CHAPTER III

BUSINESS PROCESS OUTSOURCING
CALL CENTRES-AN OVERVIEW

3.1 Introduction
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CHAPTER III

BUSINESS PROCESS OUTSOURCING
CALL CENTRES-AN OVERVIEW

3.1 INTRODUCTION

In this chapter an attempt is made to study the growth and devolvement of Business Process outsourcing (BPO), the evolution of Business Process Outsourcing, the role of the Government, the global growth of BPO, service of Call Centre, Call Center Challenges ahead and the like.

3.2 BUSINESS PROCESS OUTSOURCING (BPO)

Business Process outsourcing (BPO) has emerged as India’s new sunshine sector and the country is now one of the prominent electronic housekeepers to the world and making waves in the Indian industrial landscape. Outsourcing to India means substantial cost and time saving compared to the rest of the world. India has people with excellent project management skills, in depth, experience in state of the art software and information Technology enabled services. These main elements contribute to the success of outsourcing in India.

Today, outsourcing has become a long-term growth and survival strategy for corporations by which an organization contracts routine functions to service providers who specialize in such functions. The BPO takes the over non-core processes of the company and bring in our best practice from outside. Companies are use profitably using BPO to reach a wide range of goals. What was viewed
once primarily as a way of reducing expenses, has now emerged as a means of achieving productivity gains, shortening innovation cycles, and enhancing customer intimacy and entering new markets. The project revolution of BPO industries in India is expected to reach US$12 billion in 2006.  

Outsourcing of manufacturing has been in vogue for long with many multinational corporations, the reason for outsourcing is availability of cheap labor. The various actives outsourced to India from 1960’s are as follows:

1960s-time sharing
1970s-Data processing
1980s-Entire IT operations
1990s- Sharing business services
2000s-IT enabled B2B alliances
2000s-IT enabled off shoring services

The major breakthrough in technology, especially in the field of communication, the internet boom etc., have further made it possible for companies to think of the whole world as one market place and go offshore in order to build and sustain competitive advantages. In addition, there has been a fair amount of standardization of web based tools which makes it easier to communicate and convey intentions clearly. Companies can critically evaluate their business process and determine which are 'Core' which are 'noncore' to the business of the company and seek the opportunities to outsource them in order to
gain cost as well as competitive advantages. This new found interest in BPO could prove to be a golden opportunity for India.

Table 3.1 reveals the evolution of Business Process Outsourcing.

**TABLE 3.1**

**EVOLUTION OF BUSINESS PROCESS OUTSOURCING**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept</td>
<td>Concept</td>
<td>Concept</td>
</tr>
<tr>
<td>Reduce manufacturing costs by migrating manufacturing to low-cost locations</td>
<td>Consolidate back-office operation-in sourcing model</td>
<td>Goods manufactured in countries of lowest factor costs and areas with large local markets</td>
</tr>
<tr>
<td>Benefits</td>
<td>Benefits</td>
<td>Benefits</td>
</tr>
<tr>
<td>Significant reduction in manpower costs</td>
<td>Achieve 25% savings</td>
<td>Enable companies to access highly trained manpower at labour rates less than 20% of those in North America</td>
</tr>
<tr>
<td>Economies of scale</td>
<td>Leverage economies of scale</td>
<td></td>
</tr>
<tr>
<td>Examples</td>
<td>Examples</td>
<td>Examples</td>
</tr>
<tr>
<td>Over 80% of printed circuit board made in Taiwan</td>
<td>Nearly 90% of Fortune 500 companies reengineered support functions through shared services</td>
<td>Companies like GE, American Express, Dell and AOL have several thousand employees in India</td>
</tr>
</tbody>
</table>

Source: Transworks Research Team

Outsourcing to India means substantial cost and time saving compared to the rest of the world. Today the global BPO market pegged is at $ 200 billion and is expected to grow at 15-20 per cent per annum. India is positioned to capture a sizeable chunk of the global pie in outsourcing. The reasons include cost
advantages, availability of talented workforce, improving infrastructure, geographical location, large pool of manpower with fluency in English language, highly educated people from different fields of education like IT, Finance, Marketing, Engineering, etc., and the encouraging attitude of the Indian government.

3.3 THE ROLE OF THE GOVERNMENT

The Government of India has recognized the potential of ITES and has taken positive steps by providing numerous incentives in the form of comprehensive packages of tax incentives and providing support to telecom deregulation to encourage the growth of the sector.

The Indian Government has allowed sharing of bandwidth for disaster recovery, load balancing and mission critical applications between multiple entities. If the Indian BPO industry has to sustain its competitive advantages, it has to guarantee effective disaster management and business continuity planning to its overseas customers. This will ensure the avoidance of prohibitively expensive equipment for a single company to set up multiple networks in order to effectively guarantee business continuity to customers. Approval has been granted for internet and internet proactive line connection (IPLC), when handling any query/transaction/invariably customer’s data need to be accessed. In most advanced economies, data are available and accessible on the internet. This is the most effective method of using a central data base for distributed processing. Most operators were till now carrying a dedicated but separate IPLC from their facility
into the internet cloud offshore. Now they can leverage their entire bandwidth and will not need dedicated bandwidth for internet access.

Recognizing the potential of the BPO industry the government has taken steps in the right direction. The overall objective of all efforts is to make the environment highly conducive for the BBPOs to flourish in India. In fact, the flourishing BPOs are also expanding and slowly moving to other locations in India.

The key attractions for BPO in India in terms of regulatory framework include:

Foreign Direct Investment (FDI) for 100% of the equity has been permitted in BPO companies.\(^3\)

Duty free imports of capital goods are permitted (under the Export Promotion of capital Goods Scheme) for BPO companies.

