010)

The co-relation of firm’s performance as whole and training practices that helps organization to achieve strategic results. The research is to investigate existing trends and features of managerial team training in Russian companies and designing possibilities of different training approaches from the point of view of the teams’ effectiveness. Training of senior managers should be based on compatible competencies rather than selecting talented individuals, Implementation of new training tools such as Strategic Sessions, Open discussions, focus group, coaching (Marina O. Lataha, 2010)

The training is most effective when designers and SMEs (Subject Matter Experts) perceive themselves as professionals in collaboration in training design process. The ability of HRD

Significance of Training and Development in ITES Industry: A Study on a BPO

professionals to design a training program and to build the collaborative relationship with SMEs and it has great importance to the success of an effective training program. (Yi-Chun Lin and Ronald L. Jacobs,2008)

To increase the Training and Development of employees in Grey Collar work. Organizations are investing heavily in both on and off the job training; employee perceived value of such differs markedly according to age and position. The majority of the training being in the form of induction rather than career development. (Kate Hutchings, Cherrie J. Zhu , Brian K. Cooper , Yiming Zhang and Sijun Shao, 2009)

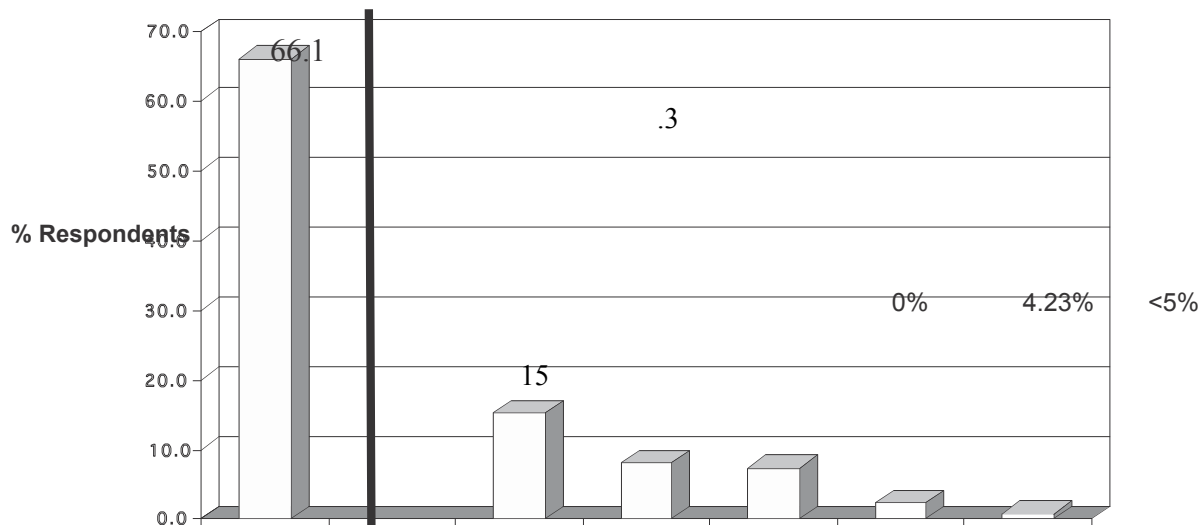
Determining the extent to which the levelling funds have a stimulating effect on the level of training investment firms . Training levels are not higher in sectors with a fund than in sector without a fund. Funds that are financed through a levy on the wage cost of all firms in

a sector and the subsequently subsidize part of the training costs of the firms, lower the managerial costs of training and thereby making training investments more attractive. (Pascal Kamphuis, Arie C. Glebbeek and Harm van Lieshout, 2010)

Discussion

According to the research findings from Global Insight, offshore IT outsourcing created more than 257,000 new jobs in 2005 and is expected to create more than 337,000 new jobs by year 2010. The primary reason companies are outsourcing offshore is to save money, which can be a win-win for IT professionals and organizations. Organizations typically outsource non-core/critical tasks and the cost savings are reinvested in other IT projects which require advanced technical and business skills; thereby the cycle of hiring continues.

Graph-1



8.1

Average

Figure: Percent of IT budget allocated for offshore outsourcing 20

Source: Information systems management, 24:129-138, 2007

The concept of agility and use of agility for the employees working in an ITES sector.

Business agility is the ability of a business to adapt rapidly and cost efficiently in response

Significance of Training and Development in ITES Industry: A Study on a BPO

to changes in the business environment. Business agility can be maintained by maintaining and adapting goods and services to meet customer demands, adjusting to the changes in a business environment and taking advantage of human resources. Agility is a concept that incorporates the ideas of flexibility, balance, adaptability, and coordination under one umbrella. In a business context, agility typically refers to the ability of an organization to rapidly adapt to market and environmental changes in productive and cost-effective ways. The agile enterprise is an extension of this concept, referring to an organization that utilizes key principles of complex adaptive systems and complexity science to achieve success and agility is most important for the employees of BPOs as they have work in the rotating shifts and they should be flexible to work at any given time. The universities should train their graduates who are interested to join in ITES sector and they should be trained on communication skills, negotiation skills. So, due to this the young graduates will acquire major skill which is required for a BPO.

The other concept that is identified is about the cross training, it can be defined as training an employee to do a different part of the organization's work and the use of cross training for the reduction of idle time, which is most important in the organization's perspective, about the social balance sheet, it is the representation of a given enterprise's social and socio-economic development. Modern versions attempt to cover not only the point of view of owners and shareholders but also that of the workers and other interested groups (consumers, suppliers, creditors, public authorities, etc...) and its use in analysing the training costs incurred to the organization, the concept of retraining, it is the proposed preventive measure for meeting the corrective action requirement. The use of retraining for the organization to retain the employees as well the employee to improve the skill and knowledge to perform the tasks assigned to

them effectively and the new training tools which are been used those are strategic sessions, open discussions, focus group, coaching. The other concept is training employees in the form of induction, briefly explaining about the guidelines, policies of the company and the about the process where the employees have to work and explaining about the tasks that they have to perform. Analysing the current ability of HRD professionals in the stages of the training design process and the desired ability of HRD professionals in the stages of training design process. The perception of HRD professionals to interact with SMEs using both written and oral means during the training design process. The training and development practices that are implemented in organization to develop skills of the employees. So, the concept diagram of a BPO organisation is

Conclusion

Significance of training and development is important as the organization invests lot of money in training their employees, training. It is important for the employees to perform the tasks effectively after training. To make the training significant various methods can be adapted by the organization like cross training, retraining as it is an ITES industry the agility must be present in the employees. It is also important for the employees to develop their career in the organization. So, the organization should take precautionary steps to make the training significant to make their employees to perform the tasks assigned efficiently to contribute to organization as well as individual development.

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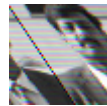
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