Chapter 2

OBJECTIVES AND METHODOLOGY

The aim of this chapter is to define the objectives of the study, outline the methodology adopted for carrying out the research study and elucidate various related concepts.

Objectives of the study

The Business Process Outsourcing sector has become one of the most significant growth catalysts for the Indian economy. While the business process outsourcing opportunity has come as a boon for India, it is also posing some grave concerns.

From the industry’s viewpoint, the serious challenges faced are high rates of voluntary employee attrition and increasingly stiff competition from countries like Philippines, China and Mexico. Talent management therefore assumes critical significance, as the sustainability of this organizations hinges on employee commitment, tenure and discretionary effort.

There have been growing concerns from the employees’ perspective as well. Numerous reports of stress and burnout have been appearing both in popular press and academic journals. This is reflective of poor psychological well-being of employees.

In order to effectively manage these challenges an understanding of the psychological well-being of employees of the business process outsourcing sector assumes a lot of significance and this study has been undertaken to address this need. It attempts to identify and study the impact of various factors of the work environment on the psychological well-being of employees in the non-voice business process outsourcing sector. The attitudinal and behavioral consequences of this well-being have thereafter been studied. Research into antecedents of well-being could lead to the development of interventions and strategies that are
designed not to correct a deficit, but rather to foster the organizational and individual capacity to optimize employee well-being and functioning.

The specific objectives of the research are:

1. To study the growth, functioning and problems of the business process outsourcing sector in India.

2. To understand the construct of psychological well-being of employees.

3. To identify the antecedents i.e. factors having an impact on the psychological well-being of the employees of the business process outsourcing sector.

4. To identify the impact of employee well-being on organizational commitment, felt obligation and projected job stay of employees.

5. To study the perceptions of selected employees and human resource managers on the key factors effecting employee well-being.

6. To suggest measures for the policy makers (including the government) and the managements of the business process outsourcing sector for enhancing the psychological well-being of employees.

Hypothesis

Antecedents of Psychological Well Being:

The study aims to identify the factors that have a significant impact on the psychological well-being of employees in the business process outsourcing sector.

Based on past research and discussions with employees, human resource managers, counsellors and other key stakeholders of this sector, the following antecedents have been included in the present study:

1. Core Job Characteristics

2. Job Demands
3. Support at Work

4. Job Security

5. Perception of Organizational Justice

It was hypothesized that each of these antecedents would be significantly related to the psychological well-being of employees. Accordingly, it was hypothesized as follows:

**Hypothesis 1:** The perception of core job characteristics of skill variety, task identity, task significance, autonomy and feedback will be positively related to the psychological well-being of employees.

**Hypothesis 2:** The perception of job demands will be negatively related to psychological well-being of employees.

**Hypothesis 3:** The perception of support at work will be positively related to psychological well-being of employees.

**Hypothesis 4:** Perceived job security will be positively related to psychological well-being of employees.

**Hypothesis 5:** Perception of organizational justice will be positively related to psychological well-being of employees.

**Consequences of Psychological Well Being:**

The study also aims at identifying the impact of employee well-being on:

1. Organizational commitment,

2. Felt obligation, and

3. Projected job stay of employees.

These three consequences have been examined keeping in view their special significance for the organizations of this sector.

It was hypothesized that each of these consequences would result from higher psychological well-being of employees. The hypotheses are as follows:
Hypothesis 6: The psychological well-being of employees would be positively related to organizational commitment.

Hypothesis 7: The psychological well-being of employees would be positively related to projected job stay.

Hypothesis 8: The psychological well-being of employees would be positively related to felt obligation.

Methodology of the study

Research Design:

Research design is the plan, structure and strategy of investigation so conceived as to obtain answers to the research questions. It includes an outline of what the researcher would do right from writing the hypotheses and their operational implications to the final analysis of the data.

Cooper & Schindler (2006) have classified research design into several categories based on eight different descriptors. According to their framework, this study followed a formal research design where the objective was to answer the research questions and test the hypotheses according to the proposed framework. Data for the study was collected through self-administered questionnaires and semi-structured interviews and hence the data collection method could be classified as communication mode. In terms of control over variables, the research followed an ex-post facto design. The main characteristic of this method being that the researcher had no control over the variables and could report only what had happened or what was happening.

Depending on the environment in which the research could be carried out, the research was done in a field setting i.e. under actual environmental conditions. The study was carried out within the context of the business process outsourcing industry based out of Bangalore, India. This was in view of the fact that research conducted in natural field settings is often associated with greater external validity, generating more robust, representative, and relevant findings (Brewer, 2000).
It was decided to collect the data at an individual level, as the variables largely pertained to the perception and behaviour of individual employees. For the purpose of data collection, a mixed-method approach was adopted. The specific methods used were survey, observation and semi-structured interviews.