Various Indian states have introduced regulatory and infrastructure related initiatives to encourage BPO investment within their territories.

Incentives such as income tax holiday until 2010 have been provided of the export for ITES.\(^4\)

Companies are launching multi-site and multi-city operations. In this scenario, interconnectivity a bandwidth sharing will be very beneficial to the industry. The telecom links and licensing requirement for call centers can fall for proposed back office investment in India.
3.4 GLOBAL GROWTH OF BPO

As companies penetrate foreign markets and evolve into virtual entities the demand for a new model of support services has made BPO the fastest-growing segment of the burgeoning outsourcing market. New model BPO providers are responsible for the complete business process, end to end. To ensure the integrity of the company, they become intimately tied to the organization and are a trusted part of the many industry leaders are signing with BPO providers to cushion growing pains in various foreign and cross border expansion markets. A few major outsourcing contracts of the late 1990s include: a Swiss firm gains the largest outsourcing contract in the chemical industry, worth about dollar 100 million annually, covering European distribution/logistics for a US chemical company. IT manages road, marine and air transportation of over one million tons of chemicals and related cargo. US Airlines signs a 10 year,$ 4 billion outsourcing contract with an IT firm to manage global IT operations in more than 50 countries and manage business processes ranging from fleet scheduling, passenger reservation and cargo handling to ground operations and aircraft maintenance.

The Government of Australia snigs a five-year, $115 million outsourcing contract with a US firm to handle property and facilities management and related accounting and administration. An Asian vendor takes over manufacturing of some product lines, so that the US consumer Products Company can turn its
attention for production to building a branded leadership position. The sale of production plants and equipment is expected to rise to $500 million and cut taxes by up to 450 million.

3.4.1 BPO Players in India

Today, the industry has attracted a wide range of players ranging from captive multinationals, international BPO players, Indian business houses. IT services and professional entrepreneurs backed by venture capitalists.

Captives

Multinational companies, especially those in the banking, financial services and air lines industries, were the early who set up captive units to take advantages of India’s large quality resources pool and low cost structure. Since then many of these units’ have scaled such as processing of mortgages loan, insurance claims, payroll as well as following up on credit card collection. Some of the financial majors who have up large processing operations in India include American Express, HSBC and Standard Chartered

Corporate Houses

Many leading Indian Corporate houses have also made their foray into the BPO space. Some of the leading names include the Aditya Brila Group which recently acquired the Transwork, the Reliance Industries, and Hiranandani group, etc.
These companies have the investment potential to set up and ramp-up. It remains to be seen how they grapple with the issues surrounding unrelated diversification, client procurement and more.

The growth of outsourcing has been happen at a faster rate than the growth of the faster growing economies. The activities of outsourcing are increasing day by day and they have entered in to the fields like: software development, research, pharmaceuticals, automobile, telecom service, human resources, financial services, oil and gas distribution, cement manufacturing, insurance, healthcare services, infrastructure, data management, etc.

Table 3.2 reveals the BPO in various Industries
### TABLE 3.2

**BPO in Various Industries**

<table>
<thead>
<tr>
<th>Activity</th>
<th>BPO ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software development</td>
<td>Offshore development</td>
</tr>
<tr>
<td>Research</td>
<td>Outsources research</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Clinical research</td>
</tr>
<tr>
<td>Automobile</td>
<td>Component manufacturing</td>
</tr>
<tr>
<td>FMCG</td>
<td>Component manufacturing manufacturing</td>
</tr>
<tr>
<td>Telecom services</td>
<td>OEM Supplies Billing</td>
</tr>
<tr>
<td>HR</td>
<td>Pay roll administrations</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Outsourcing recruitment</td>
</tr>
<tr>
<td>Customer Support</td>
<td>Transaction processing</td>
</tr>
<tr>
<td>Oil &amp; Gas distribution</td>
<td>E-mail and telephone</td>
</tr>
<tr>
<td>Cement manufacturing</td>
<td>Retailing</td>
</tr>
<tr>
<td>Insurance</td>
<td>Outsourced production</td>
</tr>
<tr>
<td>Health Services</td>
<td>Claims production claims processing</td>
</tr>
<tr>
<td>Date management</td>
<td>Medical transcription, billing</td>
</tr>
<tr>
<td>Electronics</td>
<td>Claims processing</td>
</tr>
<tr>
<td>Hospitality</td>
<td>Data entry, validation</td>
</tr>
<tr>
<td>Marketing</td>
<td>Component management</td>
</tr>
<tr>
<td>Products retailing</td>
<td>Supplies management</td>
</tr>
<tr>
<td></td>
<td>Distribution, research</td>
</tr>
<tr>
<td></td>
<td>Logistics and delivery management</td>
</tr>
</tbody>
</table>

Sources: Gartner Dataquest
3.4.2 Statistical Report of the BPO industry

- Over 25,000 people are employed in the BPO sector
- Revenue of the sector touches $ 3.6 billion
- Burn out Stress Syndrome is common among BPO employees
- BPO industry lacks a regulatory framework from Foreign Direct Investment

