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# Demography Based Trends in Management Research in Service Industries in India

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**Abstract**

In this paper, trending advancements related to management research prospective in context of service industries in India are analyzed based on demography. As we know, Service-oriented technologies and Management have gained attention in the past few years, promising a way to create the basis for agility so that companies can deliver new, and more flexible business processes that harness the value of the services approach from a customer's perspective. Also, India's Software and Service Exports are rising rapidly with annual growth rate ranges between 20-22% in IT service and nearly 55% in IT enabled services (ITES), such as BPO, KPO, etc. But the research oriented education varies with the demographical context even in top-level management institutional setups in India. Moreover, the need of correct orientation and conductance of the quality of research and the research practices followed by the people is more conducive to academic view point and thus seems repugnant to the Ground employers. Despite much interest in the consequent growth dividend, the size and circumstances of the potential gains remain under-explored. Convergently, the demographic dividend could add about 2 percentage points per annum to India's per capita GDP growth over the coming two decades. Thus, following paper shows the insights on these issues of research traditions followed in context of service industry and how they can undergo architectural change.

## 1. Introduction

The recent advancement and convergence of technology based on information and communication, a whole new world is commuting to the future. But that too with huge

face and great pace. Sharing of knowledge and information clubbed with profit making has effectively leverage the value transformations in service relationships that makes it a new way of viewing the architecture of an enterprise. The service orientation is emerging at multiple organizational levels in business, and it leverages technology in response to the growing need for greater business integration, flexibility, and agility. Well-Designed and structured organizations with deployable class of people. India's software and services exports have been rising rapidly. The annual growth rate is more than 20% in IT services and nearly 55% in IT-enabled services (ITES), such as call centers, Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and other administrative support operations. The service industry in India is highly export oriented and the exporters are predominantly Indian. The Indian BPOs (ITES) are moving up the value chain, handling high end data for airline information, engineering services, insurance, banking sector, hospitality, health-care centers, Fast Moving Consumer Goods (FMCG), Information technology, tele-communication, mortgage companies, teaching and education, venture capital, security and commodities exchange, accounting, tourism, enterprise resource planning, etc. The investments are intended to yield technical solutions that adjusts to a changing business environment, and effectively leverage the value of knowledge in service relationships that produce high business value (Arsanjani et al., 2004) [7]. These are what we call services and service-oriented thinking.

But now with a demographical point of view research applicable improvisation in service industries are not so much up to the mark. Main Concern is over the lack of high quality, context specific management research in India, that to specially in service industrial contents, and their prediction to follow western models of research and publication blindly, are also the emerging trends of bypassing class of today's business institutions.

## 2. Outsourcing and Development

The key to service science is its interdisciplinary qualities. It does not focus only on one aspect of service. Instead, it focuses on service as a system of interacting parts that include people, technology, and business. Service science draws on ideas from a number of existing disciplines. Presently in India, the service providers had laid down their roots on the concepts of the western policies and now with drastic amount of time compactum and growth of knowledge those policies are standing nowhere to be far gone. Instead it creates a certain kind of resentment among the people because of these compulsions. Opportunities for the services sector in India are fabulous. Services sector alone contributes approximately 64% share in GDP, growing by 10% annually, further contributing to employment, Foreign Direct Investment, exports and so on. Most enterprises do not have a complete view of their processes and business and technology policies (Zairi, 1997) [8]. They are not documented well and tend not to be followed properly. Also, inconsistent information scattered throughout the organization makes decision-makers' tasks harder. They also do not have business strategies that are tightly linked with their IT operations (Zhao et al., 2007) [9].

Moreover, inconsistent data, and data and information security have increased dramatically due to globalization, disaggregation, increased external and internal regulations, and compliance requirements. Service-oriented thinking is one of the fastest growing paradigms in IT, with relevance to accounting, finance, supply chain management, quality management and operations, strategy and marketing. According to Forrester Research, companies that implement a service-oriented architecture are able to reduce costs for the integration of projects and maintenance by at least 30% (Wall, 2007) [4]. Spohrer et al., 2007 [12] defines a service as the application of competence and knowledge to create value between providers and receivers. All these factors conclude for the conditioning of the present status of the scenario created by the demand of the sustainability.

## 3. Integrated Perspective and Trends in Management Research in India

Business and Management institutions and Research based education are at the crossroads where they can choose either to gain in short-term by setting up a shop to hand out diplomas or to entrust themselves with the long haul of providing business education rooted in high quality research based education. The only way to achieve world class service standards is to hone our human capital. The first step is the training. Though it is an expensive and subjective but is an essential catalyst for growth. Hospitality and Tourism industries in India are examples of how training and education can not only transform raw talent into professional service provider but also how training is linked to creating competitive advantage by enhancing service standards. Though I would not say perfectly but up to some level they do. Services are intangible and cannot be judged by the potential costumers before the contract is completed. As we know that efficiency of an invested fund is judged after taking return of invested fund for a time period. No certainty and ensurance are there for the outcomes. Types of research practices that are followed in India:

### 3.1 Practical research

The most centered and cultured stream of research in India is practice oriented. This is basically had served the country well in previous times. Demographically it is one highly adopted methodology followed through out last three decades. It emphasizes practically over the working mode of people. Institutions in India like IIMs and IITs had support from institution in the west in terms of faculty, research infrastructure, and training for the pals. Basically, there was this ‘influx or import’ of management concepts which gave birth to the moderately adopted ‘hybrid’ versions of ideas and services that are applicable to the Indian context. But management people should now understand that it is time to move on and they should concentrate on the unique emerging problems and their dealing.

