CHAPTER IV

BUSINESS PROCESS OUTSOURCING – AN OVERVIEW

This chapter discusses the evolution and characteristic features of the Business Process Outsourcing Industry and profile of the select companies. In particular this chapter elucidates the characteristic features of BPO industry in the context of human elements involved in it. It also attempts to explore the work culture and work environment of outsourcing industry and the various human-resource challenges faced by the mangers so as to identify the factors that cause employee attrition.

4.1 INTRODUCTION

Outsourcing is a contract-based relationship between client and vendor organizations in which a client contracts out all or part of its services to a vendor, who provides agreed services in return for remuneration. It is a phenomenon in which a user organization, i.e. client, transfers property or decision rights over Information Technology (IT) infrastructure to an external organization, i.e., vendor (Loh and Venkatraman, 1992). One of the most familiar forms of outsourcing is business process outsourcing (BPO), i.e., transferring the operational ownership of one or more of the firm’s business processes to an external supplier that, in turn, administers the processes according to some predefined metrics (Ghosh and Scott, 2005; Stone, 2004). Business Process Outsourcing thus refers to the rearrangement of entire business functions to some other service providers, primarily in low cost locations. The service provider may be either self-owned or a third party. This relocation or transferring of business processes to an external provider is essentially to accomplish increased shareholder value. Thus Outsourcing has become the obvious strategic choice of the companies looking at the visible profits of cost reduction while improving the quality of service and increasing shareholder value etc. (Shah and Sharma 2006).

Due to the availability of competent and skilled personnel at lower salaries, government support, advantage of labor cost arbitrage, economies of scale, risk mitigation and flexibility in operations, the BPO industry in India has grown by leaps
and bounds. The evolution and maturity of Indian BPO sector has been discussed in the following section:

**4.2 EVOLUTION OF INDIAN BUSINESS PROCESS OUTSOURCING INDUSTRY IN INDIA**

Since the onset of globalization in India during the early 1990s, successive Indian governments have pursued programs of economic reforms committed to liberalization and privatization. Until the year 1994, the Indian telecom sector was under the control of government. The state owned units in India enjoyed a monopoly in the market. In the year 1994, the government announced a policy under which the sector was liberalized and private participation was encouraged. The ‘New Telecom Policy’ of 1999 brought in further changes with the introduction of ‘IP telephony’ and ended the state monopoly on international calling facilities. This brought about a drastic reduction in call rates and heralded the golden era for the ITES/BPO industry, thereby ushering in a slew of inbound call center/telemarketing services centers, and data processing centers.

In fact the origin of BPO industry in India goes back to the mid – 1980s. Several European airlines started using New Delhi as a base for their back office operations, British Airways (BA) being one of them. In the second half of the 1980s, AMEX consolidated its Japan-Asia Pacific (JAPAC) back office operations in New Delhi. This center was headed by Raman Roy. Raman Roy for the first time tried out voice operations from India and successfully led the captive outsourcing initiatives of American Express, General Electric (GE) Capital, Spectramind (now Wipro’s BPO). Around the same time, Citibank also started its back office operations and call centre at Chennai. In 2004, General Electric capital International Service (GECIS) was spun off by GE as a separate legal entity called Genpact. Armed with venture capital, Raman Roy in 2000 started his own company called Spectramind. At around same time, an organization called EXL started in Noida, Efunds started its operations in Mumbai and Gurgaon. Daksh started its operations in Gurgaon, and 24x7 Customer and Customer Asset started their operations in Bangalore. While Daksh was acquired by IBM and Customer Asset by First choice, EXL, Efunds, and 24x7 continued to be successful players. Thus many BPO companies started off in India in early 1990s
thereby creating a revolution that touched not only the 600,000 people directly employed by them, but millions of others who were associated with them.