From the perspective of time, this research can be categorized as one time as the data was collected at a single point in time from a cross-section of the population. Cross-sectional studies which permit the collection of data at one point in time are more cost effective than comparable experimental and longitudinal designs. This is due to the fact that they do not entail the cost of repeated data collections, tracking respondents or experimental interventions. In social sciences, the capacity of the researcher to intervene and to manipulate situations as required by experimental designs is limited (DeVaus, 2001). With reference to the topical scope, the study was statistical as the hypotheses were to be tested quantitatively.

According to Cooper & Scheindler, the final aspect of research design deals with the respondents' perception and awareness about the research. Respondents were informed the objective of the research as an attempt to understand the employment relationship and the factors contributing to the well-being of employees of the business process outsourcing sector. The details of the variables or scales used in the study were not shared with the view to minimizing their bias.

**Scope of the Study:**

The study was primarily confined to understanding the psychological well-being of the entry level employees of the business process outsourcing sector in Bangalore based BPO organizations. The frontline employees typically known as associates form the bulk of total employee strength of this sector and perform the primary work activities. It is amongst these employees that the highest rate of attrition is experienced by the organizations. Hence they were selected as the focus of this study.
Data collection methods

A multi-method approach in which both qualitative and quantitative methods complement each other was used to collect the data. This was done with a view to making the study more robust.

a) Quantitative Method:

The study involved the measurement of the various antecedents and consequences of psychological well-being, and the perception about the extent of well-being itself. Perception about the extent of well-being, its antecedents and consequences form a part of the internal state of the respondents, hence questionnaire based data collection was considered the best option for capturing the same (Churchill, 1999; Cooper & Schindler, 2006). This data collection method is also considered to be the most economical in terms of investment in both time and cost. Further, due to the anonymity assured, respondents who are working in entry level positions at various business process outsourcing organizations felt comfortable in responding to questions of confidential nature in sensitive and personal domains.

b) Qualitative Methods:

To gather an understanding and context to the survey data, semi-structured interviews were conducted. Interview questions were designed to elicit a narrative response from employees, human resource managers and counsellors working at various business process outsourcing organizations. These interviews were aimed at gathering subjective accounts of their work experiences and for gaining a deeper understanding of the factors that in the interviewees’ opinion could facilitate in optimising employee well-being. The interviews were conversational in style and offered the interviewees an opportunity to draw attention to issues that had been significant to them, with the most salient topics emerging during the process. Additional insights were gained by interviewing the families of a few business process outsourcing associates. This was complemented with observation of employees in their natural work setting by visiting two organizations.
Sampling design:

As discussed under research design, the data for the study needed to be collected at an individual level, as the variables largely pertained to the perception and behaviour of individual employees. The sampling frame for this study consisted of associates who are the entry level employees of the business process outsourcing sector. This was due to the organizations experiencing the highest attrition amongst the associates who also form over 70% of the employee strength of this sector. At the outset attempts were made to collect the data through the managements of respective business process outsourcing organizations. However this met with little success. Reservations were expressed that employees may share organization specific data of a sensitive nature that may negatively impact the organization’s competitive position. The nature of the study also added another area of concern in that it may raise the employees’ expectations about the employee friendly initiatives needed to be taken by their organizations. This compelled the researcher to rely on personal contacts and a combination of snowball and stratified sampling techniques for data collection.

In order to enhance the representativeness of the sample, associates of several organizations were approached. The method adopted was to identify potential participants through personal contacts. Once identified, they were contacted via the telephone, during which, the purpose of the call and the contact through which the researcher had come to know of them was explained. Thereafter the goals of the research and the length of time needed for filling the questionnaire were conveyed. Queries from the potential participants were answered and if they agreed to participate, a convenient time and place was set up for meeting in person. Wherever, the face to face meeting was not possible, a soft or hard copy of the questionnaire was sent to the potential participants. A covering letter was attached explaining the purpose of the research, assuring the complete confidentiality of the responses and of making the results of the data analysis available only in an aggregated form. Thus the ethical principles followed
included voluntary participation, informed consent and complete confidentiality. The questionnaire along with the covering letter is placed in Appendix I.

