



**AN EVALUATION OF BUSINESS PROCESS OUTSOURCING  
(BPO) IN INDIA: A STUDY**

**Paul Raj P.**

*Associate Professor in Economics, Rizvi College of Arts, Science & Commerce, Bandra  
(west), Mumbai 400 050*



*Scholarly Research Journal's is licensed Based on a work at [www.srjis.com](http://www.srjis.com)*

**INTRODUCTION:**

India has gone through the path of economic growth exceedingly well in the last twenty years. Information technology (IT) is one of the areas which contributed by to the said growth as stated by Bhuyar (2008). Business Process Outsourcing (BPOs) Companies have increased in number to a high extent and is a clear indication to the IT revolution. Pool of skilled and cheap labour and a vibrant English Speaking workforce are the prime factors responsible for flourishing call centres in the country. A BPO is referred to a company that concentrates on its core business and outsources its non-core activities such as administration, payment services and customer services. A call centre is a voice-based part of a BPO organisation.

**BPO AND CALL CENTRES IN INDIA:**

Globalization and Liberalization policy adopted by Government of India in 1990's paved the way for the growth of BPO sector in India. As per the estimates of NASSCOM (2011), BPO industry in India grew at the rate of 35 percent since 2005. The revenues accrued by BPO sector was of the tune of US \$ 88.1 billion in fiscal year 2011. 34 percent, as the estimate continues, of worldwide BPO market has been captured through which India labelled as the largest destination of BPO services delivery. The country has emerged as the largest private sector employer of India as it generated the employment to the tune of 4.5 million people (direct and indirect) out of which 50 percent comes in the category of below 25 years of age (NASSCOM, 2011). The study undertaken by Vaid (2009); Amoribieta et.al, (2001); NASSCOM and McKinsy (2005) stated that India continued to be the prominent location to outsource business activities, in spite of tough competition from other developing nations. Ramesh (2004) reasoned that the growth of Information Communication and Technology (ICT), low cost labour and availability of larger number of English speaking youth have emerged India as one of the desired destinations of BPOs.

*Copyright © 2017, Scholarly Research Journal for Interdisciplinary Studies*

The non-voice sector –cum- front office and voice based sector are the two kinds of back office outsourcing. Data encoding, market research, data base development, loan processing, handling included in non-voice process whereas the voice sector which is also called as Call Centre industry deals with customer service as its service is based on interactive communication with the customers or clients (Tara and Ilavarasan, 2009). The call centres, thus, constitutes more than one-third of the total employment of BPO sector.

Two types of calls are handled by the call centre employees viz., outbound calls and inbound calls.

### **REVIEW OF LITERATURE:**

The present research on the NBFC's depends upon various references from the books, journals, periodicals, RBI reports and so on. Some of the reviews are given as follows:

The globalised structure has made both national and multinational sectors lucrative. Both offer high pay and a promise of living a global-lifestyle. Many job aspirants find the opportunity alluring; they are willing to work in the information technology corporates. One such sector is the 'call centre' industry (Dohrenwend, 2000; Funk, 1992; and Green & Nowack, 1996).

The call centres' labour market demands the employee to work on single kind of work for strenuously long hours and often, shifting hours and yet delivers work on ambitious deadlines. Going a step beyond the generic problem, an employee in the call centre has to ensure that he/she complies with the outbound calling, ends the call in a stipulated time and ensure that an allocated number of target calls are attended to. While this industry pays relatively highly salary, the demands are a notch higher too. All the calls are monitored strictly. Payment is based on the quality as well as the number of calls made and yet there is no sense of job security. It being a volatile industry, employees are expected to keep up with the regular work and to update with relevant skills. This makes the job very stressful as rightly pointed out by Vowler (1995), Thong & Yap (2000), and Sanderlin (2004).

