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OUTSOURCING AS A STRATEGY – HR CHALLENGES IN GLOBALLY DISTRIBUTED WORK

Summary. Outsourcing of non core activities has been adopted as a strategic tool by global firms which has resulted in globally distributed work. Several macro and micro HR issues have surfaced in organizations engaged in globally distributed work which impact not only the work and organizational productivity but also the people delivering that work. These need to be addressed adequately for the benefit of all the stakeholders. Paucity of empirical work in this emerging field has provided impetus to undertake this research which includes study of motivational factors in these organizations.

Keywords: Outsourcing, HR issues in BPOs/KPOs, Cross cultural issues, Organizational factors and stress

OUTSOURCING JAKO STRATEGIA – WYZWANIA DLA ZASOBÓW LUDZKICH W ŚWIECIE GLOBALNEGO ROZPROSZENIA PRACY

Streszczenie. Outsourcing pobocznej działalności został przyjęty jako strategiczne narzędzie przez globalne firmy, co zaowocowało globalnym rozproszeniem pracy. Kilka makro- i mikroczynników dotyczących zasobów ludzkich wyłoniło się w organizacjach zaangażowanych w globalnie rozproszoną pracę, co wpłynęło nie tylko na wydajność pracy i wydajność organizacyjną, ale również na ludzi świadczących tę pracę. Wymaga ona odpowiedniego ukierunkowania dla dobra wszystkich interesariuszy. Niedostatek prac empirycznych w tym kształtujacym się obszarze stał się przyczyną przeprowadzenia badań, które uwzględniają analizę czynników motywacyjnych w tych organizacjach.

Słowa kluczowe: outsourcing, zasoby ludzkie w BPO (Business Process Outsourcing – outsourcing procesu biznesowego)/KPO (Knowledge Process Outsourcing – outsourcing procesu wiedzy), kwestie międzykulturowe, czynniki organizacyjne a stres

Outsourcing, a management tool is adopted by firms which are either faced with personnel shortage or have increased customer demands or have launched new products or services. In the present globally competitive environment outsourcing has emerged as a feasible option through which in-house operations/business processes are contracted to an outside agency. It is also a method to reduce operational costs and get access to superior technologies or more efficient personnel at reduced cost. Exercising this option a global company provides added value to its customers without taking the focus off its core business. By outsourcing non core activities the companies are able to concentrate on core competencies and thereby increase productivity and enhance job satisfaction of the employees. In case of off shore outsourcing the work is distributed by the company to one or many vendor companies in the same country or in many countries.

During 1970s outsourcing in the US was done to get the payroll processed outside and it extended to billing, accounting services and word processing. Whereas business process outsourcing (BPO) is more about volume and report; knowledge process outsourcing is driven by knowledge, skills and experience. However, during the past couple of years the outsourcing has extended from low end operations to high end knowledge work.

A number of challenges are encountered which have been explained below. If the nature of work is mechanical and the requirements have been spelt out, the challenges are few but if the work requires greater people involvement then a number of challenges are faced by all concerned. India provides platform for outsourcing to many global companies particularly in the IT sector. The IT enabled services (ITES)-BPO segment contributes to 30% of the total ITES exports from India. HCL Technology BPO Services, IBM Daksh, WNS, Wipro BPO, EXLServices, Mphasis BPO (formerly m Source), Intelenet Global, ICICI One source, GTL, Progen, Datamatics Technologies, Hinduja TMT, Transworks, Tracmail are prominent Indian BPO companies based on revenue for the year 2004-05.

The BPO industry in India is expected to touch 37% annual growth rate in the next five years according to National Association of Software and Service Companies.[1] The challenges have been discussed below.

1. Meeting customer Expectation through Call Centres

One of the forms of globally distributed work is telemarketing through highly sophisticated call centers established across countries. Call centres are one of the capital intensive Business Process Outsourcing (BPO), at the same time, are one of the most critical

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[1] NASSCOM : www.outsource2india.com/services/callcenter_services.asp.

marketing and sales elements for an accomplished business. These have dedicated or shared staff who are engaged in customer relationship management, acquisition of new customers, interactive voice response, data collection, lead generation and customer analysis. Offshore telemarketing solutions include lead generation, debt collecting services, product promotion, customer satisfaction, research surveys and polling, appointment scheduling, telephone and web based business development etc..

Global companies that outsource telemarketing to India benefit from significantly lower costs, proven process quality, access to trained, computer literate persons with good communication and presentation skills. The call centres have gained considerable importance for a firm as a marketing and customer retention platform. India is an important destination for telemarketing outsourcing having the largest English speaking population. Off-shore call centres which offer telemarketing services convert the potential clients into customers and the existing customers into long term customers. Media reports that call centre professionals in India are well taken care of, get good salaries, promotions, shift changes and other incentives. The delegation from the US which visited call centres and firms in cities like Chennai, Mumbai, Bangalore and Hyderabad in 2005 remarked, "We are very much impressed by the welfare measures for the workers here".