The Government and the corporate sector should look at employment laws as different from the labour laws for the business process outsourcing (BPO) industry. There is a need for a forum to redress the grievances of employees in the BPO sector. At a public meeting organized by the Union of Information Technology and Enabled Services, participants regretted that the BPO industry lacks a regulatory framework from Foreign Direct Investment (FDI) regulations to issues of security, technology transfer and employee welfare. Various call centre employees and non-governmental organization activists expressed concern above non-implementation of the universal charters prepared pertaining to the security of women working in night shifts. The absence of such a regulation leaves employees open to machination of unscrupulous employers, cases of fraudulent salary cuts, collection of deposits in the name of training, arbitrary fixing of salaries and fear of reprisal.
The number of people employed in the BPO sector is currently upwards of 2, 50,000 in the country and expected to reach 4.1 million by 2012 (according to a NASSCOM Report). The business has grown by 46 per cent, with the revenue touching $ 3.6 billion and added 70,000 new jobs in the year 2004. The NGO workers are apprehensive about the sustainability of the employees in the BPO industry because of the haphazard work shifts. Though BPO industries have been a boon in terms of employing a bulk number of unemployed graduates, it is difficult for them to sustain. The stress, working against nature and the safety and security factors play a major role. Though a job in the call centers is all about "big money," the future of the employees and their educational opportunities five years down the line are million dollar questions. The employees cease to be social beings and often get isolated from their family and friends. BOSS - the Burn-Out Stress Syndrome - is a common syndrome among the BPO employees and includes chronic fatigue, insomnia due to the complete alteration of the 24-hour biological rhythm of the body. Crossing lines of gender, religion and caste, anyone can fit into this type of work, assuming they have good language skills. Lamenting the stress factor, many call centre employees called for longer breaks during work hours and an insight with the loss of identity of employees is also a rising question.
### 3.5 CALL CENTRES

#### 3.5.1 Meaning

A call centre is a part of a BPO. It means that some other company makes calls to the company’s customer or receive their opinions and satisfaction report through calls, it is known as call centre business. Though it is part of BPO it is treated independently due to its high visibility. Now Call centre Business is booming in India.

Call centers today have emerged as not only as bigger employers but also as a dynamic industry. Every day thousand of people become part of this growing fraternity.

A call center is like any other office environment where our finds many people talking on the phone and working with computers. The key difference is that in a call center the employee’s primary job is to talk, call, and help customers. When they finish with one customer, they move on to the next customer that waiting in time line.

On a busy day, employees in call centers (called customer service representatives or customer service agent) may take more than 100 phone calls. The number of calls that a customer service agent takes depends on the length of each call and her work schedule. An average call times last from three to four minutes, with about one minute of “after call wrap-up” to complete any unfinished work related to the call.
Call centers are facilities that are specifically set up to manage telephone calls from customers. They are intended to provide orderly, cost efficient telephone-based services. They serve as the primary telephone interface with customers for specific services provided by the agencies.

Call centers are required for large companies to sell their products to the customers, proposing a product or service as well as for the after-sale enquires made by customers. Call centers in India are at their peak today. Customised solution through customer interactive programs the success mantra of numerous corporate firms nowadays. For strategic business development that requires acquired skills for customer’s queries, solution, etc., Indian call centers are at par with the current demands.

Call centers not only handle the task of interacting with customers but also provide a wider basis for the official task of inventories, bill handling, web solutions and various other business requirement proceedings.

A call centre is a place where customer calls are handled by a customer service organization. Typically, a call centre has the ability to handle a considerable volume of calls at the same time, aided by computer automation. Calls are screened and then forwarded to the correct customer service representative at the call centre. A functional area is within an organization or an outsourced, separate facility that exists solely to answer inbound or place outbound telephone calls. Usually it refers to a sophisticated voice operation center that provide a full range
of high-volume, inbound or outbound call handling services, including customer support, operations services, directory assistance, multilingual customer support, credit services, card services, inbound and outbound telemarketing, interactive voice response and web-based services.  

A Company that answers incoming telephone calls from customers, a call centre may be an office that makes outgoing telephone calls to customers (telemarketing). Such an office may also respond to letters, faxes, email and similar written correspondence. However the term contact centres (UK) or connect centre (US) is often applied when such multiple functions are blended in one office.

The term call centre can be misleading as the transaction may be more involved than simple calls and a centre may not accurately represent the potentially complex, multi-site environment.

A call centre is a powerful hub of information collection and exchange. There are so many sites dedicated to helping make educated decisions about call center services for any domestic or global business.

3.5.2 Services of Call Centers

A Call Center has a very pleasant working environment. It is open round the clock as calls keep coming from different parts of the world. Most Call Centers offer customer-related marketing services. There are mainly two types of calls 'Inbound Calls' and 'Outbound Calls'. Inbound calling is for customer support, where the customer calls to seek answers for his queries. Outbound calling is
related to tele-sales where operators themselves contact the clients. In a business-to-business client-partner business scenario, relationship temperament from business inception to product/service stabilization stage is the driving force to set the rhythm, pace and mood of the business. There is always an essence of stress in any business planning,

Incoming call centers can be used to answer customer questions (information hotlines, technical support, customer services etc), to receive customer orders to redirect customer to pertinent help, etc.

Outgoing call centers can be used to directly advertise and sell goods or services, to solicit information, (surveys, political poles, customer satisfaction), to campaign or otherwise inform the public.

3.5.3 Call Centre Option Available

Establishing and managing call centre services requires strong control over the collection exchange of information. Seminars, software packages, hardware kits and more things are required for companies that wish to begin their own call centre work.

Call centre outsourcing allows a company to easily solve the problems of organizing and maintaining a call centre by paying someone else to do those things for it. On shore outsourcing, (using a call centre within that country) has the advantages of drawing from a more uniform language base. Offshore outsourcing, (using a call centre outside of a given country) often is cheaper and just as effective.8
3.6 CALL CENTERS CHALLENGES AHEAD

3.6.1 Achievements and Expectations

The call centers industry in India is projected at $142 billion by the year 2008 as per the NASSCOM estimates. With its built-in potency, India is advertised as the hot destination for the’ offshore outsourcing hub’. The booming Indian call centers industry is the benchmark of the changing global trend.9

Reducing cost for business processing’s the prime focus of the corporate houses. They realize that shifting their call-center operations to India would heavily cut down their cost. Business settlement laws were reviewed and it was easier for alien firms to settle in the Indian soil. The country produces a technically sound work force with high standards of English.