Data was collected over a period spanning ten months from August, 2010 to May, 2011. In order to provide representativeness to the sample, employees from several organizations were approached for getting the data based on the questionnaire. This resulted in getting the respondents from a total of twenty seven organizations which included organizations like Dell, TCS BPO, Northern Trust, Ocwen Financials, HSBC, AXA, Thomson Reuters India Services., Cap Gemini, EXL Service, ANZ Bank, Deutsche Bank, GenPact, Infosys BPO, Minacs Worldwide, Intelenet Global Services, Hinduja Global Solutions Ltd, HCL BPO, Firstsource Solutions Ltd, Accenture, Goldman Sachs and Wipro BPO.

**Adequacy of Sample:**

The determination of adequate power of statistical inference was guided by the advice for regression analysis provided by Tabachnick & Fidell (2001). They suggested that in order to achieve 80% of power of inference towards the interpretation of coefficient of determination ($R^2$) findings, the number of participants should be equal or greater than 50 plus $8m$ (where $m$ = number of predictors). In the present study this transformed to at least 114 respondents ($50 + 8 \times 8 = 114$).

The actual sample size of 347 respondents was therefore considered adequate.

**Sample Size:**

As discussed under the selection of sample, the entry level employees typically known as associates have been selected as the focus of this study. Their typical designations are analyst, process associate, client service associate, market analyst, business analyst and service executive.

A brief profile of the sample for the present study is furnished in Table 2.1.
### TABLE 2.1

A brief profile of select sample of BPO employees

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>208</td>
<td>59.9</td>
</tr>
<tr>
<td>female</td>
<td>139</td>
<td>40.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>347</td>
<td>100</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>91</td>
<td>26.2</td>
</tr>
<tr>
<td>Unmarried</td>
<td>256</td>
<td>73.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>347</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 20yrs</td>
<td>4</td>
<td>1.2</td>
</tr>
<tr>
<td>20 to 29yrs</td>
<td>309</td>
<td>89.0</td>
</tr>
<tr>
<td>30 to 39yrs</td>
<td>33</td>
<td>9.5</td>
</tr>
<tr>
<td>Over 40yrs</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>347</td>
<td>100</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under-Graduate</td>
<td>4</td>
<td>1.2</td>
</tr>
<tr>
<td>Graduate</td>
<td>225</td>
<td>64.8</td>
</tr>
<tr>
<td>B.E.</td>
<td>37</td>
<td>10.7</td>
</tr>
<tr>
<td>Post-graduate</td>
<td>81</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>347</td>
<td>100</td>
</tr>
<tr>
<td><strong>Tenure in current organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6 months</td>
<td>61</td>
<td>17.6</td>
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<tr>
<td>6 months to 1 year</td>
<td>82</td>
<td>23.6</td>
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<tr>
<td>1 to 2 years</td>
<td>81</td>
<td>23.3</td>
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<tr>
<td>2 to 3 years</td>
<td>68</td>
<td>19.6</td>
</tr>
<tr>
<td>3 years and above</td>
<td>55</td>
<td>15.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>347</td>
<td>100</td>
</tr>
</tbody>
</table>
Questionnaire development and instruments used

Questionnaire Development:

The study involved the measurement of potential antecedents and consequences of psychological well-being of individual employees. Though organizational practices including design of work were examined as antecedents of this psychological well-being, it is the individual employees’ perceptions about the presence of these antecedents that influence their level of well-being and the consequent attitudes and behaviours. These variables were therefore, operationalized as individuals’ evaluations of their satisfaction with these practices (e.g., pay level satisfaction) or the extent of fairness they believed to be receiving. Likewise, the outcome variables examined in this research were the individual employees’ attitudes and behaviours in the workplace as a consequence to their well-being. In view of this, it was considered appropriate to measure all the variables in the proposed framework at the individual level of analysis.

After an extensive review of the literature a questionnaire was developed which consisted of six sections. Prior to the finalization of the questionnaire, interviews were conducted with associates, ex-employees, team leaders, counsellors and human resource managers associated with the business process outsourcing sector. The information and insights obtained from these discussions were used to make a choice of variables to be incorporated in the questionnaire. The measures for all selected variables were adopted from scales used in prior research studies. Since these scales reported high levels of reliability and possessed the required validity, they were used after minor modifications to suit the context of the study. Care was taken to retain a minimum of three items to measure each variable.

In addition, the questionnaire requested a limited amount of information related to personal and professional demographic characteristics. Nowhere in instrument was the respondent required to provide any information that would divulge his/her identity.
The questionnaire consisted of 115 items presented in a six page booklet. Questions concerning the demographic details of the respondent were included towards the end of the instrument. As mentioned, a copy of the questionnaire has been placed in Appendix I.