Though the telemarketing agents are trained professionals who have good communication, sales and presentation skills, the challenge before the manager of call centre is to meet the customers' expectations from across the globe through the staff that have neither visited these countries nor are familiar with the work ethics there.

2. High Attrition/Low Motivation in Knowledge Process Outsourcing (KPO)Centres

The success of business process outsourcing has encouraged firms to outsource their high end knowledge work. It involves highly value added processes which are dependent on advanced knowledge, technical skills and relevant experience. It comprises software solution, E-business integration; IT enabled services, web solutions, customer relationship management, ERP and data warehousing, financial services, biotechnology, technology research, computer aided simulations, engineering design, business research and legal services. KPO has become an industry and India is one of the important destinations apart from Philippines, China and Eastern Europe in offshore outsourcing. "India and China are already the leading destinations for off-shoring" said Daniel Franklin, Editorial Director of the Economist Intelligence Unit.

Since the outsourcing is done from countries which have world class systems and quality and are talent rich; it helps the companies in these countries reduce cost of infrastructure and of hiring employees and focus on optimum use of competitive resources available across the globe. The disadvantage of the outsourcing is that the employees of the outsourcer company may feel insecure. But so far as the outsourcer company is concerned it gets the benefit of flexibility, technological agility and cost and competitive advantage.

Due to high volume, repetitive nature of work, high quality work within time deadlines, working for different time zones, employees at the outsourced company feel overstretched and quit jobs frequently. High attrition, continuous recruitment and development of employees due to high attrition are the major challenges faced by KPOs. There is dearth of published studies on this emerging phenomenon. But if media reports and web postings are to be relied on, it is due to young and ambitious people, joining these jobs to get global market exposure, who do not see career growth in the organization and develop dissatisfaction due to expectation mismatch.

Sharma et.al.[2] attempted to collect data from employees of five KPOs in India regarding hygiene factors and motivators to explore the application of Motivation Hygiene Model in the KPO centres. The sample consisted of 250 employees from junior to middle level of management, 50 each from 4 KPOs. As knowledge employees remain very busy, they were approached online and the response rate ranged from 40 to 84 percent employees from each KPO. The results have been analyzed and summarized in table 1.

Table 1

Hygiene Factors and Motivators in KPOs

Type of company	Dissatisfiers	Satisfiers	Motivators	Expectation of employees
KPO 1	Indiscriminate recruitment Appraisal process Organizational politics	Organisational communication Workplace ambience Salary package Employee stock option plan Work life balance programmes Sports	Reward and recognition Mentoring Training Counseling Healthy competition among co-workers Brand of the company Flexi-timings to plan work	- More employee engagement - Better mentoring - Onsite opportunities - Better reward & recognition - More attention to junior employees

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[2] Sharma R.R., Purohit, Bajwa, Saxena, Shankar R., Sharma, Pathak et.al.: Application of OB in IT Industry. Management Development Institute, 2006.

KPO2	Long working hours Monotony Frequent changes in role description Pressure on constant learning Sedentary lifestyle Unavailable supplies Non-functioning equipment	Workforce diversity Equal opportunity Open door policy Strong Culture Ethics	On the job learning Enriched training	Appraisal bi-annual instead of annual Project Manager and mentor should be the same person Frequent team events HR to play a dominant role
KPO 3	Volume of work	Company Policy Job security Work culture GrievanceRedressal System	- Family focused prgms. - Personal development programs. - Opportunities for competency development	Ethics counselor Professional advancement
KPO 4	Less opportunities for learning Repetitive nature of work	Good salary and perks Mediclaim, gratuity retirement and other employee benefits Informal work culture High satisfaction Work-life balance Recreational activities/forums	- Self development policy (upgrading qualifi-cation) - Mentoring by technical experts - Counseling - CSR work	Challenging work Opportunities for learning & growth
KPO 5	Long working hours High stress levels Structure of team Late night working Lack of coordination with the country of outsourcing Working over weekends	Salary & perks Flexible benefit plan Flexi-timings Recreation activities Clubs & Sports	- Quarterly performance bonus - Involvement in team formation Goal oriented efforts - Mentoring - Recognition and rewards - Product development training - Career counseling	- Challenging work - Even distribution of work - Discourage working over weekends - Restructuring of indigenous management

A perusal of table 1 yields that employees in KPOs were satisfied with salary, perks, work culture, interpersonal relations which are hygiene factors. The dis-satisfiers were also environment centred eg. long working hours, high volume of work, company policies of recruitment etc. which too are hygiene factors. On the other hand the motivators are work-centred eg. recognition and reward, enriched training, mentoring, opportunities for professional development etc. It is interesting to note that each KPO differed with regard to dis-satisfiers. In KPO1 employees were dissatisfied due to organizational politics, recruitment and appraisal processes; whereas in KPO 2 the reasons for dissatisfaction included long working hours, monotony, pressure on constant learning and sedentary life style. In KPO 4 the dis-satisfiers are lack of learning opportunities and repetitive work; whereas KPO 5 employees are dissatisfied with lack of coordination with the country of outsourcing, late night working and working over weekends.

