

Recent Challenges of Cab Outsourcing Business Services in Chennai.

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Abstract: *The study aims at the cab outsourcing business services in Chennai.Organisations take the benefit of outsourcing cabs but maintaining a smooth conduct of outsourcing business has its own Challenges especially when it has other competitors in the business but still satisfy the customers.The study aims at few challenges in this industry with respect to selection of cab drivers,their commitment &trust,tracking,maintenance of vehicle and their willingness to take new routes if required by the customers. the study founds that selection of drivers is based on their qualification trust and commitment.There is positive correlation between selection of drivers and commitment & trust of driver.There is positive correlation between age group and remuneration of drivers.there is a significant variance with marital status of the driver and his willingness to take up new routes and night shifts.*

Key words- *Selection of customer,selection of drivers,tracking,remuneration and willingness to take new routes*

I.INTRODUCTION:

Outsourcing is one of the fastest spreading forms of international trade in a globalization era. It is characterized by exponential growth in the rate of absorbing and mastering new technology and considered a catalyst to ignite worldwide economic welfare. Both small and large organizations have used this method to pursue growth in the hyper competitive business arena. Despite the benefit that organizations have derived from outsourcing, there are also some impacts risks that are associated with it. Currently, small businesses dominate the use of outsourcing, compared to large businesses. The literature suggests that a need exists to objectively determine the extent to which current functions/operations may be efficiently and effectively outsourced. In this regard, functional outsourcing means purchasing entire functions/operations (or major portions thereof) from outside suppliers/vendors (firms) operating under contract Properly analysed, planned, and implemented, this form of privatization can reduce cost, improve delivery of services and increase stakeholder value. In theory, any function, service, or product can and should be considered for outsourcing. As follows food service, bookstore sales, and housekeeping janitorial services have been outsourced successfully for years. Other candidates for outsourcing include human resource management, financial aid, billing and collection, legal services, endowment fund management, and payroll.

Outsourcing can be defined as turning over all or part of an organizational activity to an outside vendor. The term outsourcing covers many areas, manufacturing as well as services. It can involve the transfer of some activities to an outside party while some remain in-house. Outsourcing can also involve the transfer of both people and physical assets to the supplier. When the decision to outsource has been made many important issues have to be considered including supplier selection, contract negotiation and transitioning of assets to suppliers. Moreover, Outsourcing can be defined as withdrawing from certain stages/activities in the value - chain system and relying on outside vendors to supply the needed products, support services, or functional activities. Any value chain that produces products for a customer can be seen as a bundle of activities. These activities are either performed internally or externally.

II.PURPOSE OF THE STUDY

- To identify the risks involved with each ride in outsourcing business services.
- To study the problems in outsourcing business services.

III. LITERATURE REVIEW

Ngige; Chigbo D (2013) has discussed that outsourcing has become a major component of globalization and information technology strategy in many companies around the world. From the early 1990s to the present, the reality of sourcing has varied significantly, an example being the services that organizations typically choose to transfer to external providers, which are now different from those of one or two decades ago.

M Venkateswara Rao; V Narayana Rao (2013) states that KPO (Knowledge Process Outsourcing) implies outsourcing of knowledge intensive business processes that require specialized domain expertise. Unlike BPO (Business Process Outsourcing), which follows pre defined and structured processes that can be performed by virtually anybody, these processes demand advanced analytical and specialized skill of knowledge workers who have specific domain proficiency. Therefore, outsourcing of knowledge processes face more challenges than BPO

Lenahan O'Connell (2014) has described in his study that privatization has increasingly become a policy option for government agencies struggling to meet rising demands for services but with fewer resources. In the transportation arena, many state departments of transportation (DOTs) have privatized by outsourcing highway functions to the private sector. But the outsourcing of technical and expert services such as those related to the design and construction of highway infrastructure may result in a smaller or less knowledgeable DOT workforce that is unable to perform the necessary contract management to ensure the quality of the work done by contractors. We posit an outsourcing process in which DOTs respond to the combination of increased demand for highway services and growing workforce constraints by contracting out much of the work formerly performed by in-house personnel. This, in turn, can produce perceptions of quality problems regarding the outsourced work and a subsequent expansion of the workforce. We examine the extent to which different highway-related tasks are being outsourced, the effect of workforce and employment factors on outsourcing, the perceptions of highway officials regarding the impact of outsourcing on cost-effectiveness and the service quality of the outsourced work, and subsequent employment levels.