The ITES or BPO industry is a sector in India that has been in existence for a little more than ten years. Despite its recent arrival on the Indian scene, the industry has grown phenomenally and has now become a very important part of the export-oriented IT software and services environment. It initially began as an activity confined to multinational companies, but today it has developed into a broad based business platform backed by leading Indian IT software and services organizations and other third party service providers. The evolutionary phase of BPO industry in India has been illustrated in Figure 4.1:

Source: Zinnov Research 2007

**Fig 4.1: Evolution of Indian BPO Industry**

**The First Wave:** In the initial stage the company owned units pioneered BPO in India. Company owned units such as American Express, General Electric (GE), Citibank, and AOL etc. triggered the trend of outsourcing back office operations and
call centre services to India. Since then several banks, insurance companies, airlines and manufacturing companies have set up back office service centers in India.

**The Second Wave:** In the next phase, a number of experienced professionals started up operations in India. Generally such start-ups have been funded by venture capital funds.

**The Third Wave:** In this stage the leading IT services companies entered BPO. Given the magnitude of the opportunities like natural synergies with the software services business and the ability to leverage their high-end physical infrastructure and management band-width, most large IT services companies have ventured into ITES.

**The Fourth Wave:** Domain - Industry Specialized BPO’s. These are the niche players in industry. Many of these players have had vast experience in the domestic market and are now offering offshore BPO services. Generalized large BPO players are now focusing on “verticalizing” their competencies and structures.

According to a report by Indo-American Chamber of Commerce, and Price water house Coopers private limited (2005), “A majority of the key players in the BPO industry in India are captive units of MNCs and international BPO companies desiring to take advantage of the cost arbitrage offered by India. The first wave offered low cost but today firms are demanding new, less risky options for applications that are strategic, complex, or mission-critical, while still taking cost into consideration. Outsourcing has moved from a niche technology management tool to a mainstream strategic weapon. Nowadays, BPO is emerging as a powerful and flexible approach that business leaders can use to achieve a wide range of tactical and strategic aims. The most common business process that gets outsourced is call centers. Call centers and Help Desks of many multinational and fortune 500 companies are being outsourced to low waged, English speaking countries such as India and Philippines. Countries like India with vast IT human resources are also attracting outsourcing from American IT/Technology companies to outsource their IT Help Desks.

Although the term "Business Process Outsourcing" (BPO) has gained momentum only in the past ten years, the service itself has existed for decades. For example, several of the largest service providers have significant legacy revenue streams that are derived from medical claims processing contracts. In many instances, these contracts include the entire back-office function. The outsourcing of payroll
administration, an accepted practice for many years, is another illustration of the true age of the BPO market. This market is now experiencing noticeable momentum in terms of wider user acceptance and the emergence of new service offering categories, as well as the proliferation of providers from which to choose. Service providers offer BPO for literally hundreds of business processes. Some of these service offerings are discussed in the following section.

4.3 SERVICES PROVIDED BY THE BPOs

Business Process Outsourcing in India is organized in many segments. Back-office processing and customer interaction services are among the fastest and largest growing segments that contribute significantly to the Indian BPO market. The main activities or areas covered by the BPOs include customer care, such as remote maintenance, help desk, and sales support; finance and administration, examples of which are data analysis, medical transcription, insurance claims, and inventory management; and HR and payment services including payroll, credit-card services, check processing, and employee leasing. In addition, the BPO industry has expanded into engineering and design, animation, market research, network consultancy and management, remote education, and content development (i.e., digital content, LAN networks, and application maintenance). Besides it also includes, knowledge processing. KPOs on the other hand include intellectual property research, legal and medical research, R&D, analytical services like equity research, information security services such as risk assessment and management, bioinformatics, and procurement and global trade. Broadly speaking, the Indian BPO industry can be divided into six categories.

- **Captive Units** set up by global companies, which outsource their back-office operations from India.
- **Indian Third-Party Vendors**, who execute transactions and processes for international clients.
- **Joint Ventures** between international BPO companies and Indian partners.
- **Indian IT Software** Companies have added BPO to their service portfolio.
- **Global BPO Players** who set up call centers in India (for example, Convergys).
Global Consultancies (such as Accenture) who have been advising their clients on outsourcing and are now leveraging this experience into providing actual BPO service (Economist Intelligence Unit, 2002).