Similarly the 5 KPOs also differed with regard to satisfiers involving equal opportunity, open door policy, ambience, salary package, stock option package, job security, work culture, flexi-timings, flexible benefit plans and the like. It is interesting to note that all the KPOs provide a lot of motivators like learning opportunities, enriched training, counseling and mentoring, self development and family focused programs. Thus the Motivation Hygiene model finds validation with regard to hygiene and motivation needs of the KPO employees by the results of this study. Despite satisfaction of most of the hygiene and motivation needs and incentives being provided, employees still have unmet expectations and attrition rate is around 18-19 per cent in some KPOs which is above the industry average.

3. Cross Cultural Issues

In the globally distributed work environment understanding cross cultural perspective is of prime importance. Countries differ in their culture; even a simple practices of greeting people, addressing them, exchanging business cards and communication patterns. Hofstede (1980) in his study of culture in forty countries, which was later extended to sixty countries, found significant cultural differences in work related attitudes. The study revealed significant differences in attitudes and behavior of the workforce and managerial staff belonging to different countries and these differences had persisted over a period of time.

Organizational culture is a cluster of meanings related to norms, roles, plans, ideals, and ideas that are created within the organization and are used by members to make a coherent sense of their organizational experiences.[3] Stress can arise both in the initials stages when the

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[3] Feldman S.P.: How organizational culture can affect innovation? Organizational Dynamics 1988, no 17, p. 57-68.

employee is a new recruit and is in the process of being socialized into the organizational culture, and also when there are organizational changes which inevitably affect the culture and climate. The organizational culture determines the attitudes of the employee towards his organization, work and coworkers. Though the culture of an organization is influenced by the social and national culture within which it is embedded, its immediate determinant is the organizational structure.

Hall[4] has highlighted differences between high-context and low-context cultures. People belonging to high-context cultures depend heavily on the external situation and environment, and use non verbal clues for exchanging and interpreting communications. He has cited examples of languages such as Arabic, Japanese and Chinese in this regard where indirect style of communication is valued. However, in low-context cultures, external environment has low importance, explicit, direct and "blunt' communication is valued and non verbal clues are ignored. Hofstede[5] has identified the following four primary dimensions on which employees and managers differed.

Individualism

Individualism (IDV) is marked by focus of people on themselves and to some extent, on their families. Collectivism distinguishes between in-group (comprising relatives, caste, and organisation) and other groups. There are nations like the United States with individualistic culture and Japan where 'will' of the group determines members' beliefs and behaviours. A comparison of India and US on this dimension reveals a marked difference between the two cultures. This implies that Indian culture reinforces taking responsibility for extended family and fellow members of their group. This could be one of the reasons for effective team work in GDW.

Power Distance Orientation

This dimension refers to degree of inequality or equality among people and superior-subordinate relationship. In high Power Distance (PDI) societies the superior is inclined to increase the inequality of power between himself and his subordinates and the subordinate's endeavours to decrease that power distance. High power distance countries found by Hofstede are Philippines, Venezuela and India. The power distance dimension for India has a ranking of 77 compared to world average of 56.5. These scores indicate greater level of inequality in power in India. The work in a team is generally leader driven than driven by self management

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[4] Hall D.T.: Careers in Organizations. Goodyear, Santa Monica 1976.
[5] Hofstede G.: Motivation, leadership and organizations: do American theories apply abroad? Organisational Dynamics 1980, p. 42-63.

teams. Therefore, team leader plays an important role in GDW in India. Schein (1987) based on his work remarks "Organizational cultures are created by leaders, and one of the most decisive functions of leadership may well be the creation, the management and – if and when that becomes necessary-destruction of the culture". However, India's Long Term Orientation (LTO) has a rank of 61as compared to world average of 48 which indicates that the culture of India has a high degree of perseverance and parsimony.[6]

Uncertainty Avoidance

Different cultures have varying levels of tolerance for uncertainty and ambiguity. A high ranking on this dimension indicates that the country is more rule- oriented and has low tolerance for uncertainty and ambiguity and vice versa. Based on his study he has classified countries having high uncertainty avoidance such as Japan, Greece and low uncertainty avoidance viz., United States, Canada and New Zealand etc. India has a ranking of 40 as against the world average of 65.[7] Thus India is a more adaptable and tolerant country, probably that could be one of the reasons for India's success in GDW.

Masculinity

Masculinity (MAS) has been defined as the extent to which the dominant values in society emphasize relationships among people, concern for others and overall quality of life. It also deals with gender differentiation in the form of degree of reinforcement by the society for traditional masculine role models of male achievement and power and control. Japan and Australia were found to be highly masculine, the Scandinavian countries to be highly faminine and the United States as slightly masculine.

India has a ranking of 56 on this Hofstede dimension as compared to world average of 51.[8] This indicates that India has some gap between values of males and females. However, Indian IT sector has high representation of female employees.

To conclude, Hofstede has likened culture to a 'collective programming' of the minds of one group, which distinguishes it from other groups. Trompenaar (1996) based on his research on 8841 informants from business organizations in 43 countries has confirmed two dimensions viz., individualism/collectivism and power distance identified by Hofstede.

