CHAPTER-I

INTRODUCTION

1.0 INTRODUCTION

Business Process Outsourcing (BPO) is outsourcing business processes that are done by white collar and clerical employees, with a view to save cost, get better quality and also so that the business can concentrate on their core competency and main business. Organizations mostly outsource only processes or functions that are not the main competency of the organization but functions that have to be done anyway for the smooth and unhindered operations of the organization. The organization selects a vendor from the many options available based on cost and quality standards assured by the vendor organization. The vendor takes full responsibility for the end-to-end process of that function outsourced. Some examples of processes that are outsourced are payroll processing, customer service, inventory management, etc.

1.1 Evolution of BPO and Existence

<table>
<thead>
<tr>
<th>Years</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s</td>
<td>Time sharing</td>
</tr>
<tr>
<td>1970s</td>
<td>Data processing</td>
</tr>
<tr>
<td>1980s</td>
<td>Entire IT operations</td>
</tr>
<tr>
<td>1990s</td>
<td>Shared business services</td>
</tr>
<tr>
<td>2000s</td>
<td>Business to Business partnerships via Internet</td>
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<tr>
<td>2000s</td>
<td>Process outsourcing via Internet</td>
</tr>
<tr>
<td>2000s</td>
<td>IT-enabled offshore services</td>
</tr>
</tbody>
</table>

Source: www.tutorial-reports.com
1.1.1 Airlines

In the early 1980s many European airlines including British Airways started their back-office operations in Delhi. The BA captive finally became a detached business called WNS Global Services in 2002.

1.1.2 Amex

In the second half of the 1980s, American Express combined its JAPAC (Japan and Asia Pacific) back-office operations in New Delhi and NCR (National Capital Region). This center was headed by Raman Roy, and has been a foundation of numerous foremost names in the Indian BPO Industry.

1.1.3 General Electric

In the 1990s, K.P Singh who was a Delhi based realtor influenced Jack Welch to consider Gurgaon in the NCR region as a base for their back-office operations. Pramod Bhasin was then the India Head of GE. Raman Roy and some of his executive team members from American Express joined GE to begin the Organization called GECIS (GE Capital International Services). That was the first-time voice based operations was tried out of India. During this time, GE was also the Beta site for the GE Six Sigma enterprise. The results of the voice based operations soon made GE increase their presence in India and also look at many other locations in India for their operations. Later, GECIS became a separate legal entity in 2004, and it was called Genpact. GE sold a 60% stake for $ 500 million to two equity companies, General Atlantic Partners and Oak Hill Capital Partners. GE retained the balance 40% stake.
1.1.4 Third party BPO's

Before GE, most of the outsourced work was done by “captives” which means inhouse work being done for their own parent organization. Raman Roy and some executive team members quit from GECIS in 2000. They then started Spectramind with the help of Venture Capital funding from Chrysalis Capital. Around the same period Daksh was started in Gurgaon, Efunds was started in Mumbai and also Gurgaon, and EXL was started in Noida. In the recent times, most of the Indian BPOs have started offices onshore. Not only have the big ones but also the smaller and mid-sized ones. Most of the organization with their years of experience used that as an advantage and improved the outsourced business processes and are competing directly with their older client base by marking this transition to KPOs.

1.1.5 Entry of IT majors

Software major Wipro acquired Spectramind in 2002 and similar to the IT industry BPO had become the mainstream business model in India. The Executive team that had started Spectramind later started Quatrro in 2006 as an organization that specializes in high end BPO/KPO services. Soon by the end of 2002, most of the major Indian software organizations were into BPO, including Patni, Satyam (Nipune), HCL, Inforlinx, Infosys (Progeon). IBM acquired Daksh in 2003, and Electronic Data Systems (EDS) acquired Mphasis in 2006. Soon international 3rd party BPO players set up their operations in India, which further developed the BPO movement in India and some of the international players who did this were Sitel and Convergys. Many service arms of organizations like Dell, Hewlett Packard, IBM and Accenture have also set up their operations in India.
1.1.6 Leading BPO cities in India