Pilot Testing:

The survey instrument was pilot tested on a small sample of employees of this sector in order to understand the respondents' ease in answering the questionnaire and to highlight any ambiguities and errors in its design. The respondents to the pilot questionnaire were requested to mention the time required to complete the questionnaire and questions that they found difficult to understand or answer. They were also requested to share any other observations and feedback. The researcher spent time with a few of the respondents to discuss and be aware of their reactions to each item of the questionnaire. This process facilitated an understanding of the respondents' comprehension and comfort in answering the questionnaire.

The feedback received from the pilot testing suggested the need for minor modifications in the wordings of some of the questions. For instance, based on the suggestions received, the word “Supervisor” in the items pertaining to interactional justice was changed to “Team Leader”. In the original scale of Distributive Justice, the scale item, “My rewards reflect the effort I put into my work” was re-worded to “My compensation reflects the effort I put into my work”.

Further, in response to the pilot work on the questionnaire, the following variables were measured categorically:

(a) Age  (b) Length of service  (c) Projected job stay

At the end of the iteration process, the length of the questionnaire was 115 items. It was expected that a respondent would on an average take about twenty to twenty five minutes to complete the same. Analysis of reliability after collecting 347 data points revealed satisfactory scores for multi-item scales. These have been placed in Appendix-II.
Data analysis

Preliminary Data Analysis:

The objective of the preliminary data analysis was to explore and clean up the data for multivariate analysis. Initial steps involved the checking of the data for accuracy of input and identification of "out of range" values.

Data Preparation:

The data preparation process involved steps such as preparation of preliminary plan for data analysis, developing a coding scheme and data entry from acceptable questionnaires. As an initial step, respondent code was allocated to each questionnaire and a proper coding pattern was prepared for all the 115 items belonging to 22 variables of the study along with the demographic details collected through the questionnaire. The filled questionnaires were checked for completeness before data entry. Some of the questionnaires which reflected either patterned responses or substantial lack of completion were rejected.

All variables (except affect) were measured on a seven-point scale and none of the respondents had given an out-of-range response.

Treatment of Missing Data:

Each questionnaire was scrutinized immediately on its receipt and wherever needed the respondent was contacted with a request for the missing data. Wherever the missing data could not be collected despite efforts, the questionnaire was rejected. A total of twenty one questionnaires needed to be rejected due to missing data.

Scale Reliability and Construct Validity:

Before testing the hypothesized model, two sets of tests were run. These were reliability analysis and factor analysis.

DeVellis (2003) defined reliability as the proportion of variance attributable to the true score of the latent variable. There are several ways to
assess reliability of a study, including internal consistency reliability, also known as Cronbach’s alpha ($\alpha$); alternative forms reliability, test-re-test reliability, and split-half reliability etc. For the present study, reliability was tested using the Cronbach’s alpha, which measures the internal consistencies among the various scale items on the basis of average inter-item correlation. This statistic measures the correlation between the scale and the underlying factor. The closer the alpha is to 1.00, the greater the internal consistency of the item being measured (George & Mallery, 2007).

All the scales used in the study demonstrated good internal consistency with an alpha value of over 0.70. The only exception was the quantitative work load scale whose alpha value was 0.63. For social sciences a cronbach’s alpha coefficient of 0.6 and above is generally regarded as acceptable (Nunnally, 1978). Thus, based on established criteria, the scales used in this study have adequate internal reliability. While reliability emphasizes the consistency of scales, validity is concerned with the assessment of the extent to which the scale actually measures the latent variable that it intends to measure. The measures for all variables included in the study were adopted from scales used in prior research studies and possessed the required validity.

One common concern in survey instruments, where respondents use a single instrument, as in the case of this research, is the presence of “common method bias”. It refers to the fact that since all variables, the independent and the dependent come from the same source, any defect in the source can contaminate all the measures. Common method bias is said to be present when correlations between measures are not due to the relationship between constructs, but simply because the same respondents provide the measure for all the constructs.

Harman’s single factor test has been suggested for investigating the presence of such bias (Miceli, Jung, Near & Greenberger, 1991; Podsakoff & Organ, 1986). This test comprises factor analysis of all the items of the constructs together. It is expected that if a substantial amount of common method variance is present, either a single factor will emerge or one general factor would account for a majority of the co-variances in the variables. As a single factor solution did not
emerge from the factor analysis and the first factor did not explain most of the variance, common method bias was not a concern for this study.

**Quantitative (Statistical) Analysis:**

The statistical analysis was done with the help of Statistical Package for Social Sciences (SPSS) version 17. Multiple regression analysis which is considered the appropriate technique for testing the relationship between one variable and several independent variables (antecedents) was used for testing the hypotheses. This provides information on the impact of an independent variable on the dependent variable while controlling for the effects of other independent variables.