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[6] Hofstede G.: www.greet-hfstede.com/hofstede_dimension.php, 2006.
[7] Ibidem.
[8] Ibidem.

4. Firm Size and Organizational Effectiveness

A number of studies have been done to study the relationship between firm size and organizational effectiveness and culture. Large firms promote inertia and complacency[9] and resistance to adaptation and aversion to risk.[10] Studies conducted to look at the role of organizational size in generating stress have not come up with conclusive and consistent evidence of the link between the two, though the assumption has been that greater formalization and bureaucratization in larger organizations would lead to greater stress.[11] Sutton and D'Aunno[12] suggest that it is the reduction in organizational size that is perceived as a source of threat and generates anxiety.

Connell[13] studied the influence of firm size on organizational culture and employee morale in six Australian workplaces and found that organization size affected a number of variables. Small firms were found to have positive culture and high employee morale and consultative management style and organizational effectiveness. Many Indian knowledge corporations have set up separate units as BPO/KPO for efficient functioning in response to GDW. These vendor companies continuously invest finance, time and, efforts in culture sensitization, cultural mentoring; however, it is a challenge considering the large number of employees, employee turnover and availability of competent trainers.

Impact of Organizational Structure and Climate on Employee Stress

Organizational structure influences organizational culture, which in turn determines the work climate and this, decides what is experienced as stress by the employee and how he copes with it. 'Being in the organization' implies that the employee would have to adapt to and adopt the norms, goals and operating rules of the organization. The values implicit in the organizational structures and processes shape the emotional and cognitive relationship of employees with their work and workplace.[14] Any major mismatch between the objectives and values of the individual and the organization would lead to a sense of not belonging and is a

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[9] Hannand M.T., Freeman J.: Structural inertia and organisational change. American Sociological Review 1984, no. 49, p. 149-164.

[10] Hitt M.A., Hoskisson R.E., Ireland R.D.: Mergers and acquisitions and managerial commitment to innovation in M-Forms. Strategic Management Journal 1990, no. 11, p. 29-47.

[11] Kahn R.L., Byosiere P., [in:] Dunnette M.D., Hough L.M.: (eds.): Handbook of Industrial and Organizational Psychology 1992, Vol. 3, p. 571-650. Mumbai: Jaico.

[12] Sutton R.I., D'Aunno T.: Decreasing organizational size: untangling the effects of people and money. Academy of Management Review 1989, no. 14, p. 194-212.

[13] Connell J.: Influence of Firm size on organisational culture and employee morale. Journal of Management Research 2001, no. 4(1), p. 220-232.

[14] Maslach C., Schaufeli W.B., Leiter M.P.: Job Burnout. Annual Review of Psychology 2001, Vol. 52, p. 397-422.

source of stress and burnout. In a study conducted across eight organizations[15] to study the causative factors in the mass occurrence of stress symptoms showed the relatively much greater significance and consistency of the relationship between organizational factors and symptoms. The repetitive and hierarchical aspects of the machine bureaucracy promote obsessive-compulsive tendencies which might provoke burnout, whereas, the ill-defined open structure of a professional bureaucracy promotes neurotic tendencies which might lead to burnout.[16] The professional bureaucracy typical of white collar managerial work leads to burnout because of stresses arising from the boundary spanning functions and resultant role problems and interpersonal conflicts.

Physical Work Environment

The GDW is not limited to telemarketing and software solutions but also extends to manufacturing. India is one of the major exporters of auto components to the US, Europe and Asia. The physical work environment comprising factors such as noise, lighting, vibration, temperature and ventilation, hygiene and physical hazards can be source of stress, and it is the subjective reactivity to these factors that is more important than the objective measures leading some to comment that 'stress is in the eye of the beholder'.[17] Every occupation has its own set of physical work environment stressors that heighten arousal, and the main psychosocial impact of these factors is that the accumulated physical frustration and tension lead to poor interpersonal relationships,[18] affect motivation levels, and ultimately increase the susceptibility of the employees to other stressors.[19]

The harmful influences are mediated by the personality characteristics and cause higher levels of anxiety, irritability, hostility and aggression leading to negative behavioral outcomes, and even cause non-auditory diseases such as cardiovascular disorders. Similarly, vibrations due to machines in factories, ventilation systems, and even in the living quarters as in offshore rigs, can be a source of psychological imbalance even if the employees assert that they get used to it.[20] The prevalence of this stressor is evident from the 1996 survey report of the European Foundation for the Improvement of Living and Working Conditions that 11

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[15] Schmitt N., Colligan M.J., Fitzerald M.:Unexplained physical symptoms in eight organizations: Individual and organizational analysis. Journal of Occupational Psychology 1980, no. 53/4, p. 305-317.

[16] Winnubst J.: Organizational structure, social support, and burnout, [in:] Schaufeli W.B., Maslach C., Marek T. (eds.): Professional burnout: Recent developments in theory and research. Taylor & Francis, New York 1993, p. 151-162.