BPOs were started first in Tier I cities in India like Chennai, Bangalore, NCR and Mumbai. However, with rising costs in infrastructure and operation’s cost in these cities, BPOs started moving their operations to Tier II cities like Pune, Kolkata, Ahmedabad and Hyderabad and also to Tier III cities like Jaipur, Ghaziabad, Kochi, etc., where the business process overhead cost is very low compared to Tier I cities. To support the growth of the BPO and KPO industry, the Government of India along with Private infrastructure corporations has made extensive plans to bring about all round developments and providing robust infrastructure across the nation.

1.1.7 Emergence of Rural BPOs

With the boom in India’s business, real estate and infrastructure cost in Tier I cities drastically increased. The BPO industry has survived and also been profitable all these years because of its advantage of the capability to deliver services at a low cost. Whereas with the increase in real estate cost, salaries and infrastructure costs, the cost of operating a BPO in Tier I cities have increased substantially making the organizations look for Tier II and Tier III cities for setting up their operations. Few entrepreneurs found an opportunity to bring Rural India into the mainstream of knowledge economy by setting up of Rural BPOs, with this emerging trend. However, there were challenges that Rural BPOs faced and one of the major challenges being quality manpower. As a consequence of this, Rural BPOs have continued to target low end jobs like data entry, which does not require high quality or higher qualification.
1.1.8 Challenges to outsourcing services in India

Though the Indian BPO industry is growing at a fast rate, many analysts have an opinion that this rate of growth in the Indian Outsourcing sector is too optimistic, and it is likely to slow down in the future. As both IT and BPO sector is very dependent on the US market any depreciation in the US dollar will have an impact on the entire sector and industry. Furthermore, countries like Mexico, Vietnam, China and Philippines have also entered the BPO industry and are increasing their outsourcing operations and at a much lower cost than India.

1.2 WORK DONE BY VARIOUS BPO’s

The BPO companies are judged based on the client that they service, the quality of their work and output. In addition to that they are also evaluated based on the employee welfare and employee satisfaction. Based on these factors, some of the well-known BPO companies are:

1.2.1 Genpact:

Started in 1997, Genpact’s major part of outsourcing services is done out of India. It provides outsourcing operations for large organizations like GE Capital. It has around 30 branches across the world and provides services in the field of insurance, customer service, analytics, accounting and finance, IT infrastructure and many more. With staff strength of more than 64,000 employees its revenue is around $822.7 million.
1.2.2 Daksh eServices

Daksh has employee strength of more than 54,000. It is one of the fastest growing BPO companies in India, and it offers solutions in customer service and back-office operations. Some of its services are Technical support, Collections, Transaction processes, customer care and so on. Daksh has five facilities in India, four in Gurgaon (New Delhi NCR) and one in Mumbai. Daksh’s clients are mostly big organizations that are listed in the Fortune 500. Daksh was acquired by IBM in 2004.

1.2.3 Iseva

Iseva is a part of the e4eGroup and is one of the leading BPOs in India. It has acquired an ISO: 9001 – 2000 certification which proves its process capabilities. Its services are in the area of transaction processing, data processing and customer service. Iseva has two facilities in Bangalore with total employee strength of 54,400.

1.2.4 ICICI OneSource

ICICI OneSource is a BS 7799 (Information Security) certified organization. It is one of the top BPO service providers in India. It is well known for its outstanding customer services in Financial Service, Healthcare, Media and Publishing and Telecom. It has more than 53,600 employees.

1.2.5 Efunds International

Though Efunds was ranked fourth in the overall E-SAT survey, it has received the top slot in the “Most Preferred Employer” list with a convincing margin compared to its competitors. It was already widely selected by most
employees as a ‘Dream Company’ to work with. Efunds operates in business domains like Financial Services, Telecom, Electronic Funds Network, Software Development, Retailers and other businesses. It provides outstanding services in customer care (both email and voice process), back office operations and transaction process. Its total employee strength is more than 65,000. In India it has two facilities in Mumbai and one in Gurgaon. It also has two software development centers in Chennai. Efunds have implemented the BS 7799 security standard in the organization.