The most prevalent form of BPOs operating in India is that of either Captive Units or the Third-Party Vendors. The BPO industry is heterogeneous, differentiated by horizontal process domains such as HR, logistics, or finance, and vertical specializations such as medical transcription in the health sector and check processing and imaging in banking.

The world of operations in a BPO firm has some similarity to the world of manufacturing. The work is repetitive and monotonous but the service delivery requires high levels of rigour and discipline. The quality standards are very high. The work culture of a typical BPO organization is discussed in the following section 4.4 below:

4.4 WORK CULTURE OF BPO

Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry. The major success of BPOs can be attributed to its ability to attract the youth of India. The changing lifestyles demand for luxury and emergence of high-income spending groups coupled with a thoroughly cosmopolitan outlook of life are the factors along with the glamour attached with the BPO jobs, have generated passion in Indian youth for BPO jobs (Purwar, 2010).

The BPO culture is an inevitable outcome of the unconventional working hours where time zone difference naturally exist between India and other countries like America, which has altered the way Indians have lived for years permeating their social and personal space. The BPOs are usually bustling at night, when operations are in full swing thus forcing employees to follow a nocturnal lifestyle and activities appealing to the youth for its revolutionary style of functioning. A BPO job necessitates that workers adopt the western culture so as to identify themselves with their customers leading to a gradual percolation of the western culture in the environment. The atmosphere in which the workforce effectively works to deliver high quality performance is discussed as under:
- **Energetic setting:** BPOs have a vibrant environment. Generally the interiors are also done up in a way that it makes people feel nice and energetic. This glamorous industry also involves a lot of hard work and specialized skills to deal with all kind of customers.

- **24X7 work environment:** They have a round the clock working culture and people work in day and night shifts. This is because International BPOs offer services to countries like US and UK that have different time zones.

- **Perfect amalgamation:** The work culture in quality BPOs is a blend of professionalism and friendliness. Humans are not treated like machines but are given equal opportunities of growth in every sphere of learning. BPOs create a friendly working atmosphere so that the employees don’t feel suffocated.

- **Rejuvenation channels:** Long working hours and pressure to meet deadlines and achieve targets takes its toll on the well being of the employees. Quality BPOs offer world class channels to de-stress employees and to motivate them. Entertaining events and parties are organized at regular intervals so that the employees are relieved and invigorated to take the challenges head on. World-class BPOs also have gym, sports and cafe facilities.

- **Pep up the energy levels:** BPO employees work hard to meet deadlines and targets. Motivation is a great booster when it comes to delivering high end results. So to ensure that the team is motivated; team leaders and managers keep the morale of the employees high through encouraging words, perks, incentives, gift certificates, etc. in the BPO sector.

- **Flexibility** – A lot of vendors provide the management with flexible as well as scalable services to meet the customers’ changing requirements, along with supporting company acquisitions, consolidations, in addition to joint ventures.

- **Employee Benefits Provided By Majority of the BPO Companies**
  - **Provident Fund:** As per the statutory guidelines, the employee is required to contribute a percentage of his basic salary and DA to a common fund. The employer contributes for this fund as well. The employee can use the amount deposited in this fund for various personal purposes such as purchase of a new house, marriage etc.
  - **Gratuity:** Gratuity is one of the retirement benefits given to the employee in which the employer every year contributes a particular amount. The fund created
can be used by the employee for the purpose of long-term investment in various things such as a house etc.

- **Group Medi-claim Insurance Scheme**: This insurance scheme is to provide adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy in case of female employees or spouse of male employees. All employees and their dependent family members are eligible. Dependent family members include spouse, non-earning parents and children above three months.