B C M Patnaik; Ipseeta Satpathy; Chandrabhanu Das (2015) in this present paper the author explains that it is an attempt to understand the various challenges faced by manufacturing industries for outsourcing of Finance and Accounting services. This is basically a conceptual paper and based on the secondary sources. The objective is to visualize the various difficulties that need to be taken care in case of outsourcing of accounting and financing departmental works.

Sch J Econ Bus Manag (2015) describes in their study that the aim of this research was to find out the service quality difference between outsourced and in house cleaning services in public universities in Kenya. The research design was comparative. A 343 population in Kenyatta University, which outsources cleaning services was targeted and for in house functions, a 297 population in Karatina University was targeted. This comprised of faculty, non-teaching staff and students in the school of business. Staff were grouped in terms of grades, from 5 to 19, to form strata. Sample size was 74 respondents from Kenyatta University and 67 respondents from Karatina University.

Closed and open ended questionnaires which were designed by use of the five dimensions of SERVQUAL model were used to collect the data. Simple t- test was used for analysis and the results for t and p were: $t = 3.901$ and $p = 0.000$. Since p-value was .000, which was less than $p < 0.05$, this showed that there existed significant difference between service quality of outsourced and in house cleaning services in public universities in Kenya. Further, a satisfaction index ranging from 0 - 1 was calculated to determine the type of service that yielded better service quality. With $\bar{x} = 0.7111$ for outsourced and $\bar{x} = 0.5951$ for in house cleaning services, outsourced cleaning services yielded better service quality. In view of the findings the study recommended that cleaning services should be given priority when making an outsourcing decision in public universities.

Ms. Gunjan Anand (2016) states that outsourcing is being used as a strategic tool for meeting business requirements more efficiently. Firms are progressively working upon minimizing cost of operation to achieve competitive position. This has led outsourcing business to achieve remarkable growth in last decade. With a view of this trend the current research has been taken to study how the firms are getting advantage through outsourcing and how the service providing firms exploring the opportunities. The current research is based on analytical approach aimed at investigating the growth of outsourcing business in India with the help of analyzing financial records of firms operating in outsourcing business. The study included 'eClerx Services & CONCOR India' as a sample firm. Financial records have been analyzed with the help of financial ratio to estimate revenue growth of these firms. The research successfully finds out the growth of outsourcing business in India by linking the growth of sampled firms' financial performance over the ten years

Sarah Soita (2016) the author in this study states that the outsourcing decision based on the company strategic plans as a High priority and that the company policy is an indicator of how the strategic plans are performing. The study finding also revealed that it is likely that the quality maintenance and improvement cut across all the departments, and that the quality improvement and maintenance is a major competitive edge in service industry. The study found out that the operation cost influences outsourcing decisions, the operation cost decision made by top management in collaboration with all stakeholders and that the operation cost is extremely likely to influence the Cost of service is an indicator of how operation cost planning is efficient. The study recommends that organizations should outsource their noncore business to outside providers that can bring a cut in cost of operation to a great extent. This study further recommends that the quality of service should be enhanced through considering many choices for service outsourcing as well as their providers. This study finally recommends that for organizations to enhance business agility operation, they should measure outsourcing effectiveness as regards to performance, they should put in place a standard format of measuring performance such as performance evaluation, performance ratios and performance appraisal such that the success from outsourcing management point of view is the same as what clients deem to be success.

Jingqi Zhu, Glenn Morgan (2017) describes that the focus on inter-firm governance relations within global supply chains analysis has left social relations at workplaces as a 'black box' and relatively underdiscussed. Through an in-depth, comparative study of two Chinese IT service providers for Japanese clients, this article explores how the work and employment relations in the supplier firm are shaped by the institutional contexts of both the supplier firm and the lead firm as well as by the nature of the global supply chain in which they are located. The article shows how the intersection of global supply chains and local institutional environments creates potential gaps between what is required by the lead firms and what is feasible within the supplier firms. Therefore, managers in the supplier firm have to negotiate ways of managing these expectations in the light of their own institutional constraints and possibilities. We identify three forms of adaptation made by the suppliers that we describe as wholesale adaptation, ceremonial adaptation and minimal adaptation to lead firms' expectations.