The call center industry is estimated to grow into $301 billion industry by 2010. It is a sheer pleasure for the aspiring workforce in Indian. Call centers in India have also effectively developed a niche in the areas of data verification, data capture, tele-research, service follow-ups and renewing subscriptions, which becomes the core outbound activities of a call center. Unless there is talented enough manpower to handle such queries, no business organization will make a move .Thus India has taken a leap step in call center industry ,which in recent had been the home for more developed nations like Australia ,New Zealand and European nation.10
3.6.2 The History of the Industry in the World and in India

Quite a few countries of the world are able to host call centres for the industries that require such services. India occupies a leading position among them. The following table provides data on this aspect of the industry.

**TABLE 3.3**

**Leading Companies in the World in the Call Centre Industry**

<table>
<thead>
<tr>
<th>Sl.no</th>
<th>companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>IBM Global / Daksh</td>
</tr>
<tr>
<td>2.</td>
<td>Accenture</td>
</tr>
<tr>
<td>3.</td>
<td>Heqiett Packard.</td>
</tr>
<tr>
<td>4.</td>
<td>Mphasis</td>
</tr>
<tr>
<td>5.</td>
<td>Ernst &amp; Young / Capgermini</td>
</tr>
<tr>
<td>6.</td>
<td>Wipro Spectramind</td>
</tr>
<tr>
<td>7.</td>
<td>ICICI One Sources</td>
</tr>
<tr>
<td>8.</td>
<td>Efunds Global Outsourcing</td>
</tr>
<tr>
<td>9.</td>
<td>Covergys</td>
</tr>
<tr>
<td>10.</td>
<td>Affiliated computers system</td>
</tr>
</tbody>
</table>

Source: Nsscom.

Table 3.3 shows that the IBM Global / Daksh is rank the first followed by Accenture, Heqiett Packard, Mphasis Ernst & Young / Capgermini and the like.

3.6.3 Employees in BPO Call Centres in India

Employees in BPO Call Centres in India are shown in Table 3.4.
TABLE 3.4

Employees in BPO Call Centres in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees in BPO call centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,06,000</td>
</tr>
<tr>
<td>2003</td>
<td>1,80,000</td>
</tr>
<tr>
<td>2004</td>
<td>2,16,000</td>
</tr>
<tr>
<td>2005</td>
<td>3,16,000</td>
</tr>
<tr>
<td>2006</td>
<td>4,15,000</td>
</tr>
<tr>
<td>2007</td>
<td>5,53,000</td>
</tr>
<tr>
<td>2008</td>
<td>7,00,000</td>
</tr>
<tr>
<td>2009</td>
<td>7,89,806</td>
</tr>
</tbody>
</table>

Sources: Nasscom

It is seen from the Table 3.4 that the employees in BPO call centres in India had increased from 1,06,000 in 2002 to 7,89,806 in 2009 showing a seven fold increase.

3.6.4 Revenue of the BPO Call Center

Table 3.5 shows the revenue of the BPO Call Center in India from 2002 to 2007.
TABEL 3.5

Revenue of the BPO Call Centers in India
(Figures in $ million)

<table>
<thead>
<tr>
<th>Revenue\year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore BPO Revenue</td>
<td>1,322</td>
<td>1,825</td>
<td>3,017</td>
<td>6,439</td>
<td>12,563</td>
<td>24,230</td>
<td>78.91</td>
</tr>
<tr>
<td>Indian BPO Revenue</td>
<td>912</td>
<td>1,205</td>
<td>1,961</td>
<td>3,928</td>
<td>7,412</td>
<td>13,811</td>
<td>69.35</td>
</tr>
<tr>
<td>Total BPO Market</td>
<td>110,167</td>
<td>121,687</td>
<td>131,171</td>
<td>143,090</td>
<td>157,033</td>
<td>173,070</td>
<td>9.45</td>
</tr>
</tbody>
</table>

Source: Gartner Dataquest (May 2008)

Table 3.5 shows that off share BPO revenue steadily increased from 1,322 $ Million in 2002 to $24,230 million in 2007, showing more than 18 fold increase.

The Indian BPO revenue which stood at $ 912 billion in 2002 had increased to $13,811 Billion resulting in more than 15 fold increase. Total BPO market which stood at $1, 10,167 Billion in 2002 increased to $173,070 billion registering in more than a two fold increase.

3.6.5 Top 10 IT-BPO Employees in India

Table 3.6 reveals the top 10 IT-BPO employees in India
### TABLE 3.6

**Top 10 IT-BPO Employees in India**

<table>
<thead>
<tr>
<th>S.L NO</th>
<th>Companies</th>
<th>Employers strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tata Consultancy Services</td>
<td>14,9925 (as on March 31, 2010)</td>
</tr>
<tr>
<td>2.</td>
<td>Infosys Technologies</td>
<td>114,822 (as on June 30, 2010)</td>
</tr>
<tr>
<td>3.</td>
<td>Wipro Ltd</td>
<td>112,000 (as on March 31, 2010)</td>
</tr>
<tr>
<td>4.</td>
<td>Cognizant Technology Solutions India Pvt Ltd.</td>
<td>80,300 (as on May 4, 2010)</td>
</tr>
<tr>
<td>5.</td>
<td>HCL Technologies Ltd</td>
<td>65,000 (as on March 31, 2010)</td>
</tr>
<tr>
<td>6.</td>
<td>Genpact</td>
<td>41,000 (as on March 31, 2010)</td>
</tr>
<tr>
<td>7.</td>
<td>Mphasisi Ltd</td>
<td>33,000</td>
</tr>
<tr>
<td>8.</td>
<td>Intelenet Global Services Ltd.</td>
<td>31,000 (as on June 2010)</td>
</tr>
<tr>
<td>9.</td>
<td>Tech Mahindra Ltd.</td>
<td>33,524 (as on March 2010)</td>
</tr>
<tr>
<td>10.</td>
<td>Aegis Ltd.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nasscom