- **Personal Accident Insurance Scheme**: This scheme is to provide adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident. It is applicable to all the employees and covers total or partial disablement or death due to accident and due to accidents.

- **Subsidized Food and Transportation**: The organizations provide transportation facility to all the employees from home till office at subsidized rates. The lunch provided is also subsidized.

- **Recreation, Cafeteria, ATM and Concierge facilities**: The recreation facilities include pool tables, chess tables and coffee bars. Companies also have well equipped gyms, personal trainers and showers at facilities.

- **Corporate Credit Card**: The main purpose of the corporate credit card is enable the timely and efficient payment of official expenses which the employees undertake for purposes such as travel related expenses like Hotel bills, Air tickets etc.

- **Cellular Phone / Laptop**: Cellular phone and or Laptop are provided to the employees on the basis of business need. The employee is responsible for the maintenance and safeguarding of the asset.

- **Personal Health Care** (Regular medical check-ups): Some of the BPO’S provides the facility for extensive health check-up. For employees with above 40 years of age, the medical check-up can be done once a year.

- **Loans**: Many BPO companies provide loan facility on three different occasions: Employees are provided with financial assistance in case of a medical emergency. Employees are also provided with financial assistance at the time of their wedding. And, the new recruits are provided with interest free loans to assist them in their initial settlement at the work location.
- **Educational Benefits**: Many BPO companies have this policy to develop the personality and knowledge level of their employees and hence reimburse the expenses incurred towards tuition fees, examination fees, and purchase of books subject, for pursuing MBA, and/or other management qualification at India's top most Business Schools.

- **Performance based incentives**: In many BPO companies they have plans for, performance based incentive scheme. The parameters for calculation are process performance i.e. speed, accuracy and productivity of each process. The pay for performance can be as much as 22% of the salary.

- **Flexi-time**: The main objective of the flexi - time policy is to provide opportunity to employees to work with flexible work schedules and set out conditions for availing this provision. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs. The factors on which Flexi time is allowed to an employee include: Child or Parent care, Health situation, Maternity, formal education program.

- **Flexible Salary Benefits**: Its main objective is to provide flexibility to the employees to plan a tax-effective compensation structure by balancing the monthly net income, yearly benefits and income tax payable. It is applicable of all the employees of the organization. The Salary consists of Basic, DA and Conveyance Allowance. The Flexible Benefit Plan consists of: House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, Special Allowance.

- **Regular Get together and other cultural programs**: The companies organizes cultural program as and when possible but most of the times, once in a quarter, in which all the employees are given an opportunity to display their talents in dramatics, singing, acting, dancing etc. Apart from that the organizations also conduct various sports programs such as Cricket, football, etc and regularly play matches with the teams of other organizations and colleges.

- **Employee Referral Scheme**: In several companies employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.

- **Paid Days Off**
4.5 ORGANIZATION STRUCTURE OF BUSINESS PROCESS OUTSOURCING FIRMS

In this section the internal organization structure of a typical BPO company has been discussed in detail. The Organizational structure is usually divided into various departments such as (a) Human Resource (HR), (b) Operations, (c) Administration, (d) Finance, (e) Business Development (BD)/Marketing and (f) Technical. Each of these can function as a separate company in terms of the structure. Generally the roles for each department are quite clearly defined.

In most companies, Human Resource functions include Recruitment, Training, and Talent management. Administration is again a wide function which looks after the day to day functioning of the company starting from transport, office maintenance, security and running the cafeteria. Some of these are often called transaction processing.

The Technical Department is also a support function. This Department ensures systems are in place. As there is extensive use of technology, the Technical Department has the responsible job of ensuring that all software is running smoothly.

Finance is a back office function that includes a number of services including billing, account payables, general accounting etc. Business development includes marketing and other strategic planning. Important decisions with respect to Mergers and Acquisitions (M&A’s) are taken by this department in close coordination with the Finance department. Scanning the market and drawing a map for the company’s future growth depends largely on the efficiency of this Department.