We argue that these interactions and forms of adaptation can be extended and explored more generally in global supply chains and provide the basis for a fruitful integration of institutional approaches with global supply chain analysis.

Humala Sitinjak (2018) states that the company ethics concerns the relationship of the company and its employees as a whole with its environment, while the work ethics associated between the company and its employees, and the individual ethics governs the relationships among the employees. Companies are now recruiting their workers through a company of labor services provider or better known as outsourcing. Learn more about work systems of outsourcing. Lately some companies that use services outsourcing are increasing so that the word 'outsourcing' is familiar in our ears. Unfortunately, there are still many worker candidates who do not understand correctly, what is exactly meant with the outsourced workers. The dispute between PT Tiara Gada Pratama and its employees actually can be solved well as long as there is a good communication between the employees and the company.

IV.RESEARCH METHODOLOGY

The study was conducted in Chennai. The sampling frame were the employees in cab outsourcing business. Convenience sampling was used with 70 respondents for the study.

The primary data is collected through structured questionnaire and secondary data is gathered through journals, magazines and reliable websites etc. The geographical location of the respondents is Chennai. The demographic variables considered in this study are age group, and marital status. The constructs in this study are selection of customers, Selection of drivers tracking of drivers, drivers commitment and trust, remuneration of drivers and maintenance of vehicles. The statistical tools used in this study are Correlation and one way Anova.