Table 3.6 shows that the Tata Consultancy Services employees which stood at 14,9925 (as on March 31, 2010) followed by 114,822 (as on June 30, 2010) employees in Infosys Technologies and the like.

### 3.6.6 State of Tamil Nadu in the Call Centre Map of India

Not all the states of India have started playing host to foreign companies in the capacity of Outsourcing Centres. Only a few states and cities of the country have the necessary infrastructural and human resources for the calling. Tamil
Nadu is one of the leading states in the matter of hosting call centres. It is industrially one of the most progressive states in India. It enjoys a long academic tradition and has a reasonably conducive industrial and labour environment to ensure progress. The call centre industry is one of the burgeoning industry-related activities in the state. Information technology is one of the disciplines taken up extensively by the academia in the state. Therefore an uninterrupted supply of the labour input is available. The academic standard of the trained students is reasonably good, and therefore, the state is able to hold its own among the advanced states of the country which are forging ahead in the field now.

3.6.7 Position of Tamil Nadu in the Call Centre Map of India

Call centres are not equally spread over all the states and regions of India. Their spread hinges on so many factors, and only those cities that have the necessary qualified human resources and other technical infrastructure have surged ahead in the field. This is but natural.
### TABLE 3.7

**Position of Tamil Nadu in the Call Centre Map of India**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Names of the cities</th>
<th>No. of Call centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ahmadabad</td>
<td>004</td>
</tr>
<tr>
<td>2</td>
<td>Bangalore</td>
<td>076</td>
</tr>
<tr>
<td>3</td>
<td>Chandigarh</td>
<td>010</td>
</tr>
<tr>
<td>4</td>
<td>Chennai</td>
<td>151</td>
</tr>
<tr>
<td>5</td>
<td>Delhi</td>
<td>121</td>
</tr>
<tr>
<td>6</td>
<td>Goa</td>
<td>001</td>
</tr>
<tr>
<td>7</td>
<td>Hyderabad</td>
<td>040</td>
</tr>
<tr>
<td>8</td>
<td>Indore</td>
<td>002</td>
</tr>
<tr>
<td>9</td>
<td>Kolkata</td>
<td>016</td>
</tr>
<tr>
<td>10</td>
<td>Mumbai</td>
<td>079</td>
</tr>
<tr>
<td>11</td>
<td>Pune</td>
<td>014</td>
</tr>
<tr>
<td>12</td>
<td>Tiruvananthapuram</td>
<td>004</td>
</tr>
</tbody>
</table>

Sources: Nasscom.

It is seen that those cities with the satisfactory industrial, commercial and political centres get the lion’s share of call centres. Delhi, Mumbai, Bangalore and Chennai are the most dominant cities in the business. Hyderabad and Kolkata are
farther back. The other cities seem to be more or less at the threshold level. The advantages that these centres have over others in the country are easily seen.

### 3.6.8 District-wise of Call Centres in Tamil Nadu

As on 30, June 2009, there are 225 call centres in the state of Tamil Nadu. They employ a total of 23,124, BPO Call Centres workers (leaving out of account the menial/sub staff of the institutions). These centres are spread all over the state, and those in Chennai the capital of the state, Madurai, Trichy and Coimbatore which are the headquarters of the three municipal corporations in the state, are among the largest and the most numerous.

**TABLE 3.8**

**District-wise Spread of Call Centres in the State**

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Name of District</th>
<th>No of centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Chennai</td>
<td>151</td>
</tr>
<tr>
<td>02</td>
<td>Trichy</td>
<td>10</td>
</tr>
<tr>
<td>03</td>
<td>Coimbatore</td>
<td>11</td>
</tr>
<tr>
<td>04</td>
<td>Madurai</td>
<td>10</td>
</tr>
<tr>
<td>05</td>
<td>Dindigul</td>
<td>10</td>
</tr>
<tr>
<td>06</td>
<td>Salem</td>
<td>02</td>
</tr>
</tbody>
</table>

Sources: Complied from Records of the Call Centres

For obvious reasons, Chennai city tops the list, followed by Coimbatore, Madurai and Trichy. The four cities of Chennai, Trichy, Madurai and Coimbatore
are chosen for this study because they have the largest number of call centres and IT-related workers. For purposes of feasibility and viability this limitation on the numbers of the location and respondents has been imposed. The workers from these cities represent 54% of the number of total workers in these centres in the state. 350 workers from 35 establishments in the four cities have been selected as the sample respondents. The following Table shows the number of workers and their sex-wise distribution in the four centres chosen for the study. The workers have been chosen on the basis of the Random sampling model.