Following the convention for statistical analysis in behavioural science research (Hinkle, Wiersma & Jurs, 1988), the significance level was accepted as 0.05 with all significance levels being based on two-tailed tests.

Each dependent variable (i.e. each of the five indices of psychological well-being namely job satisfaction, job engagement, life satisfaction, positive and negative affect) was simultaneously regressed upon the predictor variables. The purpose was to determine the influence of these predictors on the psychological well-being of employees in the business process outsourcing sector. Likewise each of the three consequences of psychological well-being was simultaneously regressed upon the five indices of psychological well-being.

The strength of association was measured by the coefficient of determination, known as $R^2$. Standardization of the data by assessing a zero intercept produced regression coefficients or Beta weights. The significance of the overall regression equation was shown by the F value.

**Qualitative Analysis:**

To ensure accuracy of the data, each interview was transcribed within twelve hours of its completion in order to minimize lapses of interview recall. Thematic analysis was conducted to arrive at broad themes under which the
workplace experiences and suggestions made could be categorised. The responses
to the open ended questions were also categorized in a similar manner.

Measures used

The constructs were operationalized using pre-existing measures that are
based in theory and have established validity and reliability.

The response format for all scales (except affective well-being which was
on a six-point scale) consisted of a 7-point Likert scale with endpoints of
"Strongly Disagree" (1) to "Strongly Agree" (7) with a midpoint of "Neither
Agree nor Disagree" (4).

Reverse coded items were re-coded by subtracting item responses from
eight, which is the highest scale response plus one. As an example, if a response to
a reverse coded item was one i.e. the low end of the response format, it was
subtracted from eight, generating a response of seven, the high end of the response
format. An overall score for the items in the scales was calculated as the mean of
the ratings assigned to the individual items in each scale.

The sources of the scales, number of items and respective reliabilities have
been summarized in Appendix II for an easy reference.

The specific measures used in the questionnaire along with the reliabilities
(cronbach alpha) are detailed below.

1. Motivating Potential Score (MPS):

The ten likert items from the revised form of the Job Diagnostic Survey
(Idaszak & Drasgow, 1987; Hackman & Oldham, 1975) were used. On a seven-
point scale, participants indicated the extent of their agreement to statements such
as, "The job requires me to use a number of complex high-level skills" (variety),
"The job provides me the chance to completely finish the pieces of work I begin" (task identity), "The job is very significant and important in the broader scheme of
things" (significance), "The job gives me considerable opportunity for
independence and freedom in how I do the work" (autonomy), and "After I finish
a job, I know whether I have performed well” (feedback). The Cronbach’s alpha for this scale for the present study was 0.838.

In line with the suggestions of Fried & Ferris (1987), the five characteristics of the job were combined into a single additive index that reflects the motivating potential of a job (MPS-additive index). According to Fried and Ferris, this additive index is a better predictor of work outcomes than the multiplicative motivating potential score index. An average score was thereafter calculated in order to maintain consistency with other measures.

2. Quantitative Work Load:

The measure for quantitative work load was based on Mullarkey, Jackson & Parker’s (1995) scale for which they had reported coefficient alpha value of 0.840. For the present study the Cronbach’s alpha for this scale was 0.630.

3. Responsibility:

Responsibility was captured with four items based on the scale developed by Jackson, Wall, Martin & Davids (1993). Sample items were, “If I failed to notice an error, it could result in a financial loss.” The scales developed by Jackson et al., (1993) were aimed to be widely applicable, reliable, factorially distinct and sensitive to expected differences between different types of jobs. Hence they were adopted with minor modifications to suit the research context. The Cronbach’s alpha for the responsibility scale for the present study was 0.889.

4. Job Security:

Quantitative job security was operationalized in accordance with Greenhalgh & Rosenblatt’s (1984) definition of absence of perceived threats to the continuity of the job itself. Three items from the Caplan, Cobb, French, Van Harrison & Pinneau (1975) scale were used to measure job security. This scale has been most frequently used in studies on job insecurity and has shown a respectable reliability ranging from 0.78 to 0.83 across different studies (e.g. Ashford, Lee & Bobko, 1989; Caplan et al., 1975; Schweiger & Lee, 1993). Sample items are, “I am secure in my job.”
Qualitative job security was designed to reflect what Greenhalgh & Rosenblatt characterized as a threat to the continuity of important job features (Hellgren, Sverke & Issakson, 1999). Respondents indicated the extent of their agreement or disagreement with each of the statements like, “My future career opportunities in my organization are favourable.”