### 3.2 Logical research

This type of research is based on facts and statistics. It is majorly focused and more suggested by the people in the field. Many institutions in India are establishing incentive mechanisms to encourage scholars to pursue such research. Theoretical frameworks and statistical conceptions and logics are highly encouraged due to their relevant properties. But some class of people don't prioritize their work around it. They have other deals to look after. So the question is, Is this right or wrong? Nothing makes it more absurd than question itself. Western paradigms are killing the efforts to conduct research that has greater correspondence in India. Ability of such type of research is highly questionable in context of service industry.

### 3.3 Trans-disciplinary research

Research which focuses on the production of knowledge through direct engagement with social practice and problems based on the past. Its traditional philosophy is not acceptable in present situation in India. That to in service industries not possible. Chronological changes rather we say, advancements that had taken place in our society are emphasized by the booming class of moderation. So it leaves no place for it to happen anymore especially in country which is now verge of 'obsessed' with developments in service industry.

### 3.4 Evaluative research

The client wants to know where his or her company or organization stands in comparison with similar organizations (benchmarking) or if guidelines have been observed and targets attained (evaluation). Using methods from quantitative social research (IT-supported representative survey of organization members), qualitative methods (such as focus groups, document analysis) or often a mix of both, a company analyze the organization and compare the results with the benchmark or objectives. In most cases, at the request of the client, the company also develop recommendations for action, based on the results of the analysis. This is what actually a bit complicated and stands on tougher node to be followed by academicians but unfortunately it is the trend that has to granted dimensions to flow as nobody wants to have an additional setback apart from overhead and stressing competition from other world.

## 4. Demographic dividend

The demographic dividend-this phenomenon occurs with a falling birth rate and the consequent shift in the age structure of the population towards the adult working ages. This is commonly known as Demographic window or bonus. With many developing countries particularly in the Asian continent experiencing a rapid decline in fertility, there has been widespread optimism that the demographic bonus will take these countries to greater economic heights. A nation's "dependency ratio" is the ratio of the dependent population to the working-age population.