It has been found that in most of the business process outsourcing firms the sales, finance, marketing and human resource functions would report in to Chief Executive Officer (CEO), while operations, quality compliance, information system, and technology would report into Chief Operating Officer (COO). The ideal way to structure operations is along industry and business lines. The strategic business unit (SBU) is the building block that serves a certain business and there is commonality of customers around the business unit. The ideal employee strength for each strategic business unit is 2,000 people and each business unit has its own dedicated support
functions. The typical organization structure of a BPO service provider is a pyramidal one as shown in figure 4.2.

![Organization Structure of BPO Company](image)

**Fig 4.2: Organization Structure of BPO Company**

*Note: CEO – Chief Executive officer.*

### 4.6 HUMAN RESOURCE PRACTICES IN BPO INDUSTRY

Generally, it has been found that Indian BPOs exhibit formal, structured and rationalized HRM systems, which compare favorably with employment related practices in other sectors of the formal economy (Budhwar et al., 2006). HRM assumes a strategic role and several employee involvement and commitment work practices have been observed (Raman et al., 2007). Commonly found HR measures include structured recruitment and selection practices, formal, regularly timed performance appraisals and associated compensation systems (performance bonuses), as well as specialized needs-based training (Budhwar et al., 2006a).

However more recent researches have called attention to the growing interest in other dimensions of HR including supportive team leadership, the provision of recreational and cultural facilities and activities, and various employee ‘involvement’ programs such as ‘town hall meetings’, committee involvement and suggestion schemes (Budhwar et al., 2009). Noronha and D’Cruz (2009) have drawn attention to the
importance of employment and occupational ‘branding’ in the management of BPO workers. Job titles such as ‘process executive’ and other symbols of global corporate membership inform the construction of self-identities around employment and work. Presumably, such identity regulations reinforce the organizational attachment (Alvesson, 2004).

4.7 HR ISSUES IN BPO INDUSTRY

BPOs have proved successful in Indian context, as they have been identified as the most flourishing sector and emerged as India’s most promising sector with a growth rate of 40-50 per cent since its inception. BPO is a very fast paced and a high momentum industry. Taking advantage from the abundant skills and low cost benefits, large number of BPO companies has mushroomed in India in recent years, many of the well established IT companies have also started their BPO divisions. But, there is another side of the BPO picture too. This picture is concerned with the nonviability of the BPO and the fact that the young generation of India is actually losing out in the BPO. Despite the mounting success of Indian BPO industry, analysts and media reports have started focusing on problems and challenges faced by this sector. According to the global management consulting firm, Diamond Kluster International’s 2005 “Global IT Outsourcing” study, the number of clients prematurely terminating an outsourcing relationship has gone twofold to 51 percent, while the number of clients satisfied with their off shoring providers has decreased from 79 percent to 62 percent. Although outsourcing continues to help western firms save significant sums of money despite such concerns the problems related to HRM issues are growing and have the potential to make India less attractive for BPO. Hence, there is a grave need to address such issues effectively.

Besides this, the BPO employees are experiencing problems related to stress, sexual and racial abuse, and dissatisfaction at work. Inside a BPO organization, HR related issues arising at all levels have become significantly alarming and need to be addressed soon. Major HR-related issues standing as problems in the various levels of management include attrition, HR policies, absenteeism, performance appraisal, and manpower allocation. At the lower management level the major concerns are related to job design and job requirements, like night shifts, monotony, and long hours. At the
middle management level, critical issues are related to HR, organizing, and motivation. Middle-level managers have difficulty retaining good employees, motivating them to put in their best effort and keeping them happy. Often managers are not trained to work with teams and directing and motivating numerous teams simultaneously is challenging. Literature also identifies that outsourcing work environment leads to emotional exhaustion, less affective commitment, more resigned attitude towards the job, and higher intention to quit. Issues related to recruiting, training, and sustaining employees in the BPO industry needs attention.