[17] Sutherland V.J., Cooper C.L.: Strategic stress management: An organizational approach. Macmillan Press Ltd., London 2000.

[18] Keenan V., Kerr W.: Psychological climate and accidents in an automotive plant. Journal of Applied Psychology 1951, no. 35/2, p. 108-111.

[19] Smith M.J., Cohen H.H.: Cleveland R., Cohen A.: Characteristics of successful safety programs. Journal of Safety Research 1978, no. 10, p. 5-15.

[20] Sutherland V.J., Cooper C.L.:

percent of workers are permanently exposed to vibration and 24 percent a quarter of time on their jobs.

Another physical factor that has drawn attention is poor lighting, the flicker of fluorescent lights, and the glare of bright lights which could lead to visual fatigue, tension and frustration. Even attempts by architects to solve this problem by creating windowless environment with artificial illumination has led to 90 percent employees expressing dissatisfaction with the absence of windows. Other potential sources of stressors are uncomfortable temperatures and humidity, and unclean and disorderly workplaces and restrooms. Even physical hazards and psychological trauma due to the dangers inherent in the job, and aggressive and violent clients in customer services can be sources of stress and fatigue that need to be addressed.[21]

Appraisal and Reward Systems

The relative importance of performance and extraneous factors is implied in the formal appraisal and reward systems instituted within an organization and how they are perceived by the employees. Performance appraisals are also instruments of employee control as they are used to determine individual merit and to reward or punish, thus providing direction to workplace activities. Organizations supplement the appraisal process with 360 degree feedback which is used as a development tool.[22]

The appraisal and reward system is a key determinant of the employee's attitude towards his organization and his work. The systems should be seen as incorporating procedural justice (appraisal systems should be transparent and fair) and distributive justice (appropriate, adequate and fair differentials in rewards). Gabris & Ihrke[23] found in their study of professional county government employees that if employees feel that there is lack of procedural and distributive justice in the appraisal and reward systems, there is a higher level of burnout. This negative correlation between procedural and distributive justice perceived in the appraisal and reward systems and emotional exhaustion was confirmed in a study conducted in an Australian public sector research organization. Burnout is also associated with the extent to which performance and rewards/punishments are linked in an organization; there is a higher possibility of burnout when contingent rewards are absent and non-contingent punishment is present.[24]

In the Indian IT industry many young executives feel demotivated and under-rewarded. Project allocation sometimes is based on availability of an employee rather than the skill set

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[21] Ibidem.

[22] Sharma R.R.: 360 Degree Feedback, Competency Mapping and Assessment Centres, Tata McGraw-Hill, 2004.

[23] Gabris G.T., Ihrke D.M.: Does performance appraisal contribute to heightened levels of employee burnout? Public Personnel Management 2001, no. 30/2, p. 157-172.

[24] Cordes C.L., Dougherty T.W.: A review and an integration of research on job burnout. Academy of Management Review 1993, no. 18/4, p. 621-656.

or competencies. "Due to huge scale recruitment ….. some of the new employees are not at par with the usual standards which the older employees have set. This has led to general discontent in the employees who have developed the notion that they are being made to work with people who are not upto their caliber."[25]

5. Effect of Workload, Autonomy and Control

The GDW has a lot of impact on employees' workload, autonomy and control as they are expected to adhere to standards agreed with the outsourcing organization. The researches on these have been presented below. The power that an employee has to influence his own work activities, either in terms of timing or in terms of methods or both, so as to fulfill the super-ordinate objectives of the organization is referred to as control at work.[26] Lack of control of one's situation is both a causative and aggravating factor in burnout. The causal role of control was shown in an experimental study where it was found that the same level of noise caused more stress when there was no option of switching it off than when there was a choice to do so, even if that choice was not made use of and the noise not turned down.[27] Several studies have established the association between lack of control or autonomy and cardiovascular diseases, anxiety, depression and emotional exhaustion.[28]

Though there is paucity of researches on BPO/KPO industry several studies have explored the relation between job control and burnout and have found an association between the two, but these findings show some variations which are of practical significance. Rafferty et al.[29] in their review of these studies point out though there is a consensus that job demands or workload is a stronger predictor of burnout than control is, and that the effect of job demands on burnout cannot be moderated through higher control, the findings about the association between control and the dimensions of burnout differ according to the way control has been defined. There have been varied conceptualizations of control – it has been seen as *decision*

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[25] Sharma R.R., Purohit, Bajwa, Saxena, Shankar R., Sharma, Pathak et.al.: Application of OB in IT Industry. Management Development Institute, 2006.

[26] Frese M.: Theoretical models of control and health, [in:] Sauter S.L., Hurrell J.J. Jr., Cooper C.L. (eds.): Job control and worker health. Wiley & Sons, Chichester 1989, p. 107-128); Jackson P.R., Wall T.D., Martin R., Davids K.: New measures of job control, cognitive demand, and production responsibility. Journal of Applied Psychology 1993, no. 78, p. 753-762.

