

Staffing in the era of Service Sector

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Outsourcing today has emerged as a burgeoning Industry, providing employment to millions in skilled, semi skilled and unskilled categories. It is seen as an offshoot of the globalisation process. Growing preference for transnational operations due to cost-benefit factors has encouraged major multinationals to establish their operational entities in different parts of the developing world. The need to cut administration and establishment costs and lack of local knowledge has made it imperative for these TNCs to encourage a new breed of skilled personnel called consultants. The role of consultants besides sourcing the organization with the required human resources also extends to other related services.

The word consultant in its literary sense refers to a person who provides expert advice. Though originally the word was used as an acronym for medical practioners and legal advisers. Gradually it acquired various other connotations. The expanding Industry and subsequent increased levels of mechanisation resulted in the development of a sense of anomie in the employees. Industrial employment, with its repetitive job environment and scientific attitude resulted in the employees loss of individual identity

and stress due to role ambiguity. These factors culminated in the emergence of Industrial psychologists. His role again gradually transformed into that of a consultant, his primary duty being reducing the stress factors that effect job satisfaction of an employee. Presently the word consultant has acquired wider meaning and scope.

Consultancy in today's context envelops major functions, which were hitherto performed by specific and specialised departments of an organisation. Recruitment , temporary staffing, Training and performance appraisal which are the primary functions of the HR departments have come to be recognized as vital functions of consultancy. This has given rise to some pertinent questions like:

- Should the HR function be completely Outsourced leading to phasing out of the department in the organisation.
- Cana consultancy provide continuous support as done by the core HR department.
- Can an organisation ensure similar levels of Human Resource Management expertise with a succession of consultants engaged at regular intervals.

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Consultancy - Rise and Role

The cities like Delhi, Mumbai, Chennai Hyderabad and Bangalore have developed in to hubs of consultancy activities. This phenomenal growth of consultancy service may be attributed to the rise of service sector. Service sector has emerged as the sunrise Industry in the wake of 1991 Industrial policy resolution, which paved the way for onset of full-fledged economic liberalization in India. The increasing demand for highly skilled and professional manpower in the area like Information technology, marketing concept selling and call centers found response in the specialized services of the consultancy though the original operations of a manpower consultant was only limited to sourcing the organisations with required and qualified manpower at regular intervals, the demand for other services like training and development and performance appraisal from the operating centers of Multinationals expanded the scope of consultancy.

Thus presently transnational services and Hr consultancy are the two major arms of the field as aptly summed up by Wipro Chief Azim Premji remarked that Outsourcing is no longer a choice but an absolute strategic necessity. Advancements in the area of Information Technology Internet and Transport have added impetus to the consultancy services transforming them into the truly globalised services. Some of the major activity areas of consultants are : Procuring, Training, payroll, diversity management, surveys, Benchmark studies, Statutory compliance etc.,. Consultancies allowed the HR department to concentrate on its

core activity of management of human relations at work place.

Career counseling and consultancy

Career counseling has emerged as the grass root level activity of consultants. This is an area, which provides platform for the consultancies to interact with the aspirants of a career. This level also constitutes the activity of building the basic database for a consultant. Many consultancies have taken up activities like seminars, and conferences to attract applicants and to create awareness in them. This activity provides the consultant an opportunity to assess the employment market and the trends in the choice of employment and organisations. These career agencies are also involved in activities like Job fairs and designing tailor made training programmes to train fresh graduates as per the specifications of a corporate employer. Fresh graduates are encouraged to register with the consultancies and interviews are arranged almost free of charge. The ever growing demand for qualified human resources in the dot com companies, which face heavy attrition rate is the driving force behind free service of the consultancies. The consultancies are paid handsomely by the companies, which vie with each other for the best human resource. Every employer in this sector is on the look out for not only a qualified and skilled employee but also one who is behaviorally suitable for the job. This demands for the design of an effective recruitment process which is successful in procuring for the organisation human resource with right composition. On the other hand organisations are

also wrestling with the problems of relating their core competencies in the face of rising competition from other similar organisations.