The call Centre industry is one of the most rapidly growing labour market sectors in Sweden today. According to Invest in Sweden Agency (2000), Sweden now has 45,000 employees working in this sector. Few studies of call Centres are described in the literature, especially with regard to working conditions and different health problems. (Norman et al., 2004)

Hales et al. (1994) describes that at the United States found that the work related upper extremity musculoskeletal disorders have been found comparatively as common among telecommunication workers. Psychosocial factors seem to be significant for symptoms in the shoulder/neck area. Fenety et al., (1999) cites a Canadian study with a holistic approach showed that health comprises physiological, psychological, sociological, and emotional well-being, and that this affects the reported health complaints. A study conducted by Norman et al., (2004) attempted to identify various stressors prevailing in the work atmosphere. Work in shifts, absence of support at the workplace and lack of control was identified as main work related stressors.

The call centre is an expanding business firm wherein an early survey on various risks can help in developing a healthy atmosphere at the workplace as highlighted by Norman et al., (2004).

#### **OBJECTIVES OF THE STUDY:**

The present research on the NBFC's has certain objectives, which are as follows;

- 1) To study the Business Process Outsourcing (BPO) in India.
- 2) To evaluate various problems of Business Process Outsourcing (BPO)
- 3) To suggest various measures to overcome the problems of Business Process Outsourcing (BPO) in India.

#### **SCOPE OF THE STUDY:**

The present study on 'An evaluation of business process outsourcing in India (BPO): A study' has the vast scope but still limited to the study at the Mumbai city and around.

#### **METHODOLOGY:**

For the present research on 'An evaluation of business process outsourcing in India (BPO): A study' the researcher has gone through primary as well as secondary data collection. Various objectives have been proved with the appropriate methodology and statistical tools as well as graphs. The universe of the study involves 82 domestic and 63 international call centres located in and around Mumbai such as Malad, Goregaon, Kandivli, Borivli, Andheri, Powai, Vikhroli, Lower Parel, Dadar and Ghatkopar. It represents 10 percent of the overall call centres identified for the study. Among these call centres 338 males and 175 females were selected as respondents of the study based on Simple Random Sampling. It was verified with the help of appropriate statistical formula that the sample size chosen is optimum.

**Figure 1: Global BPO Market Growth**

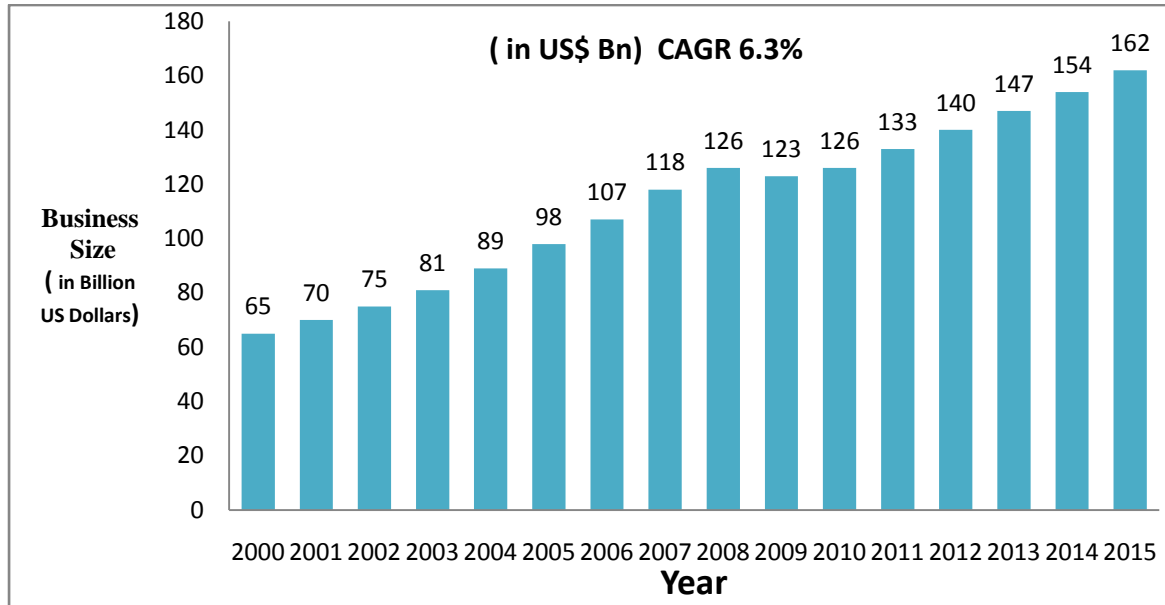


Table 1 deals with Global BPO market growth during the years from 2000 to 2015. It shows phenomenal increase as indicated in Table 1.