Also there is another perspective for attrition which is specific to the BPO industry in India. India at the moment is working on low end business processes which do not require quite high skills. The reason for India's success has primarily been providing low cost high quality labor. Compared to competitors such as Philippines, South Africa, Ireland; India is the only country where there is a balance between the cost involved and the quality provided. For Indian companies to remain successful in future it is pertinent have to keep the cost low. Tasks performed by an agent are routine and simple and do not need a sophisticated skill-set. Hence, there is not much advantage in retaining a highly experienced employee. At the floor level operation, an amateur after a nominal training is capable to work with the same efficiency as a 2-3 year experienced employee. The industry players therefore consider the present attrition as positive because it helps them to operate at a lower cost level.

BPO is the biggest employment generating industry in India, as it offers fast money. Therefore there is a lot of demand as well as supply for this job. The rate of quitting, however, is far more than the rate of joining. It is a Herculean task to bridge the widening gap between demand and supply of workers in BPO industry. The average attrition rate in the Indian BPO sector varies between 30 and 35 percent. Although, it is far less than the prevailing attrition rate in the US, which is around 70%, the challenge is equally alarming. Keeping the attrition levels near to the ground is a major challenge as the demand surpasses the supply of good agents by a big margin. The employees are disillusioned as their salary structures are not well defined. This encourages poaching by other companies who can offer a higher salary.

Work for fun is normally associated with the BPO industry, often claimed to be its unique selling point. But it has already backfired. The young people are now taking BPO jobs just as a stop-gap arrangement to pass time. Initially they are blinded by fast
money, fast life and fast growth. However, the realities of BPO jobs are just the opposite. The bizarre working hours and monotonous nature of job wear them out very fast. Their hyped up fun transforms into a dull droning job. This exactly is one of the main reasons behind high attrition in BPO industry. High percentage of females working in the BPO industry further aggravates the situation. Most women quit after marriage because of the social strain caused by asymmetrical working hours. The industry is spending huge amounts on training its employees but most of the training is either induction training or process training. Motivational training, though most important, is grossly neglected in BPO. Enormous amounts of money spent on training are simply wasted due to high levels of attrition.

Attrition in the BPO industry is twofold. One part of the attrition is where the employee leaves the industry entirely. The other section of attrition is where the employee joins another firm in the industry. Both the sections have separate reasons which need to be identified. The primary reason for people leaving the industry is due to the cause that the industry is viewed as a gap filler occupation. There seems to be a flaw in the way the industry is structured. The industry has been mainly dependent on youth who take out time to work, make money in the process while thinking of career alternatives. Hence for this group BPO is never a long term career but only as a part time job. The easy availability of BPO jobs is only a source of easy money till the time there is no other source of funding. Also the unfriendly working conditions, late night work shifts, high tension jobs acts as a deterrent for people to stick to this industry for long time. In addition, the BPO jobs are not being taken with a positive spirit by the society at a large.

To add to it, the industry is characterized by unusual work hours; never-ending night shifts; high work targets; repetitive nature of work; pressure to work on metrics; non-negotiable metrics; irate customers and insufficient holidays. Furthermore, BPO executives are faced with the quality versus quantity conflict. Each factors by itself, contributes to different levels of stress; when combined, which may prove to be traumatic. Employee motivation soon gets depleted. This ultimately leads to very high levels of dissatisfaction with work and results in employee turnover. According to the research conducted by Mercer India, a high rate of attrition is due to factors like higher salary expectation, work timings and other career options; adding that there is always a danger of costs increasing while billing rates are declining. Even factors like
unsatisfactory monetary rewards, discomfited working hours, dull and monotonous jobs add to the high employee turnover rate (Ananthraja 2002). Many see this space to be an Internet sweatshop where all that the employees are required to do is just mechanically input numbers into excel sheets or, worse still, answer phone calls in the same tone and repeat the same lines at least 100 times a day/night (Ramesh 2004). Nevertheless, high levels of attrition continue to challenge the BPO model and this has led a number of researchers to search for remedies to control attrition. In the present study four Business process outsourcing companies operating in the Delhi NCR region viz. Genpact, IBM Daksh, Convergys India and HCL Technologies have been selected for data collection. These companies are chosen from a list of top 20 BPO Employees provided by Nasscom 2010 Survey. In this survey the companies are ranked according to their employee strength. Also these companies are amongst the Top twenty companies listed in Dataquest annual Top 20 survey conducted by the flagship publication of Cyber Media, one of South Asia's largest specialty publishers. The profile of the each organization has been discussed in the following section.