The Cronbach’s alpha for the quantitative and qualitative job security for the present study were 0.848 and 0.871 respectively.

5. Job Satisfaction:

The measure for job satisfaction was adapted from Warr, Cook & Wall (1979) and covered both intrinsic (six items) and extrinsic satisfaction (ten items). This instrument taps into job related as opposed to organization related satisfaction and has shown sufficient construct and criterion validity and internal consistency (Griffen, Patterson & West, 2001; Warr, Cook & Wall, 1979).

The participants indicated the extent of their agreement or disagreement with each of the statements like, “I feel a sense of personal satisfaction when I do this job well” and “I try to think of ways to do my job effectively”. For the extrinsic satisfaction the Cronbach’s alpha was 0.914, while that for the intrinsic satisfaction it was 0.764. A combined score for the overall job satisfaction was arrived at for the purpose of investigating its relationship with the predictor variables.

6. Organizational Commitment:

Three components of Organizational commitment were assessed as per the conceptualization of Allen & Meyer (1990). Measurement of this variable consisted of nine items from the Mowday, Steers & Porter’s (1979) Organizational Commitment Questionnaire (OCQ). These nine items included three items each for affective, continuance and normative commitment. Sample items are:

“I feel like part of the family at my organization” (affective commitment), “Too much of my life would be disrupted if I decide to leave my organization now” (continuance commitment) and “This organization deserves my loyalty” (normative commitment). For this study, the Cronbach’s alpha for affective...
commitment was 0.887, for continuance commitment it was 0.753 and for normative commitment it was 0.838.

7. Felt Obligation:

Employees' felt obligation to care about the organization and to help the organization reach its goals was measured by three top-loading items from the scale developed by Eisenberger, Armeli, Rexwinkel, Lynch & Rhoades (2001). A sample item is “I feel a personal obligation to do whatever I can to help my company achieve its goals.” The Cronbach’s alpha for this scale was 0.767.

8. Support at Work:

a. Instrumental Support:

A combined four item measure of the perceived availability of instrumental support on the job was used for reasons of parsimony and due to the moderate to high correlations between supervisory and co-worker support shown by several studies. This is in line with the measure used by VanYperen & Hagedoorn (2003) and covered availability of instrumental support both from the team leader and team-members. Sample items are, “I can depend on my team leader when things get tough at work”, “If necessary, I can ask my team-members for help”. For the present research the Cronbach’s alpha for this scale was 0.760.

b. Emotional Support:

Employee perception of emotional support was captured with three items similar to those used by Ducharme & Martin (2000). The Cronbach’s alpha for this scale was 0.850. Sample items are, “My team-members/colleagues really care about me”, “I feel close to my team-members/colleagues”.

c. Perceived Organizational Support (POS):

Prior studies surveying several occupations and organizations provide evidence for the high internal reliability and uni-dimensionality of the Perceived Organizational Support (POS) scale (Eisenberger, Huntington, Hutchinson &
Sowa, 1986; Eisenberger, Fasolo & Davis-LaMastro, 1990; Rhoades & Eisenberger, 2002; Shore & Tetrick, 1991; Shore & Wayne, 1993). Rhoades and Eisenberger (2002) have observed that for practical reasons, many studies have used shortened versions of the original Perceived Organizational Support (POS) scale, adding that this practice is not problematic. Accordingly Perceived Organizational Support (POS) was measured by three high-loading items from the short version of the scale developed by Eisenberger, Huntington, Hutchinson & Sowa (1986). Eisenberger et al. reported a reliability of 0.93 for this version of the scale. The 3-item scale used in this study had a reliability of 0.920.

**Total Support at Work:**

A combined scale was used to measure support at work. This included perceived organizational support, instrumental and emotional support.

**9. Organizational Justice Perceptions:**

Organizational justice perceptions were measured using the three dimensional measure created and validated by Colquitt (2001).

Distributive justice was measured with three items (e.g. my compensation reflects the effort I put into my work), procedural justice with five items (e.g. in general, organizational policies/rules are applied consistently), and interactional justice with seven items (e.g. My team leader treats me in a polite manner; my team leader communicates work related details in a timely manner).

For the present study, the cronbach's alpha of the distributive, procedural, and interactional justice were 0.899, 0.865 and 0.937 respectively.

**10. Work Engagement:**

Maslach and Leiter (1997) stated that engagement is adequately measured by reversing Maslach Burnout Inventory (MBI) scores. However, others do not favour this option in view of the substantial evidence that positive and negative aspects of work-related well-being have their own pathways and contingencies. In
line with the argument that positive and negative aspects of work-related well-being are not necessarily each other's opposites, Schaufeli, Salanova, González-Romá, and Bakker (2002) suggested that positive and negative work aspects should be measured independently.