[27] Glass D.C., Reim B., Singer J.E.: Behavioral consequences of adaptation to controllable and uncontrollable noise. Journal of Experimental Psychology 1971, no. 7, p. 244-257.

[28] Ellis B., Miller K.I.: The role of assertiveness, personal control, and participation in the prediction of nurse burnout. Journal of Applied Communication Research 1993, no. 21/4, p. 327-342; Schaufeli W.B., Buunk B.P.: Professional burnout, [in:] Schabracq M.J., Winnust J.A.M., Cooper C.L. (eds.): Handbook of work and health psychology. Wiley, New York 1996, p. 311-346.

[29] Rafferty Y., Friend R., Landsbergis P.A.: The association between job skill discretion, decision authority and burnout. Work & Stress 2001, no. 15/1, p. 73-85.

authority referring to the power the employees have to make decisions about their work, or as *skill discretion* referring to the ability and freedom of the worker to use a range of skills to perform his task, or as *decision latitude* which includes both decision authority and skill discretion. When control is defined as decision latitude, higher control is significantly associated with emotional exhaustion and lower control is associated with depersonalization and reduced accomplishment dimensions of burnout. The findings were inconsistent when control referred to just decision authority or skill discretion. The study[30] that recognized the presence of these different aspects of control reported that skill discretion is more strongly related to burnout than is decision authority. There is greater emotional exhaustion and depersonalization among employees with lower skill discretion than those with lower decision authority, whereas reduced personal accomplishment is reported with both low skill discretion and low decision authority.

Workload

There is an optimal level of workload that brings out the best in an employee, and both under load and overload, either quantitative or qualitative, when out of the control of the employee, can be stressful. Both work under-load and overload can result in negative emotions depending upon the discrepancy between the workload and the abilities and aspirations of the employee.[31] While qualitative under-load and qualitative overload both result in job dissatisfaction, the former is also associated with depression, irritation and psychosomatic symptoms and the latter with tension and low self-esteem.[32]

Too little work or under-load can lead to apathy, boredom and low morale, or what has been termed 'rust out', which is a significant predictor of dissatisfaction, anxiety and depression.[33] Although Maslach[34] considers the view that under load and monotonous work can lead to burnout to be erroneous. She believes emotional exhaustion presupposes overload and high arousal. Using the existential perspective posits that even under load would lead to burnout when a person enters the job with high expectations as in the case of new recruits. Keenan and Newton[35] in their study reported that engineers regarded the feeling of one's efforts having gone waste as the most stressful; and qualitative under load as the third-most

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[30] Ibidem.
[31] Schaufeli W.B., Buunk B.P.: op.cit.
[32] ILO: Manpower planning and development in the petroleum industry. Report No. III. ILO Petroleum Committee, Tenth Session. Geneva 1996.
[33] Cooper C.L., Kelly M.: Stress among crane operators. Journal of Occupational Medicine 1984, no. 26/8, p. 575-578.
[34] Maslach C., Schaufeli W.B.: Historical and conceptual development of burnout, [in:] Schaufeli W.B., Maslach C., Marek T. (eds.): Professional burnout: Recent developments in theory and research. Taylor & Francis, New York 1993, p. 1-16.
[35] Keenan A., Newton T.J.: Stressful events, stressors, and psychological strains in young professional engineers. Journal of Occupational Behavior 1985, no. 6, p. 151-156.

stressful condition. Sharma[36] in a study of antecedents of burnout among executives found role overload and self-role distance to be critical determinants of burnout among Indian executives.

Qualitative workload is a stressor particularly faced by managers.[37] The review of burnout literature shows that emotional exhaustion dimension of burnout is strongly related to workload[38] and this was further supported by a study of two samples of 245 bank employees and 362 teachers which showed that emotional exhaustion is primarily predicted by workload.[39]

Research from service organization, in an industrial setting with self-managed work teams, reported that so long as there is adequate time to complete the task, increased workload does not lead to burnout; instead, increased workload has a negative relationship with emotional exhaustion and depersonalization resulting in diminished burnout. This difference in findings could be because the work in industrial settings is impersonal and the positive factors associated with healthy teams may have modified the impact of increased workload by making it challenging and invigorating.[40]

Work Hours and Time pressure

Several studies indicate deadlines and time pressures to be major factors leading to burnout (Schaufeli and Enzmann.[41] Research suggests that the optimal working time for executives is between 35 and 45 hours per week.[42] The psychological problems are further exacerbated in employees engaged in shift work.

Though qualitative overload results from the employee's feeling that he does not have the ability to perform the assigned task and quantitative overload arises from the feeling that the task cannot be completed in the allotted time,[43] managers, especially those with certain personality traits may react to any overload by working longer hours.[44] Though organizational changes have increased the objective workload of managers, peer pressure and the need to

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[36] Sharma R.R.: Executive burnout: Contribution of role related factors. Indian Journal of Industrial Research 2002, no. 38/1, p. 81-95.

[37] Cooper C.L., Marshall J.: Understanding executive stress. Macmillan Press Ltd., London 1978.