### Econometric Models Developed

**Table Results of Logistic Regression Analysis- First Model**

Variables in the Equation						
	B	S.E.	Wald	df	Sig.	Exp(B)
Gender_Analysis(1)	-.040	.236	.029	1	.865	.961
Age_Analysis(1)	.605	.262	5.350	1	.021	1.832
Marriage_Analysis(1)	-.900	.273	10.861	1	.001	.406
Edu_Analysis(1)	1.438	.245	34.448	1	.000	4.211
Dom_Interna_Analysis(1)	1.557	.233	44.555	1	.000	4.747
Appointment_analysis(1)	1.316	.236	31.127	1	.000	3.729
Experience_Analysis(1)	.394	.295	1.780	1	.182	1.483
Constant	-2.065	.416	24.619	1	.000	.127

*Source: Results obtained by analysis with SPSS*

This study is based on the primary data collected from 513 call centre employees who have been working in different call centres of Mumbai. The study aims to understand the life

style of the call centre employees. In the above analysis we have considered monthly salary of the call centre employee as a dependent variable and others as independent variables. This research results have successfully unfolded factors which affects the call centre employees' remuneration. We have used logistic regression analysis to explain the factors which affects monthly salary.

The binary logistic regression assumes the binary dependent variable whose value is either 1 or 0. In our case, we have assigned the value '1' if the individual earns above Rs.15,000 per month and value '0' has been assigned if he earns less than Rs.15,000 per month. The regression result of the first independent variable i.e. Gender can be interpreted as one more call centre employee belongs to male category log odds of him earning more than Rs.15,000 per month decreases by 0.04 units, holding all other independent variables constant. In other words, as one more call centre employee belongs to the Male category, odds in the favour of him earning more than Rs.15,000 per month decreases by 0.961 times. In terms of percentage, results can be interpreted as one more call centre employee belongs to male category. His chances of earning greater than Rs.15,000 per month decreases by 3.9 percent. However, in this analysis, gender is not a significant variable as P value is more than 5 percent. Thus, we can conclude that call centre employees salary is indifferent of the concept of gender as traditionally believed of any jobs.

The second variable in the table i.e. Age of the call centre employees significantly affect the salary as the P value is less than 5 percent. The result can be interpreted as the age of one more call centre employee is above 22 years log odds of the employee earning more than Rs.15,000 per month increases by 0.605 units, holding all other independent variables constant. In other words, as one more employee belongs to above 22 years age group, odds in the favour of him earning more than Rs.15,000 increases by 1.83 times, holding all the independent variables constant. Thus, we can conclude that as the age increases the salary of the call centre employee also increases.

The third independent variable taken into consideration is whether the call centre employee is married or not. The result shows that if one more person belongs to unmarried category log odds of the employee earning more than Rs.15,000 per month decreases by 0.9 units, holding all other independent variables constant. In terms of percentage, we can say that if one more call centre employee belongs to unmarried category, his chances of earning

more than Rs.15,000 per month decrease by 59.4 percent. Our results authenticate normal observation as unmarried employees draw less salary compared to married employees.

The fourth variable education also shows positive relationship with monthly salary and it positively affects the monthly salary. The results can be interpreted in percentage terms as one more call centre employee belongs to graduate category odds in the favour of him earning more than Rs.15,000 per month increases by 321 percent, holding all other independent variables constant. In other words, as more call centre employees are graduates, odds in the favour of him earning more than Rs.15,000 per month increases by 4.211 times, holding all other independent variables constant. Similarly, the type of call centre whether domestic or international also affects the salary of the call centre employee and the result is also highly significant as the P Value is less than 5 percent. The results can be interpreted as one more person works in the international call centre, odds in the favour of him earning more than Rs.15,000 per month increases by 4.74 times, holding all other independent variables constant. This is obvious as the employees handling international customers are paid more than the domestic call centre employees. Thus, we can conclude that if a call centre employee is working in international call centre he/she will surely draw more salary when compared to domestic call centre employee