3.10.9 Sex-wise Distribution of Respondents

The study is to go into the emotional status of the women in the industry in the four cities selected. Regular and remunerative employment is one of the empowering factors for women for two reasons: in a traditional society like the Indian [and Tamil] society, women are not used to an income of their own and the provision of such an opportunity is bound to augment their independence in the family and society; it would lead to the augmenting of family income and the economic betterment of the entire family.
TABLE 3.9

Classification of Selected Call Centres According to Gender

<table>
<thead>
<tr>
<th>Location of Call Centre</th>
<th>No. of Call Centres</th>
<th>Employee Strength</th>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chennai</td>
<td>151</td>
<td>15,180</td>
<td></td>
<td>8805</td>
<td>6375</td>
</tr>
<tr>
<td>Madurai</td>
<td>10</td>
<td>281</td>
<td></td>
<td>102</td>
<td>179</td>
</tr>
<tr>
<td>Trichy</td>
<td>10</td>
<td>386</td>
<td></td>
<td>233</td>
<td>153</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>11</td>
<td>413</td>
<td></td>
<td>121</td>
<td>293</td>
</tr>
</tbody>
</table>

Sources: Compiled from Annual Report of the Call Centres.

It is seen from Table 3.9 that male workers dominate in all the centres except Madurai. The census figures of the state in 2001 bear out the fact that men have a slight predominance over the number of women in the state. The number of IT-educated and trained people in the state shows that there is near parity in the number of men and women so educated and trained. It is seen that the distribution of workers sex-wise shows that women do not have a proportionate share in the jobs. The reasons may be many. For instance, many women may not have preferred to take up jobs, and many women could have exited from the employment market after marriage or due to personal problems.
3.7 NATURE OF WORK AT BPO CALL CENTRES

In recent months some rather perceptive attempts have been made, one of which-associated with the V. V. Giri National Labour Institute in Noida-seeks to lay bare the nature and structure of employment in BPO call centers in particular as objectively as possible. Among other things, perhaps the most important point which this study seeks to emphasize is that the work conditions to be found in call-centers (which account for 65-70 per cent of the Indian BPO sector) are different from the conventional industrial mould. In the service sector, "customers in particular are considered integral to the work organization, either due to simultaneous production and use of many personal services or due to a strong client-led definition and even co-production of the actual services. This customer-oriented nature of work often challenges the traditional conceptions of control and coordination, especially those of manager-worker control relations. Further to this, 'informatisation' of work also creates possibilities for novel modes of conceptualizing and organizing work, leading to discernible changes in work cultures."

There are widely divergent views on what the nature of call centre work is really like, but attention is drawn to a "wider consensus that the work in call centres characterizes some deep-seated contradictions -contradictions of pleasures and pains in the experience of work, and conflicts arising out of the competing logics of customer orientation and rationalization". There is little doubt that work at Indian call centers is "unskilled, repetitive and monotonous".
3.7.1 Life at BPO Call Centres

BPO industry started in India quite a few years back. Since then this word has been used widely in every newspaper and magazine any others form of India. It is the bread and butter for millions of young people in India; young people especially those who are in their 20s, people who are the most vibrant who have the highest energy levels and who really believe in the words everything is possible” These very people sometimes determine where a particular nation is heading.

More than 70% of the people employed in the BPO industry in India are working in voice based services i.e., have work which relates only to attending calls. They are just there to support the service of many industries through the world. The only things expected out of BPO employees are good communication skills and maybe a little logical thinking.11

India has become the back office to the West. The agenda was to slash costs by at least 40% by off shoring. In the West they didn’t have the required labour. Further the labour cost is also higher. As such many Western countries outsource their activities to India.

People whom the west targets are to in the age group of 18-25 who are graduates and have the power to take on the world. Now as per a survey more than 30% of Indian population belongs this group and this figure is much higher in urban areas. So these days many people join these BPOs. Just fresh out of college, at the age of around 20, they start earning Rs.10 to 12 thousand. Since they do not
usually have any dependents at this age the entire money, they earn can be spent on their lifestyle, also reducing the burden on their parents, pockets.\textsuperscript{12}

3.7.2 Working Conditions

Recruitment in the call centres surveyed is done through advertisement, campus interviews and agents. Graduates and talented undergraduates are recruited after resume screening, telephone interview, and group discussion, written test and interview. After recruitment employees are provided with training for a period of 80 days on language, accent and the culture of different countries and about their work/product. There are regular trainers for these purposes, many of whom have been trained aboard. Salaries are not fixed and are completely dependent on experience and performance. The average initial salary for customers’ service Employees is approximately Rs 8,000 per month (approximately US$ 175). This increases to Rs 12,000 (US $ 262.5) per month within a year. Trainers get around Rs.15, 000-18,000 (US$328-394) per month and managers get Rs.35, 000-45,000 (US $ 766-985) per month. Employees are given incentives and extra remuneration from time to time through competitions and there are possibilities for employers to reach levels higher in the recruitment rank. The employees are generally given two days leave per month.
3.7.3 Indian Business Hours

India is situated five hours ahead of UK, 10 hours ahead of New York and 13 hours ahead of Los Angeles. US and UK companies can claim response capability because during their night time, it is day time in India and agents in India can respond to email during Indian business hours. This is known as the follow the Sun model. It is this working at nights that requires adjusting the biological clock and social practices to a different time, which is turning out to be a major cause for health-related and social problems.13

3.7.4 An overview of Health Problems

1. About 30-40% of the employees working in call centre has complained eye problems.

2. Soreness, dryness, blurred vision, light sensitivity, headache, all these put together is labeled as the Computer vision syndrome.

3. Digestive disorders

4. It was also pointed out that the employees are facing the possibility of losing their voice. The problem known earlier as “The teacher syndrome” is now being found in the young workers of call centers.