The Dilemmas of Recruiting and Retaining

Organisations presently are facing the crisis of the ever-growing rates of attrition. Despite the manifold efforts of the corporate employer to retain an employee with perks and privileges employee loyalty still remains an elusive concept. The average employment period of an employee in any organisation is around six to twelve months. Thus the organisations are involved in continuous process of recruitment. This trend is especially manifested in the call centers. Many studies conducted in the area point out to certain observations:

- Most of the service sector and dot com company's manpower is highly professional and is in continuous search for better opportunities.
- Employment that provides opportunity for foreign travel is being preferred.
- Employees for call centers are usually only graduates as the basic qualification required for the job is the ability to communicate perfectly in English.
- The new genre of employees is more loyal to the profession than to the organisation.

Thus the original purpose of attaining cost efficiency by outsourcing the activity of recruitment stands defeated. The consultancies on the other hand follow a scientifically designed process of recruitment using psychometric tests to ascertain

the personality trait of an applicant. Yet their efforts remain futile due to the influence of various environmental factors. Some times the consultants themselves stand in contradiction to their efforts as they indulge in activities like poaching (for lower level employees) and head hunting(for top brass).

Organisations today are engrossed in trying to improve their boomerang rate i.e. the rate at which the old employees return back to their old jobs. Gone are the days when an old employee attempting to come back to the organisation was labled as a deserter and frowned upon. Today corporate houses are busy trying to entice their old employees back to the Organisation. Their success is measured in terms of boomerang rate. The basic premise behind these attempts is that such an employee needs little training and less socialiasation as he can comfortably log into the organisation and pick up the old threads with ease.

Thus the role of consultancies is yet an area of discussions and debate. There are some who still feel that a consultant may be objective but cannot acculturate an employee as his process of recruitment is based on a job analysis and not job experience. Therefore, the present study aims to focus on the activity areas of various consultancies. A comprehensive study is made of the extensive client profile of these consultancies, to understand the category they cater to. It also identifies the services of consultants which are in high demand and why.

The study also attempts to focus specifically into the duel role of consultants as a recruiter

and trainer. The study evaluates the role played by the consultancies in providing effective alternative to the internal HR department in the area of recruitment and selection. Finally the need for HR department to focus on it's self-renewal systems is discussed and alternative roles to be played by the HR person determined.

Research Methodology

Objectives of the Study

- To study the Staffing functions being carried on by different consultancies in the city of Visakhapatnam .
- To analyse the contributions of consultancies & their activities in identifying prospective candidates & training them with a view to prepare them for future Interviews.

- To understand the point of difference in the approach of an International consultancy firm with the local one.

Methodology

To achieve the objectives four consultancies operating in the city of Visakhapatnam were selected of which two are major International firms and two newly established local firms.

The data was collected with the help of three schedules to collect General, Recruitment and Training related information from each consultancy.

The data is tabulated and analysed on a comparative basis to reach appropriate conclusions.

Table No. 1 - General Information

Area	International		Local	
	1	2	1	2
No. of Clients	Banking Manu., FMCG AIRTEL IDEA,LG	Banking FMCG Insurance HSBC L&T	Varun Bajaj Varun Maruti ICICI Bank ICICI Pru.,	DELL, AOL HSBC IBM GE,ITC
Activity	Recruitment Training Performance Appriasal Temp.staffing	Recruitment Training Performance Appraisal Temp.staffing	Recruitment Training Performance Appraisal Temp.staffing	Recruitment Training Performance Appraisal Temp.staffing
Maximum Projects	Recruitment Temp.staffing	Recruitment	Recruitment Training	Recruitment Training
Manner of Approach	Staffing agreement	Through Internal network	Through Mangt., relation	Staffing agreement
No.of CSE	4	4	2	2

Analysis of Table No 1

The client profile of all the consultants primarily consists of Insurance, telecom, pharma and banking industry. Their activity areas mainly consist of recruitment, training, performance appraisal, and temporary staffing. Recruitment is an area which is common to all consultancies. The two international consultancies being well established are involved in other activities. Where

as the other consultancies, which are fairly new, are facing teething problems and are less in their activity profile. All the consultancies have employed full time business development officers to deal with the clients. The officers deal with clients directly initially and during the placement activity. Remaining correspondence and client compliance are dealt by customer care representatives.