The next variable which we have considered for the analysis is 'nature of appointment' of the call centre employee. If one more call centre employee is permanently appointed, odds in the favour of him earning more than Rs.15,000 per month increases by 3.729 times, holding all other independent variables constant. Thus, it can be concluded that permanently employed call centre employees fetch more salary than temporary one. The last variable which has been considered for the analysis is the experience of the call centre employees. The results can be interpreted as one more call centre employee has more than 5 years of work experience, odds in the favour of him earning more than Rs.15,000 per month increases by 1.483 times compare to a call centre employee who has less than 5 years of work experience holding all other independent variables constant. Thus, the experience pay more to the call centre employees and this is true with respect to any profession.

All the independent variables except Gender significantly affect the salary of the call centre employees. The insignificant variable 'gender' is a good sign of the call centre industry explaining that gender discrimination is absent in this industry.

## **FINDINGS AND CONCLUSION**

On the basis of the primary survey conducted, it has been found that profile of the respondents vary from call centre to call centre. Majority of the call centres are gender friendly whereas certain call centres though limited in number predominate in the appointment of men as their employees.

The call centre employees were not satisfied with the duration of lunch break obtained. They complained that they had to finish consuming food in a hurried way which adversely affects their healthy eating habits since they are compelled to eat under stress which proves the second hypothesis.

It is interesting to note that the industry is completely entirely handled by young employees. They work in night hours and sleep throughout the day barring few hours earmarked for their personal and private needs. Such routine jobs affect the biological balance of the employees. It seems that they are totally alienated from the relatives as well as from the society. They are, no doubt, prone to sickness. Most of them are ill-tempered and in dejected moods. This problem was found to be more common among females which proves third hypothesis.

## **POLICY RECOMMENDATIONS:**

- 1) The policy makers and Government Departments who are handling labour welfare aspects will have to take care of the mounting stress factors among call centre employees.
- 2) How to engage young call centre workers in continuing their education is yet another policy matter to be debated. Many enter into labour market after securing SSC or HSC is a matter of concern.
- 3) The problems faced by female call centre workers require special attention. Their security related and health related issues need to be taken care of.

Thus, the present study on the call centres and the Business Process Outsourcing (BPO) industry has an appropriate importance.

## **REFERENCES:**

- Singh, N. 2007. "Call Centres". In Kaushik Basu (Ed), The Oxford Companion to Economics in India . Oxford University Press, New Delhi.*
- Shah PB, Reddy PSN, Hegde SC. "Stress: Occupational Health Disorder Amongst Computer Professionals", Indian Journal of Occupational Health; 1999: 71-73.*
- Shahnawaz, M.G. (2006). Occupational Stress in Call Center: Myth or Reality. Abhigyan.3, 30- 39.*
- Shahnaz Aziz, Jamie Cunningham (2008), Workaholism, work stress, work-life imbalance: exploring gender's role, Gender in Management. Bradford, Vol. 23, Issue 8; pg. 553*

- Pradhan, J.P. and Abraham, V. (2005). "Social and Cultural Impact of Outsourcing: Emerging Issues from Indian Call Centres". Harvard Asia Quarterly, 9(3):22-30.*
- PravinSinha (2004), 'Dilemma of Organising IT Workers: The Case of India', Union Network International*
- Indradevi, R. and Kamala, P. M. (2006) Women in Indian BPO's – Problem and stress, Management and Labour Studies, v. 31(4), pp. 332 – 345.*
- Jain, A K and Cooper, CL (2012), Stress and organisational citizenship behaviours in Indian business process outsourcing organisations, IIMB Management Review 24, 155e163*
- Jena MK(2011), Indian IT industry and work: A study of health risk among BPO workers in Bangalore. Labour Dev;18:25-41.*
- Agarwal, R. (2001). Stress in Life and at work. First Edition, Sage Publication: New Delhi*