As of now, no understanding of the problem exists in India, leave alone a minimum standards code. Some call centers and BPO companies in the country have got together under the aegis of NASSCOM to address common areas of
concern—but so far these have largely centered on deciding how not to poach on each other’s employees and what to do with the shops and Establishment Act.

3.8 BENEFIT SCHEMES FOR EMPLOYEES

Employees Benefit Provided By Majority of BPO Companies

Apart from the legal and mandatory benefits such as Provident fund and gratuity, below is a list of other benefits. BPO professional are entitled to the following.

3.8.1 Group Medi-claim Insurance Scheme

This insurance scheme is to provide adequate insurance coverage for employees for expenses related to hospitalization due to illness, disease or injury or pregnancy in the 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.14

3.8.2 Personal Accident Insurance Scheme

This scheme is to provide adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident. This covers total/partial disablement/death due to accident.

3.8.3 Subsidized Food and Transportation

The organizations provide transportation facility to all the employees from home to office at subsidized rates. The lunch provided is also subsidized.
3.8.4 Company Leased Accommodation

Some of the companies provide shared accommodation for all the outstation employees. In fact some of the BPO companies also undertake to pay electricity/water bills as well as the Society charges for the shared accommodation. The purpose is to enable the employees to lead a more comfortable work-life balance.

3.8.5 Corporate Credit Card

The main purpose of the corporate credit card is to 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.

3.8.6 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.

3.8.7 Personal Health Care (Regular Medical Check-ups)

Some of the BPOs provide the facility for extensive health check-up. For employees with above 40 years of age, medical check-up can be done once a year.
3.8.8 Loans

Many BPO companies provide loan facility on three different occasions in the case of a medical emergency at the time of their wedding, interest free for new employees, loans to assist them in their initial settlement at the work location.

3.8.9 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 fee, examination fee, and purchase of books, for pursuing MBA and/or other management qualifications at India's topmost Business Schools.

3.8.10 Performance Based Incentive

Many BPO companies have plans for a 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.

3.8.11 Flexi-time

The main objective of the flextime 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 employees 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.

3.8.12 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 to 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, and Special Allowance.

3.8.13 Regular Get Together and Other Cultural Programs

The companies organize cultural programs 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 organizations also conduct various sports programs such as Cricket, football, etc, and regularly play matches with the teams of other organizations and colleges.

3.8.14 Wedding Day Gift

An employee is given a gift voucher of Rs. 2000/- to Rs. 7000/- based on her level in the organization.
3.8.15 Employee Referral Scheme

In several companies the employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.\textsuperscript{15}

3.9 STAFFING TROUBLES

Today, most top executives acknowledge that a steady turnover of staff is an inevitable aspect of the industry. The reasons for this could be boredom with the job, seeking better prospects or a change, better monetary benefits, lack of career opportunities especially when it comes to vertical growth which is minimum, or even the failure of the call center to effectively train employees to stay at the job. Because the work is so repetitive, most employees leave within two years. Ambitious youngsters, out to make a fast buck, hop, skip and jump across BPO companies, making staff turnover the single largest issue for business leaders and boardrooms.

Turnover rates as high as 30\% have created a major problem for the call centers as they have to compete with each other for a slice of the business cake. And some have found a unique way to meet their growth numbers by turning to the "been-there-done-that 40 plus" generation. The graying of the BPO sector began a few months ago and is a newly emerging trend in India.

There are fears about the social impact when within a couple of years the
first crop of young 19-20-year-old employees slogs it out and inevitably suffers burnout. They are less responsible people, their maturity level is low, and the thinking power towards planning their career is also low. Recognition is not so high for those who work for call center in our society for various reasons. Some time they themselves hinder to introduce to the society that they are employed in a call center. As a result of work pressure to meet the target day and day out and competition among the groups they get frustrated and quit these jobs. Because of their minimum qualification, they cannot compete with the outside world and they are blank when are out of this job. They have given up on higher studies for the seemingly lucrative call center job.

3.9.1 Stresses on Call Center Workers

Stress is a problem in almost all the countries of the world, irrespective of whether the economy is strong or weak. From an individual's point of view, stress is our body's physical, mental and chemical reaction to circumstances that frighten, confuse, endanger or irritate us. If taken positively, stress is a friend that strengthens us for the next encounter, but if taken negatively; it can have adverse effects on both physical and psychological factors. Stress affects not only the individual but also his/her environment. It has an effect on the individual's family, work and society.

Positive stress adds anticipation and excitement to life. So our goal should be to learn how to manage it rather than eliminating it. Insufficient stress acts as a depressant and may leave us feeling bored or dejected whereas excessive stress
may we are all individual creatures with unique requirements, so there is no single level of stress that is optimal for all people. What is distressing to one may be a joy to another.

3.9.2 Health Concern

Long hours of work, permanent night shifts, incredibly high work targets, loss of identity are the dark clouds that threaten to mar the 'sunshine' call center industry in India. The odd timings and nature of work roots people to a chair nine hours a day, reading pre-scripted conversations on the phone endlessly-often to irate customers from across the globe. Every single second of an employee's time is recorded, measured and automatically logged onto a computer for praise or censure on a weekly basis. Walking down to the water cooler for a drink and a chat with a friend messes up performance metrics, salaries, and hikes. The three acts of listening, watching and talking—all at the same time—never get a break. This performance monitoring also puts enormous stress on the employees.

India is situated five hours ahead of the UK, 10 hours ahead of New York and 13 hours ahead of Los Angeles. US and UK companies can claim overnight response capability because during their night time, it is day time in India and agents in India can respond to emails during Indian business hours. This is known as follow the sun model. It is working at a night that requires adjusting the biological clock and social practices to a different time, which is turning out to be a major cause for health-related and social problems.
About 30-40% of the employees working in the call centers complain of eye problems. Soreness, dryness, blurred vision, light sensitivity, headache, all these put together is labeled as the Computer vision syndrome. This problem is more acute with the team leaders who need to come in early and go back late. Digestive disorders are common among employees in the call center.