In view of this, the Oldenburg Burnout Inventory (OLBI) (Demerouti, 1999; Demerouti & Nachreiner, 1998) was used to measure work engagement. The OLBI includes two dimensions: one ranging from exhaustion to vigour and a second ranging from cynicism to dedication. The factorial validity of the OLBI has been confirmed in studies conducted in Germany (Demerouti, Bakker, Nachreiner & Schaufeli, 2001; Demerouti, Bakker, Nachreiner, & Ebbinghaus, 2002), the United States (Halbesleben & Demerouti, 2005), and Greece (Demerouti, Bakker, Vardakou & Kantas, 2003). Further its convergent validity with the Maslach Burnout Inventory (MBI) has been demonstrated (Halbesleben & Demerouti, 2005). This instrument was originally developed to assess burnout, but includes both positively and negatively phrased items, and hence, it can be used to assess work engagement (González-Romá, Schaufeli, Bakker & Lloret, 2006).

The Maslach Burnout Inventory on the other hand has one directional formulation of the items in each sub-scale. From a conventional psychometric point of view, such one-sided scales are considered inferior to the scales that include both positively and negatively worded items (Guilford, 1954). One-sided scales increase acquiescence tendencies and thus may lead to artificial factor solutions (Doty & Glick, 1998).

A study by Demerouti, Mostret & Bakker (2010) examined the dimensionability of burnout and work engagement as measured by the Oldenburg Burnout Inventory. Based on this, the researchers advised that the total scores for engagement and disengagement should be used, cautioning against splitting them in view of the low reliability of vigour as measured by the Oldenburg Burnout Inventory. Accordingly, a composite score for work engagement was arrived at based on thirteen high loading items as per principal component analysis. Further, a minimum loading of 0.50 was used to establish verification of the unity of the scales and accordingly the following three items that had a factor loading of less than 0.50 were dropped:
i. After my work, I usually feel still totally fit for my leisure activities
   Loading = 0.377

ii. Normally, I can manage the amount of assigned work well
   Loading = 0.479

iii. I cannot imagine another occupation for myself
   Loading = 0.358

The cronbach’s alpha for the scale for the present study was an acceptable 0.790.

11. Projected Job Stay:

Projected Job stay was assessed by responses to the question: “If the choice purely rests on you, for how long do you see yourself working in this organization”. Responses were rated on an ascending four point scale reflecting projected duration of tenure. The options for indicating their response were, less than one year (coded as 1), 1 to 2 years (coded as 2), 2 to 5 years (coded as 3) and over 5 years (coded as 4). Higher scores on this item reflected longer projected tenure.

12. Life Satisfaction:

The Satisfaction with Life Scale (SWLS, Diener, Emmons, Larsen & Griffin, 1985) was used to measure global life satisfaction. Respondents were asked to rate the extent of their agreement to the five items, which included, “In most ways my life is close to my ideal”, “The conditions of my life are excellent”.

Diener et al. (1985), found that the satisfaction with life scale (SWLS) moderately correlated with other measures of well-being (such as happiness or self-esteem), thus providing support for the validity of this scale. The measure also has high convergent validity. For example, it correlates well with clinical ratings of satisfaction, a memory measure of satisfaction as well as with scales assessing self-esteem.

The Cronbach’s alpha for the scale for the present study was 0.868.
13. Affective well-being:

Perceptions of context free well-being were assessed by using the twelve mood items devised by Warr (1990) for measuring affective well-being. The respondents were requested to indicate the frequency with which during the past few weeks they felt each of the moods in their life outside their job. The frequency needed to be indicated on a six-point scale that ranged from “never” to “all of the time.”

Positive affect was measured with the six items in which the respondents were asked about the extent to which the individual had felt calm, contented, relaxed, cheerful, enthusiastic and optimistic in his/her life outside of his/her job in the past few weeks. High scores indicated positive well-being, and the coefficient alpha for the present study was 0.821.

Negative affect was also a six item measure, that asked the extent to which the respondent had felt depressed, gloomy, miserable, tense, uneasy, worried in his life outside of his job in the past few weeks. Cronbach’s alpha for the present study was 0.865.

Limitations of the study:

The present study had the following limitations which need to be considered while interpreting the results and generalizations of the findings.