Table No. 2 - Training

Area	International Consultancies		Local Consultancies	
	1	2	1	2
How many Training Programs	2	12	5	as per the contract
Areas of Training	Spoken English Resume Building Interview Tips Personality Development	Language competence communication skills Interview Skills stimulated Training	Marketing Skills Leadership skills Stress Mangt. Attitudinal exercise	Soft skills Communication Personality Development Customer Case
Who gives Training	Centre Head Operation Head	Trainer	Trainer	Trainer
Duration	CAP 10-15 EQVIP 45 days	9:30 -3:30AM	6-8 Hrs/day	Full time
Who send	Client	client	client	client
Cost	CAP-500 EQVIP-2500	12,000		
How Training Pro.Marketd	As per Requirement	Print Media & Ads	Through Interaction with Key person	as per requirement Does C0.Employ
External Trainer	yes	yes	yes	sometimes

Analysis of Table no. 2

Training is a later entrant into the activity areas of consultancy. Training given by a consultant is two dimensional. Pre employment training is given to the applicants to prepare them to face an Interview and to equip them with the necessary skills for the job. Example: Speech skills for call center jobs. Post employment training is given to already placed employee to socialize an employee or to impart any specific skill as needed by the organisation.

An analysis of the various items under training shows;

- That the number of training programs are more for International consultancies than the local ones.
- All most all consultancies are giving training in spoken skills, conversation and language skills. This shows that the needs to possess perfect communication skill is necessity for majority of job profiles. such a Training cannot be given by a internal department as it would be considered as a basic requirement for recruitment.
- Training programs also focus on Behavioural and Personality dimension This observation reemphasises the need for soft skills in an applicant. This is also considered as the basic recruitment criteria.
- One point of difference that can be identified is that the International consultancies are focused more on Interview skills whereas the local consultancies are providing training in areas like marketing and customer care skill. This indicates that the local consultancies provide training in post employment skill while the international consultancies aim at preparing an applicant for performance at the point of entry-The Interview.
- Only one consultancy has its training given by a center Head of a operational Head. The other consultancies use mainly external trainer
- The International consultancies have fixed training schedules which may be because of the demand they have. The local consultancies on the other hand are yet to establish strong groups . Therefore they do not have a specific program.
- The cost of the programs for International consultancies is prefixed. In the local consultancies the price of training is contractual and bargainable.
- The International consultancies alone is MBTI as a Training tool. The reason may be because MBTI is a copy right property and needs high financial investment which may be beyond the affordability of a local consultant as yet.
- Only one International company gives advertisements in the media to promote itself. This is again based on the image and financial strength of the company.

Table No. 3

Area	International		Local	
	1	2	1	2
steps involved in Recruitment	1.Searching for 2.scrutinizing the resume 3.Screening the candidate 4.Interview 5.Forwarding for client	1.Client requirements 2.forwarding of resume 3.Aptitude test 4.Psychometric test 5.Personal Interview	1.Pre employment screening 2.Group discussion 3.Personal interview 4.Follow up of ref.	1.Forwarding resume 2.Aptitude test 3.Client specific test 4.Personal interview 5.Final interview
Does the co-Build recruitment Procedure	yes	yes	yes	yes
At what stage Client involve For selection	HR interview	HR interview	Final round	Final round
Do the Company use Psycho-metric Test	Some clients	yes	yes	no

Analysis of Table no. 3

- Recruitment is one of the earliest functions of a consultancy. An in depth perusal of this table shows:
- That all the consultancies have well designed recruitment procedure.
- The International consultancies used on=line authorized psychometric tests like TIPS and MBTI where as some of the local consultancies have self designed psychometric tests.
- Almost all the consultancies have a four to five step recruitment programme which involves searching for a candidate interviewing and forwarding for client approval.
- The client enters the process only in the final round which is usually called HR one. Here it may be understood that the involvement of internal HR department while only salutory at the other stages is critical in HR round as the internal department needs to assess the applicants compatibility with their need and his suitability with the organization culture for long term relationship.

Conclusions

The role of consultancies in today's Industrial environment can not be gainsaid. In relation to the questions raised earlier the analysis shows that the role of a consultancy gains importance in providing recruitment services on a large scale as desired by present.com sector, marketing services and sales activity.

The International consultancies have established deep roots and are way ahead of local consultancies in the city. They have succeeded in establishing firm relationships with major organizations establishments & industries in city.

The involvement of the HR department is in providing job analysis to the consultancies and participation in the final round. The departmental involvement is relatively higher in the recruitment of Middle level and Top level managers rather than the entry level.

The role of HR department in the present scenario should be one of Counselling and Change agent. The department can play a constructive role in containing the attrition rate and retaining employee through internal motivation programmes.