It was also pointed out that employees are face the possibility of losing their voice. The problem known earlier as 'the teacher syndrome' is now found in the young workers of call centers. Some of them may face the acute manifestation of this in the form of permanent loss of voice. In the chronic form it is characterized by inability to speak (Dysphonic), pain, croakiness of voice, irritating cough, poor vocal power, inability to modulate and breathing difficulties.

3.9.3 Health Hazards

The human body has its own routine and whosoever goes against it cannot stay healthy. For a call centre employee, it starts with stress and insomnia in the early stages and ultimately leads to premature graying of hair, hair loss and digestive diseases.

Call centre employees also suffer from aches related to arms, hands and wrists due to continuous use of keyboard and mouse. This is aggravated by the fact that they have to multitask.
A call centre employee has to check call procedures, run diverse tests for troubleshooting (at technical support call centres), fill entries in the CRM software, check for updates and check for account status of the customer. All this has to happen on a single call. Long hours of sitting and attending calls leads to back and shoulder pains as well.\textsuperscript{16}

Furthermore, due to exorbitant exposure to computer screens and headphones (for a period of 8 to 10 hours per day), auditory and visionary problems also set in. Hearing impairments and ear infections can also be caused due to continuous usage of headsets.

Since call centre employees attend calls non-stop for the time they are at work, voice impairment cannot be ruled out. People working night shifts face arduous problems. By the time they adapt to shift timings, the shift might change. This changes their sleep-awake cycle. This requires the body clock to adjust again, resulting in psychological and physical problems. No amount of sleeping during the day can compensate for sleeping at night.

Moreover, while taking calls an employee is under a lot of pressure as so many people are observing the call—the voice trainer, the team leader or probably even an official of the company, which has outsourced the process. One has to keep all of them happy.
Moreover, when a call centre acquires a new account there are manpower problems in the beginning and meeting the Service Level Agreement requirements becomes difficult. As a consequence, many employees don't get breaks and keep working non-stop.

A British historian, Thomas Carlyle, once said, 'Ill health of body or of mind is defeat. Health alone is victory. Let all men, if they can manage it, contrive to be healthy.' But for call centre employees managing health is a surreal proposition.

3.9.4 A Breeding Ground for Voices/Consumerism in Call Centres

Warren Buffet, the world's greatest stock market investor, once said: 'Bad habits are like chains that are too light to feel, and too heavy to carry.' The same happens to a lot of youngsters who join a BPO (business process outsourcing) jobs. It gives them freedom for night outs, night parties, discotheques and probably a lot more. They pick up vices and hardly realise where they are heading. What was once considered a vice becomes the fashion of the day and the more one sees it the more one tends to like it.

A majority of the call centre employees when they take up their first job are in their early twenties. Money, and a good amount of it, comes to them very early in life. Many of them cannot handle this. There is danger of their falling prey to bad habits.
Boozing and smoking are fairly common even among women who work for call centres. Given the stressful nature of their jobs call centre employees like to unwind whenever they get a day off. The unwinding then comes down to going to a pub or a disco or maybe going on a shopping spree. Anything that involves spending a good amount of money acts as a stress buster.

Call centre employees have also become easy targets for banks and other financial services companies falling over one another for offering loans, credit cards and other financial services. Stories of call centre employees having run up huge credit card bills are fairly common.

They have aspirations as consumers. If one is confident of one's earning capabilities in the days to come there is nothing wrong in borrowing. The key assumption that one makes in such a situation is that in the future the circumstances will be much more favorable. Unfortunately, as far as the call centres are concerned, this assumption is unrealistic. People have already come to the conclusion that India has become the outsourcing hub of the world and that the BPO boom will last forever.

This is a surprisingly simplistic and overly optimistic assessment to make. It has been observed over the years that any new business opportunity that comes up sees a lot of new entrants in the initial days. Opportunity that comes up sees a lot of new entrants in the initial days. After some time consolidation takes place,
firms close down or merge and only the best survive. This might lead to job losses in the days to come at call centres.

Further, as technology progresses many back-end jobs will get automated and this might lead to more job losses. Consumerism would have set in at greater levels in call centres by then and this could lead to a host of other problems.

3.9.5 Relationship problems

A major problem for call centre employees is to take out time for relationships. There is hardly any time for family and friends. The predominant reason is mismatch of timings. Call centres follow the calendar of the country they are servicing, so their holidays also come accordingly. It is normal for call centre employees not to celebrate festivals with their loved ones. This leads to problems at home.

Stories of newly married couples, one of whom works for a call centre, meeting only on weekends and that too if the call centre employee has an off day, are fairly common. In such a situation one definitely needs to ask, What is the future of their family. Also, the displeasure, exasperation, monotony and frustration of the call centre employees affect their social life, which in turn affects their emotional self.
3.10. SUMMARY

It is found that the off share BPO revenue steadily increased from 1,322 $ million in 2002 to $24,230 million in 2007, showing more than 18 fold increase. The Indian BPO revenue which stood at $ 912 billion in 2002 had increased to $13,811 Billion resulting in more than 15 fold increase. Total BPO market which stood at $1,10,167 Billion in 2002 increased to $173,070 billion registering in more than a two fold increase. The employees in BPO call centres in India had increased from 1,06,000 in 2002 to 7,89,806 in 2009 showing a seven fold increase.
FOOTNOTES


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