- The first limitation was its cross-sectional design which implies that all study variables were measured at the same point in time. A cross-sectional design provides only tests of association and not of causal relationships. Based on the existing literature, the proposed framework had a sound logical and theoretical support; however the results could be treated as indicative in nature, requiring further validation by longitudinal studies. While a longitudinal design would have better enabled causal inferences, such a design was considered beyond the time frame and other resources for the present study.
• The second limitation resulted due to a reliance on self-reports as the source of quantitative data. Although the use of self-report surveys is a common practice in the social sciences and despite the fact that self-reports are the most appropriate measure to reflect perceptions and individual attitudes, this measuring instrument has raised concerns as a method for collecting data on independent as well as dependent variables. However Doty and Glick (1998) found that while common method bias was a cause for concern, it did not invalidate the research findings. On the basis of an extensive meta-analysis, Crampton and Wagner (1994) have concluded that inflation of observed effects in same-source studies is more an exception than a rule in micro-organizational research. Spector (2006) similarly discussed empirical evidence suggesting that there was little credible evidence that same-source studies were a universal inflator of correlations. In order to reduce the potential risks of common method variance, the recommendations of Podsakoff, MacKenzie, Lee & Podsakoff (2003) were followed. These included guaranteeing anonymity to the respondents and stressing that there were no right or wrong answers. This was done in order to reduce evaluation apprehension.

• The study was confined to business process outsourcing organizations having their presence in Bangalore. However Bangalore represents the Indian business process outsourcing sector in all respects. Further an attempt has been made to include respondents from a wide array of organizations for providing representativeness to the sample and for enhancing the generalizability of the results. Care was also taken to draw the sample from both captive and third party business process outsourcing organizations.

CONCEPTS USED IN THE STUDY:

Affect: Experiences pertaining to feelings, emotion, or mood.
Attitude: The degree of positive or negative feelings, beliefs and behavioural tendencies a person has towards a particular object, such as a place, thing, situation or specific people.

Attrition (involuntary): a reduction in the number of employees through retirement or death.

Attrition (voluntary): a reduction in the number of employees through resignation.

Business Process Outsourcing (BPO): The transfer of the operational ownership and execution of one or more business processes of an organization to an external party.

Cognition: The mental process of knowing, thinking, learning, and judging.

Distributive justice: the perceived fairness of outcome distributions.

Emotional support: providing care, affection and acceptance.

Hedonic Well-Being: Presence of pleasure and the absence of pain.

Instrumental Support: rendering tangible assistance needed to complete a task.

Interactional Justice: fairness of the interpersonal treatments employees receive during the enactment of organizational procedures.

Internal Consistency: Reliability of a measure determined by the inter-correlations of the components or items of the measure.

Job Satisfaction: An internal state that is expressed by affectively and/or cognitively evaluating an experienced job with some degree of favour or disfavour.

Life Satisfaction: A contentment with or acceptance of one’s life circumstances, or the fulfillment of one’s wants and needs for one’s life as a whole.

Organizational Commitment: The relative strength of an individual’s identification with and involvement in a particular organization.
**Outsourcing:** The transfer of activities and processes previously conducted internally to an external party.

**Perceived Organizational Support:** Employees' perceptions about the degree to which the organization cares about their well-being and values their contribution.

**Predictor:** A known variable that is used to predict a change in another variable.

**Procedural Justice:** the degree to which the formal decision making procedures used in the organizations are fair.

**Psychological Well-Being:** The overall effectiveness of an individual's psychological functioning.

**Qualitative job insecurity:** perceived threats of loss of valued job features leading to impaired quality in the employment relationship.

**Quantitative job insecurity:** perception of a potential threat to continuity in one’s current job.

**Subjective Well-Being:** An evaluation of one’s life assessed by measures of global life satisfaction, frequency of positive affect, and in-frequency of negative affect.

**Time Arbitrage:** The exploitation of time discrepancies between geographical labour markets to make a profit.

**Turnover intent:** The cognitive process of thinking of quitting, planning on leaving a job, and the desire to leave the job.

**Conclusion:**

This chapter has outlined the objectives, hypothesis and research design of the study.

The research adopted a mixed-method approach using a combination of qualitative and quantitative methods for the collection of data. After an extensive review of literature and interactions with employees of the business process.
outsourcing sector, a questionnaire was developed using pre-existing measures which had established validity and reliability. A combination of snowball and stratified sampling techniques were used for the selection of the sample. Statistical package for the social sciences (SPSS) version 17 was used for quantitative analysis while thematic analysis was used for qualitative analysis.

Cross-sectional design, a reliance on self-reports as the source of data and the study being confined to business process outsourcing organizations having their presence in Bangalore are the limitations of this study.
CHAPTER 2 – REFERENCES


