Globalisation of economic activity is moving towards a barrier free trade across geographical locations and diverse national economies. The BPO industry has closed the gaps of geographical and national diversities and thus has adopted a global business environment with an international standard. Business Process Outsourcing (BPO) has become an important driver of IT Enabled Services (ITES) in India. Business process Outsourcing is the manifestation of globalisation to achieve the development of international trade by providing cost effective output. Advancement in technology has facilitated comparative advantage and thus facilitating comparative edge. Outsourcing has become an indispensable part of Banking Industry to survive the global economic downturn. The management technique of Outsourcing has emerged as the new global trend. Today’s competitive market place demands operational productivity, administrative efficiency, business agility, shorter turnaround times and increased shareholder value. Business Process Outsourcing is the survival key in transforming process to achieve these end results.

The major banks in India have been extensive users of outsourcing and have been at the forefront of pushing the boundaries of outsourcing onshore, near-shore, and offshore. High-profile examples here include State Bank of India’s outsourcing arrangement with the Indian outsourcing giant Tata Consultancy Services (TCS), Axis Bank’s with Accenture, and ICICI Bank’s outsourcing operations with their own sister concern ICICI One source.

As for the activities outsourcing does not seem to be limited to back-office functions anymore. Whole business processes or departments are getting relocated whilst the only unsurpassable cap to outsourcing proves to be face-to-face customer contact. In the future, even knowledge intensive processes are likely to be provided by suppliers in emerging or developing countries. In general, it can be found that Banking organisations are increasingly moving up the value-chain in their outsourcing activities. As such it becomes necessary to examine the area wise growth of Outsourcing financial service pattern of Public and Private sector Banks and to initiate appropriate steps to improving performance in the areas where it is less satisfactory.
The Indian Banking Industry is witnessing significant double digit growth. The sector is also slowly emerging into a market that is becoming increasingly regulated in keeping with global trends and practices. With this high growth activity leading to increased competition in the banking sector, technology has emerged as the key differentiator in the marketplace. The purpose of this Research is to ascertain if Banks in India have the right foundations in place to outsource financial services.

The present study is a humble effort for examining the management and developing suitable methods on outsourcing of financial services by Bank. It will also help in finding out ways and means for getting better services from financial BPO's and as well as give better services by Bank. The study is helped in Identifying best possible alternatives available for bank and empowering the knowledge of outsourcing of financial services by Bank and guidelines of Reserve Bank of India on this regard. The study is very much helpful for the banker to take a future course of action. It is enhance the services of financial BPO's; improve the qualities of the service of Banks for the satisfaction of the society. It is helpful to find out the satisfaction level among Bankers both Public and Private Bank as well as future growth. It also increases the awareness level on non-user in this particular field.

The study is based on reference to State Bank of India, Bank of Baroda, ICICI Bank and Axis Bank. As SBI is the largest public sector Bank in India and globally one of top most financial Institution and another top most public sector Bank i.e. Bank of Baroda are the two public sector banks under study. Whereas ICICI Bank is the largest private sector bank in India and Axis Bank another top most private sector bank, are the two private sectors Banks under study. All the Banks are outsourcing their financial services are growing rapidly, which make the subject as strong base for the study.

Place: Dibrugarh.

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(DIPANKAR BAIDYA)