V. DATA ANALYSIS AND INTERPRETATION

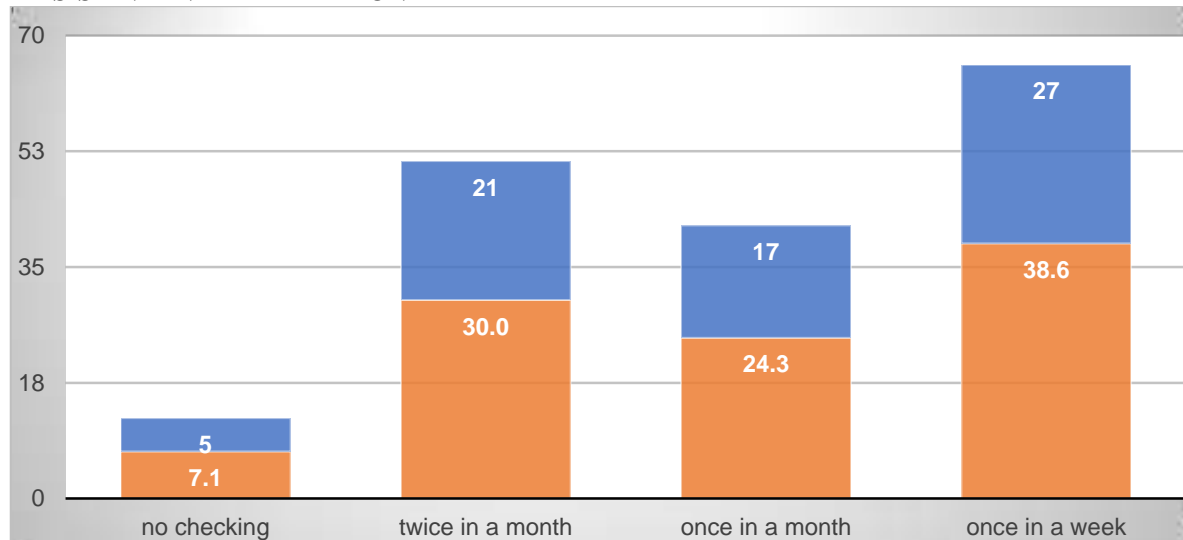


Fig.1.Vehicles checked frequently

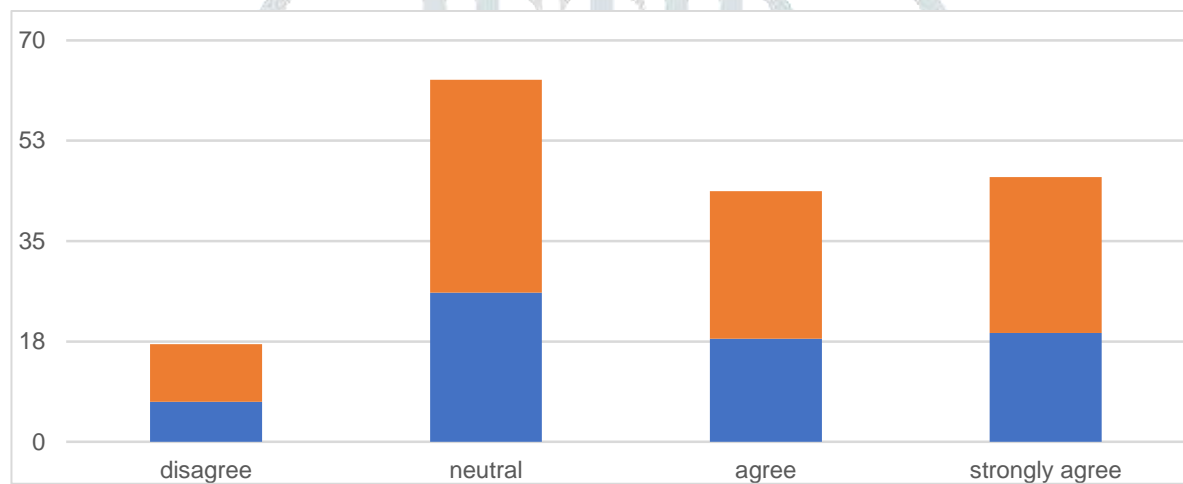


Fig.2.Outsourcing cabs only for night transport

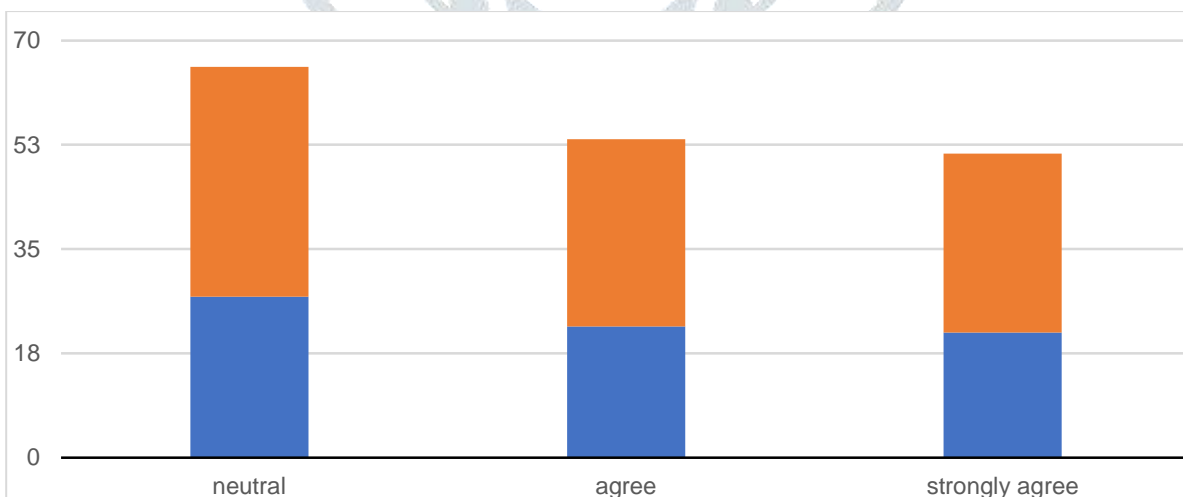


Fig.3.Drivers appointment with background verification

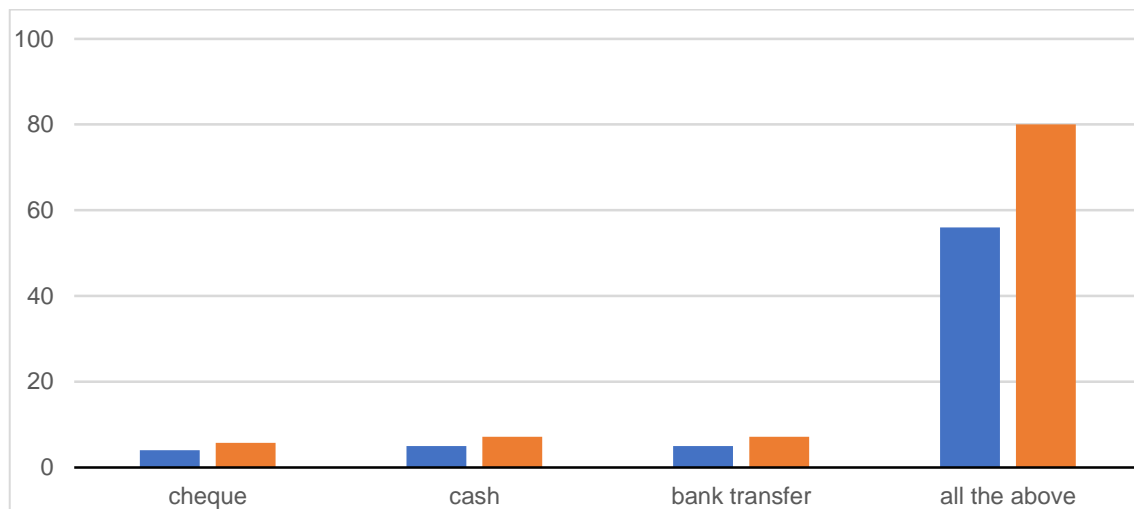