4.8 PROFILE OF SELECT COMPANIES

❖ GENPACT

4.8.1 Genpact Limited (NYSE: G) is a global provider of business process and technology management services, offering a portfolio of enterprise and industry-specific services. It was formerly a GE owned company called GE Capital International Services (GECIS). It operates from India, China, Guatemala, Hungary, México, Morocco, Philippines, Poland, Netherlands, Romania, Spain, South Africa, Australia, UAE, Brazil, Kenya and the United States. Currently it employs over 58,500+ people in various locations providing services in 25+ languages on a 24/7 basis.

Genpact's services cover areas like finance and accounting, analytics & research, financial risk management, supply chain, procurement, enterprise application services
and IT Information Services. Genpact serves clients in various industries including banking and financial services, insurance, capital markets, healthcare, life sciences, consumer goods, retail, aerospace, automotive, energy, high technology, transportation, logistics and hospitality.

In India it operates from Gurgaon, Noida, Delhi, Hyderabad, Jaipur, Kolkata, Bangalore and Dehradun. Its operations in India include finance and accounting, sales and marketing analytics, customer services, financial services collections, supply chain, information technology and actuarial and other insurance services with learning content development.

In September 2011, Genpact Acquired EmPower Research, an integrated media and business research company with strong capabilities in social media research and measurement. EmPower management has offices based in New York, Bangalore, Cincinnati, New Jersey, San Francisco and London.

4.8.1.a HUMAN RESOURCE PRACTICES IN GENPACT

The company provides an open, honest and transparent culture to its employees. It invests in development of employee skills and competencies of employees as well as to enhancing their personal growth and development. The company provides its employees with the opportunity to enroll in world-class training, ranging from learn-while-earn programs to international leadership development programs.

Genpact has over 5,500 Six Sigma-trained green belts, 300 Six Sigma-trained black belts and 60 Six Sigma-trained master black belts, as well as more than 4,500 Lean-trained employees.

IBM DAKSH

4.8.2 In April 2004, IBM Corporation acquired Daksh e-Services to form IBM Daksh. Today, IBM Daksh is a leading provider of business process services. Daksh is a big
name when it comes to Indian BPO industry. Even before it was acquired by the IBM, Daksh had always received awards and recognition for excellent employer and for customer satisfaction. It also has two branches in Manila, Philippines. IBM Daksh offers solutions in Customer Relationship Management (CRM), financial services, industrial services, communication, travel, retail, hospitality and distribution industries. The company has both call centers and back office operations.

Frost & Sullivan has named IBM the Contact Center Outsourcing Vendor of the Year in Asia Pacific, for two consecutive years, 2006 and 2007. It received the NASSCOM-India Today Woman Corporate Awards for Excellence in Gender Inclusivity in the BPO-ITeS category.

4.8.2.a HUMAN RESOURCE PRACTICES IBM DAKSH

IBM Daksh is a winner of many recognized awards for employee and customer satisfaction. The company promises growth for its employees. Some of the facilities offered by the company include life insurance, paid holidays, referral bonus program, company car entitlement, retirement benefits, promotional schemes etc.

❖ HCL TECHNOLOGIES

4.8.3 HCL Technologies Ltd. - HCL Technologies Ltd. was established in 2001 and is one of the early players of Business Process Outsourcing in India. With over USD 200 million (as on 30th June 2010) in revenue, HCL Business Services has over 11,500 employees across 26 global, integrated delivery centres providing over 220 domain specific and quality driven processes to several Fortune 500/Fortune Global 500 customers.