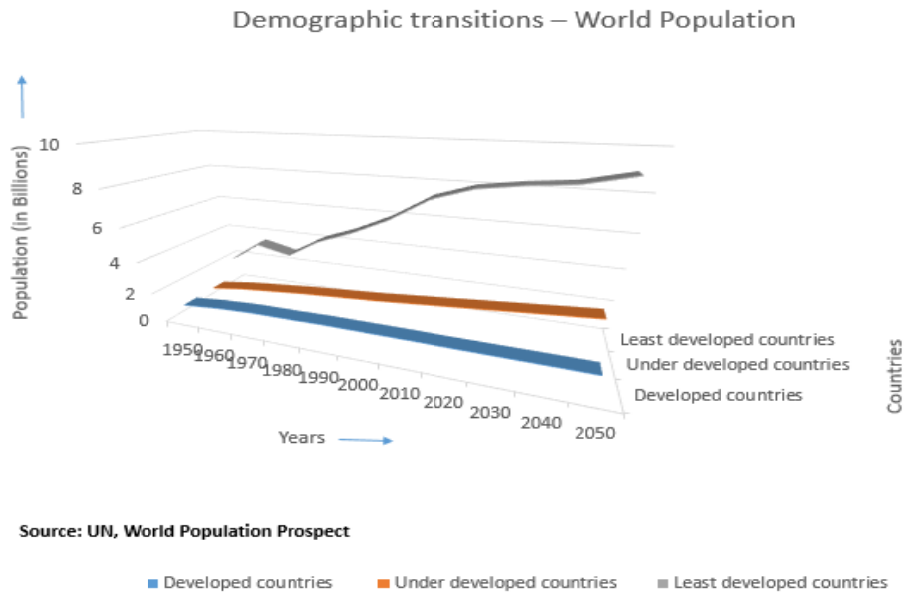


**Fig. 1**: Demographical Transitions on World population changes in different types of countries.

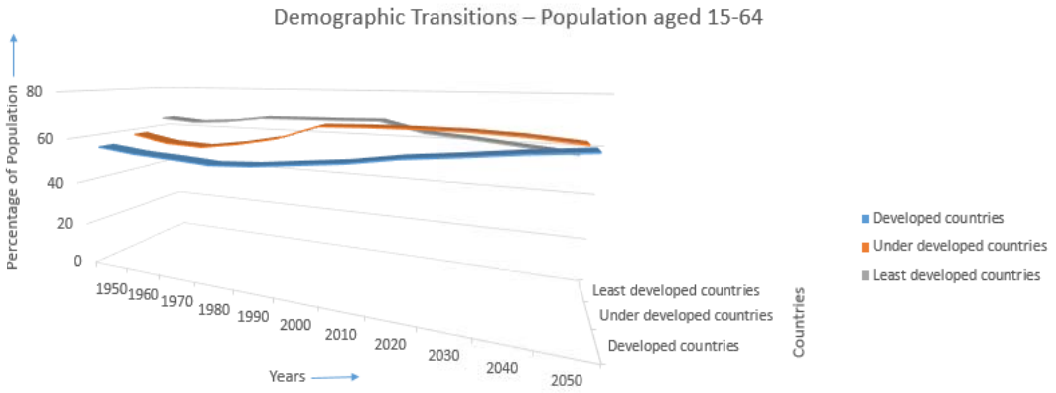


**Fig. 2**: Demographical Transitions on percentage population increase in different types of countries.

In the case of India this turns out to be 0.6. In 2011 around 63.38 % population is coming under working class. Population estimated, 400 million between 2000 and 2025, according to the realistic scenario, as much as 86 percent of the total growth would be in the age interval 15-64. There is phenomenal growth in the contribution of service sector for its sharing in GDP from 28.65% (in 1960-61) to 65% (in 2011-12) (Source: Economics Survey 2000-2012). Statics reveal that from 1960s to 1990s, there is an average increment of about 2.0 in demographic dividend in Indian states (that includes Tamil Nadu, Karnataka, Gujrat (Higher level) and Bihar, Madhya Pradesh,

Uttar Pradesh (Lower level). And also Per Capita income growth rate net of demographic dividend have little improvement in higher level Indian states while there is a decrease in from 1.1 to 0.6 in lower level states. Management Research and Education have been flourishing since three decades. But it got infected by the western interventions in quality and kind of work that can harvest the best possible results.

## 5. Investment in Technical Education

Five IITs and two IIMs were set up in the 1960s. The IITs were setup through collaboration with the most industrialized countries of the time. At current price, the cost of setting up an IIT was perhaps 10 billion Indian rupees and for an IIM it is approximately 1.5 billion rupees. India has a larger higher education system with about 253 universities and nearly 13000 colleges producing 2.5 million graduates every year. Most of these institutions were settled in southern part of India that contributes 40% of the total numbers. This shows that India is a huge potential building factory. As we know that, energy is also a wastage and responsible for useless increase in entropy of the universe unless directed by an external force for the application.

## 6. Issues and Challenges for India

ICT applications in strategic sector wit focus on security (security of all kinds of IT infrastructure) and surveillance, Machine Human interface, intelligent transportation, etc. are all the factors that have major influence on current scenario for the research basis. In building a research culture, the selection of staff, selection of issues and their healing methodology are the prior concern. Time and development both now are evaluated on the factor of money and research takes time to takes the responsibility of development only when backed-up by Potential Capital. In India, annual rate of urbanization growth is 2.4%, and 29% of population living in urban area. Indian government has increased spending on education to 5% GDP in Five year plans. But on the same time unemployment in India has an increasing rate of 10%. Despite much interest in the consequent growth dividend, the size and circumstances of the potential gains remain under-explored.

## 7. Progressive Advancements

In 2005, India’s share of the Global market for outsourced IT services is 3.3%. It serves almost half of all the fortune 500 companies (Bhatnagar, 2006). Also in perspective of intelligent working class, trends shows that among institutions in the software industry the most significant interventions have taken place in human resources. For example, nearly 60% of companies have formal employee suggestion system for which 28% of suggestions are actually implemented. Globally, Service exports from India are rising rapidly. In the age of information outsourcing, it is very difficult to cope the demand unless collaged with potential research. Reasons for the success of quality improvement, technological advancements and functions in western countries counted on three categories: People based, Business related and management

related. Tschang et al., 2001, [3] used the D&D classification of pure, basic and applied research to differentiate firms' abilities and functions. The highest two levels of research- pure and basic research, are almost non-existent in India, especially in domestic firms.

## 8. Discussion and Conclusion

India compared to its competitors ranks high on several critical parameters, including level of government support, strong track record delivery, early-mover advantage of brand recognition, quality of labor pool, strong processing. Certitude for some big firms is verified by the following factors:

- Highly entrepreneurial IT training and private education industry,
- Responded quickly to fill skill gaps and opportunities,
- Positive government policies (in some sense) and lack of regulations meant few barriers (except corruption),
- Bodyshopping exposed a large population to new ways of working.
- Early investment in engineering and management education and creation of potential pool of talent.

There is a need to develop present instead of future without offending the sustainability laws. Inflation, stagnant innovations, compounding cost, representativeness, etc. are threatening the market and posing a challenge to policy makers and researchers to overcome them.

People should understand the value of the subjective sublimation to sell in the market and gain satisfiable position beside their motive of earning.

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