Fig.4. Remuneration paid to drivers

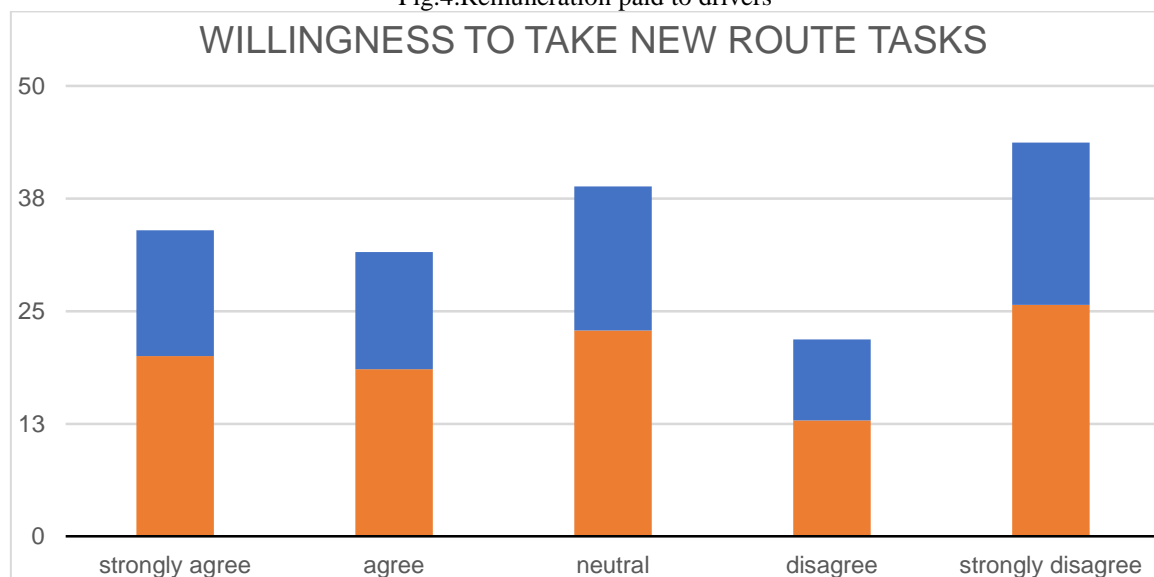


Fig.5. Willingness of drivers to take new routes

From the Fig.1. It is identified that 38.6% preferred once in a week, 24.3% preferred once in a month, 30% preferred twice in a month, 7% preferred that they do not check vehicles frequently.