HCL Business Services' focus verticals includes telecom, retail, media, publishing and Entertainment, energy, utility and public services, banking and financial services, insurance, healthcare and Hi-Tech & Manufacturing. Besides this, the company services various areas of operations like Financial Accounting Outsourcing, Human Resource Outsourcing, Customer Relationship Management (CRM), Knowledge
Process Outsourcing (KPO), Technical Support Services and Supply Chain Management (SCM). HCL Business Services is the largest provider of Telecom BPO services in Asia and runs business processes for world renowned clients in back-office services, particularly in the Telecom and Retail domain.

**4.8.3.a HUMAN RESOURCE PRACTICES HCL TECHNOLOGIES**

HCL Technologies has “Employees First, Customers Second” strategy. Through its inverted organizational structure it has maintained transparency and accountability within the organization and encourages a value-driven culture since its conception in 2005. The company has also won international recognition for its ground-breaking “Employees First” management philosophy, designed to empower and energize employees in the service of customers by making management as accountable to employees as employees are to management.

HCL Business Services follows industry best practices and metric-based quality norms for all its processes. This is supported by robust technology infrastructure, strong human resources and a customized training program and transition framework. HCL Business Services is the first BPO Company in the world to be appraised at Maturity Level 5 of People Capability Maturity Model (CMM).

**CONVERGYS INDIA**

**4.8.4** Convergys India is a part of Convergys Group, which has its headquarters in Cincinnati, Ohio. It has 77 customer contact centres, three data centres and other facilities in the United States, Canada, Latin America, Europe, the Middle East and Asia. In India, Convergys has branches in Bangalore, Hyderabad, Mumbai, Delhi, Pune and Thane. Convergys is known for high value services and client satisfaction. It offers services in Communications, Financial Services, Healthcare, Government, Manufacturing, Retail, Insurance, Technology and Transportation. Convergys has both call centre and blended processes. Convergys has about 70,000 employees in 68 customer contact centres and other facilities in the United States, Canada, Latin
America, Europe, Africa, West Asia, and other parts of Asia, and our global headquarters in Cincinnati. Convergys has more than 11,000 employees in India.

4.8.4.a HUMAN RESOURCE PRACTICES CONVERGYS

Convergys cares about the health and well-being of employees which is reflected by the benefit plans offered by the company. The benefit plans are related to protecting health of the employee, insuring life and income and balancing work life. Convergys is committed to providing quality healthcare benefits that are affordable for employees and the company. Medical options may include an Exclusive Provider Organization (EPO) plan or Health Maintenance Organization (HMO) plan and/or a Preferred Provider Organization (PPO) plan. Convergys believes individual differences will produce genuine competitive advantages. Through its 'Diversity initiatives, it has established and maintained an environment that values individual differences, fosters consistent, mutual respect and open communication of ideas and also attracts, develops, supports, and retains a diverse workforce with the ability to compete in the global market.

4.9 CONCLUSION

The Indian IT-BPO industry is growing at robust pace driven by greater acceptability of the outsourcing concept, expansion of service offerings and high quality delivery capabilities. The industry remains one of the highest contributors of employment and foreign exchange to the country. But there are many challenges such as unavailability of skilled employees, attrition, retention of suitable employees, etc., faced by the service providers of ITES companies. They are trying hard to resolve these challenges through various innovative measures. Various human resource initiatives have been taken by the organizations for employee retention but still workers are leaving their jobs, indicating that the attractive packages and good work environment are not the only factors that are required to retain talent in the organization. Therefore this research study is an attempt to find out the factors responsible for employee attrition. It attempts to identify the relevance of factors related to job satisfaction, pay satisfaction and organization commitment among the employees working in the BPO sector and also understand as to how critical these factors are in shaping the job related attitudes.
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