[38] Schaufeli W.B., Enzmann D.: The burnout companion to study and practice: A critical analysis. Taylor & Francis, Washington, DC 1998.

[39] Houkes I., Janssen P.P.M., De Jonge J., Nijhuis F.J.N.: Specific relationships between work characteristics and intrinsic motivation, burnout and turnover intention: a multi-sample analysis. European Journal of Work and Organizational Psychology 2001, no. 10/1, p. 1-23.

[40] Elloy D.F., Terpening W., Kohls J.: A causal model of burnout among self-managed work team members. Journal of Psychology 2001, no. 135/3, p. 321-334.

[41] Schaufeli W.B., Enzmann D.: op.cit.

[42] Sutherland V.J., Cooper C.L.: op.cit.

[43] Cordes C.L., Dougherty T.W.: A review and an integration of research on job burnout. Academy of Management Review 1993, no. 18/4, p. 621-656.

[44] Cooper C.L., Marshall J.: op.cit.

visibly demonstrate commitment due to insecurity also force managers to work longer hours and result in the dysfunctional outcome of *presenteeism,* i.e. working such hours that one becomes ineffective.[45] The respondents did not experience a sense of achievement in working longer hours challenging the prevailing view that managers take a perverse pleasure in doing so.[46]

A meta-analytic review of the effect of hours of work on health found a significant positive correlation between the number of hours at work and psycho-physiological symptoms, the important factors mediating this relation being the type of job (mental work being more taxing), working environment, age (the older being more vulnerable), and most important of all, choice or the freedom to choose particular hours of work.[47]

Role Conflict

Role conflict arises when one is expected to work for incompatible goals which, in the management setting, could be in the form of demands to achieve very high production targets, and yet maintaining product quality without compromising safety standards. Role conflict has been found to cause absenteeism, job dissatisfaction, hypertension and even burnout. The adverse effects of role conflict are pronounced in people who have the personality trait of rigidity.

GDW sometimes involves people in marketing functions. People in market-oriented boundary-spanning positions such as those in sales and customer service are highly vulnerable to burnout as they face role conflict due to the often incompatible demands of the organization and the customers.[48] This has also been found to be true of even experienced product managers who have to communicate across organizational and environmental boundaries[49] and employees torn between the competing demands of different work groups including management, coworkers and customers,[50] all of whom end up suffering burnout as a result of role conflict.

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[45] Sutherland V.J., Cooper C.L.: op.cit.

[46] Krone C., Tabacchi M., Farber B.: Managing burnout. Cornell Hotel and Restaurant Administration Quarterly 1989, no. 30/3, p. 58-63.

[47] Sparks K., Cooper C., Fried Y., Shirom A.: The effects of hours of work on health: A meta-analytic review. Journal of Occupational & Organizational Psychology 1997, no. 70/4, p. 391-408.

[48] Singh J., Goolsby J.R.: Behavioral and psychological consequences of boundary spanning burnout for customer service. Journal of Marketing Research 1994, no. 31/4, p. 558-569.

[49] Lysonski S., Singer A., Wilemon D.: Coping with environmental uncertainty and boundary spanning in the product manager's role. Journal of Services Marketing 1988, no. 2/4, p. 15-26.

[50] Harris E.G., Lee J.M.: The customer, co-worker, and management burnout distinction in service settings: persorality influencers and outcomes. Services Marketing Quarterly 2004, no. 25/4, p. 13-31.

Role Ambiguity

Role ambiguity refers to the absence of clarity about one's role. The ambiguity arises because of lack of information about the scope of one's responsibilities, i.e. what exactly one is supposed to do and achieve in that position, about how one is supposed go about fulfilling the responsibilities of the role, and absence of clarity about the behaviors that would be rewarded or punished. An employee can face role ambiguity when first inducted into a position or when changes are introduced in the organizational structure and processes.[51] The stress arising due to role ambiguity leads to job dissatisfaction, low self confidence and self-esteem, depression and hypertension.[52]

Both role conflict and role ambiguity have been implicated in the etiology of job dissatisfaction across occupations.[53] Several studies suggest that it is especially role ambiguity that leads to burnout.[54] This possibility is also borne out by the findings that role conflict is mainly related to irritation but role ambiguity is mainly related to anxiety,[55] and that role ambiguity, rather than role conflict, is a better predictor of job dissatisfaction and anxiety.[56] The latter finding is implied in the findings of a study that attempted to explore the relationship of the role ambiguity and role conflict stresses to job performance. The results revealed the existence of a negative relation between role ambiguity and job performance though this was moderated by job type and rating source, but no significant relation could be found between role conflict and job performance.[57] People in BPOs are sometimes not clear about their roles and experience stress and anxiety and quit jobs.

Career Development Stress

The stressors involved in developing and maintaining a career are found to be those related to job insecurity and status incongruity. Job insecurity does not refer only to the risk of unemployment in the immediate future but also includes the fear of becoming obsolete and redundant, which has a strong influence on the employee's self-esteem. Status incongruity results when there is no career progression along expected lines and the employee has reached his career ceiling.[58]

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[51] Ivancevich J.M., Matteson M.T.: Optimizing human resources: a case for preventative health and stress management. Organizational Dynamics 1980, no. 9/2, p. 4-25.