From the Fig.2. It clearly shows that 10% belongs to disagree, 37% belongs to neutral, 25.7% belongs to agree, 27% belongs to strongly agree for outsourcing services only for night transport.

From the Fig.3. It is inferred that 38.6% of the respondents have chosen neutral, 31.4% have chosen agree, 30.0% have chosen strongly agree with the statement that drivers are appointed with background verification.

From the Fig.4. It is observed that 5.7% of the respondents have preferred cheque, 7.1% of the respondents have preferred cash, 7.1% of the respondents have preferred bank transfer, 80% of the respondents have preferred all the above for ways the remuneration is paid to drivers.

From the Fig.5. It is inferred that 25.7% of the respondents have preferred strongly agree, 12.9% of the respondents have preferred disagree, 22.9% of the respondents have preferred neutral, 18.6% of the respondents have preferred agree, 20% of the respondents have preferred strongly agree for willingness of drivers to take new route tasks.

Table.1. To study correlation between selection of drivers and commitment & trust of drivers.

Correlations

		Selection of drivers	Commitment and trust of drivers
Selection of drivers	Pearson Correlation	1	.054**
	Sig. (2-tailed)		.000
	N	70	70

Commitment and trust of drivers	Pearson Correlation	.054**	1
	Sig. (2-tailed)	.000	
	N	70	70

** . Correlation is significant at the 0.01 level (2-tailed).

Table.2.To study correlation between age group and remuneration of drivers

Correlations

		age group	remuneration_drivers
age group	Pearson Correlation	1	.103
	Sig. (2-tailed)		.398
	N	70	70
remuneration_drivers	Pearson Correlation	.103	1
	Sig. (2-tailed)	.398	
	N	70	70

Table.3.One-way Anova between marital status and transporting cabs,selecting drivers on qualification basis&willingness to take new routes

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
transporting cabs both on day and night- selection of customers	Between Groups	21.830	1	21.830	11.829	.001
	Within Groups	123.648	67	1.845		
	Total	145.478	68			
selecting drivers on qualification basis- selection of drivers	Between Groups	21.830	1	21.830	11.829	.001
	Within Groups	123.648	67	1.845		
	Total	145.478	68			
willingness to take new route tasks- commitment and trust of the drivers	Between Groups	21.830	1	21.830	11.829	.001
	Within Groups	123.648	67	1.845		
	Total	145.478	68			

From table 1.KARL PEARSON co- efficient of correlation = .054

Since the value lies between 0 to 0.5 there is a positive correlation.

There is positive correlation between selection of drivers and commitment and trust of drivers

From table.2.KARL PEARSON co- efficient of correlation = .103

Since the value lies between 0 to 0.5 there is a positive correlation

There is positive correlation between age group and remuneration of drivers.

From table.3.Null hypothesis (Ho): There is no significant variance between marital status and transporting cabs,selecting drivers on qualification basis&willingness to take new routes.

Alternate hypothesis (H1): There is significant variance between marital status and transporting cabs,selecting drivers on qualification basis&willingness to take new routes.

p value = 0.005

Since p value <.005 Reject null hypothesis.Hence,

1. There is significant variance between marital status and transporting cabs both on day and night.
2. There is significant variance between marital status and selecting drivers on qualification basis.
3. There is significant variance between marital status and willingness to take new route tasks.

V.FINDINGS

- There is positive correlation between selection of drivers and commitment and trust of drivers
- There is positive correlation between age group and remuneration of drivers
- There is significant variance between marital status and transporting cabs both on day and night.
- There is significant variance between marital status and selecting drivers on qualification basis.
- There is significant variance between marital status and willingness to take new route tasks.

VI.CONCLUSION

The outsourcing business should take the help of mobile apps to make customers book their vehicles and also can follow mobile tracking for all vehicles for a smooth functioning.The drivers can be selected based on qualification, commitment ,trust and willingness to take new routes at times.

VII.REFERENCE

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