[52] Sutherland V.J., Cooper C.L.: op.cit.

[53] Van Sell M., Brief A.P., Schuler R.J.: Role conflict and ambiguity: integration of literature and directions for future research. Human Relations 1981, no. 34, p. 43-72.

[54] Schaufeli W.B., Buunk B.P.: op.cit.

[55] Van Dijkhuizen N.: From Stressors to Strains. Swets and Zeitlinger, Lisse 1980.

[56] Keenan A., Newton T.J.: Frustration in organizations: relationships to role stress, climate, and psychological strain. Journal of Occupational Psychology 1984, no. 5, p. 57-65.

[57] Tubre T.C., Collins J.M.: A meta-analysis of the relationships between role ambiguity, role conflict, and job performance. Journal of Management 2000, no. 26/1, p. 155-169.

[58] Cooper C.L., Marshall J.: Understanding executive stress. Macmillan Press Ltd., London 1978.

People working on projects of GDW experience uncertainty as their job is dependent on requirement of a particular product/service for a specific period. Besides, the nature of work tends to be repetitive and not very creative and intellectually stimulating. Initially it might have been creative but with the passage of time this aspect fades away and the employees start feeling rusted due to lack of learning opportunities. High turnover in KPOs in India can be attributed to this and employees prefer to work for those companies which offer better learning and growth opportunities.[59]

The problems of career progression faced by technical people, many of whom become managers eventually, have also been studied. People in technical or engineering positions have only two options midway through their career – either they could continue in the technical field of their expertise where avenues for further promotion are limited or they could get into managerial positions. For engineers, the mid-career option of management adds to prestige but also brings in its own set of stresses. The underutilization and further erosion of their technical skills in moving away from technical to management positions, and the inherent uncertainties involved in managing people (unlike managing machines) can be a major source of stress for technical people promoted to managerial cadre and it may lead to burnout.[60]

Sharma[61] found role stagnation followed by role expectation conflict and self role distance together explain 28 per cent of the variance in Burnout

Social Support

The significance of social networks in an individual's life cannot be disregarded given the basic fact that man is essentially a social animal. Most often, we define our life in the context of our relations with other people, and even our work life is not bereft of these very essential relations – it is these relations that form the core of social support. Social support has been defined as the information that leads individuals to believe that they are cared for and loved, esteemed and valued by others, and that they participate in a network of communication and mutual obligation,[62] or more succinctly as 'the resources provided by other persons'.[63]

In the KPO centers, due to large number of recruitments happening on an ongoing basis, junior employees do not get adequate attention from their seniors. "This leads to

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[59] Sharma R.R., Purohit, Bajwa, Saxena, Shankar R., Sharma, Pathak et.al,: op.cit.

[60] Hoyt J., Gerloff E.A.: Organizational environment, changing economic conditions, and the effective supervision of technical personnel: a management challenge. Journal of High Technology Management Research 1999, no. 10/2, p. 275-293.

[61] Sharma R.R.: Determinants of executive burnout in India, Unpublished Research Report: WHO & Ministry of Health, Govt. of India, 2005.

[62] Cobb S.: Social support as a moderate of life stress. Psychosomatic Medicine 1976, no. 5, p. 300-317.

[63] Cohen S., Syme S.L.: Social support and health. Academic Press, San Diego, CA 1985.

disillusionment in the lower ranks and is a major demotivator".[64] Employees in knowledge industry are basically knowledge seekers and recommend that "the company can sponsor seats in prestigious Indian management institutes. This will bolster employee loyalty…" They recommend providing "onsite opportunity" to young employees to reduce attrition and poaching. The ideal organizational climate should have the right blend of openness and supportiveness that would inspire trust, faith and confidence among employees so that in the face of unmanageable demands at work, an employee need not feel overwhelmed and stressed out. One should be able to share his burden and find a solution to his problems, thereby preventing the downhill slide to burnout.

A framework for measuring human capital advantage has been suggested[65] which not only can measure the existing human capital in an organization but also be a guiding force for future human capital investments. She suggests that if the employees are satisfied with 'what they value' being met by the organization then this would lead to employee retention, which would promote customer satisfaction which in turn will result in customer retention and would consequently translate into enhanced profits for the organization.

6. Conclusions

The evidence based paper has identified fifteen HR challenges that employees/ organisations in the globally distributed work environment face. These challenges can be studied as per the requirement of a BPO/KPO so that appropriate strategies could be evolved to mitigate them. Needless to say, people are at the centre of globally distributed work; therefore, harnessing their potential would needs to go hand in hand with developing their potential. This would lead to better employee engagement, decrease in attrition, better service, more customer satisfaction and improved business development. The adequate attention would help in making the GDW an effective business model incorporating interests of all the stakeholders.

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[64] Sharma R.R., Purohit, Bajwa, Saxena, Shankar R., Sharma, Pathak et.al,: op.cit.
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