1.2.6 Hinduja TMT

Hinduja TMT is one of the leading BPO service providers in India. It has employees more than 52,000 combined in all its centers. It provides a wide range of services in the areas of IT, Telecom, Finance, Transport, Healthcare, Insurance, Education and Banking across 50 countries in the world. In India, it has offices in Bangalore and Mumbai.

1.2.7 EXL Services

EXL Services are one of the top BPO service providers in India. It has employee strength of more than 65,000. By virtue of its world-class service to its customers, it has become a well-known name in the Indian BPO industry. It provides services in Banking, Financial and Accounting Services, Insurance, Healthcare, Mortgage Lending and Collections. EXL is involved in both back-office operations and also customer services. In India, it has offices in Pune and Noida (New Delhi NCR). EXL is ISO 9001:2000 certified for quality assurance and has also acquired the BS 7799 certification for information security.
1.2.8 Ajuba

Ajuba is located in Chennai, India. It is a fast-growing BPO with more than 35,000 employees. It was a surprise entry in the E-SAT survey. It deals with IT solutions and other customer service operations.

1.2.9 Motif

With over 30,500 employees, Motif is one of the leading BPO service providers to Fortune 500 clients. Based out of Ahmedabad, it provides services in transaction processing which includes investor services, customer services like Voice Process, Fax Processing, Email management and also administration and mutual fund.

1.2.10 NIIT SmartServe

NIIT SmartServe is a global BPO company which has grown substantially over the years. Its current employee strength is over 25,800, and its delivery center is located in Gurgaon (New Delhi NCR). It provides solutions in the domains of Insurance, Real Estate, Technology, Transportation and Financial Services. It offers services in back office processing and customer care.

1.2.11 HCL-Tech BPO

HCL Technologies BPO is well established in the growing BPO industry. It is a subsidiary of IT giant, HCL Technologies. It has over 72,464 employees, and it has two delivery centers in Chennai, one in Bangalore and four in Noida (New Delhi NCR). It provides services in both back office processing, and customer care (voice and web). It has world-
class infrastructure and with that it has successfully rolled out business relationships with more than 60 Fortune 500 companies.

1.3 GROWTH OF INDIAN BPO INDUSTRY

Table: 1.2 Growth of Indian BPO Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth rate (%)</td>
<td>59</td>
<td>45.3</td>
<td>44.4</td>
<td>34.6</td>
<td>49.7</td>
<td>24.3</td>
<td>16</td>
<td>25</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Primary data

India’s share in the global market is 55 percent in FY 2010 compared to 49 percent in FY 2005. Of this the India’s market share of BPO market is 34 percent in FY 2010 compared to 45 percent in FY 2005. Revenue from global BPO exports has increased from $12 million in FY 2005 to $42 million in FY 2010. As per NASSCOM the Indian BPO sector grew over 19 percent in the FY 2011. Its total revenue of Indian BPO was $16.9 billion in FY 2011. Of the total revenue 33 percent were from domestic and 67 percent export revenue.

1.4 SIZE OF THE INDUSTRY

Fig 1

Source: www.Dnb.co.in/ITesBpo2010/Outlook.asp
Job Satisfaction of Women Employees in BPO Industry

Speedy transformation is taking place in the global BPO market. It is escorted by increased investments in BPO services. Most of the principal business companies of the world are adopting BPO as a strategic business solution. The BPO industry is quite assorted, with several sub segments, each exhibiting its own unique and exclusive characteristics. The size of the global BPO market was $127bn in 2011. Of this, India generated $16.9bn in revenue says NASSCOM. The projection includes revenues of pure play Indian BPO service providers, captive operations of MNCs operating in India, third party service providers and BPO subsidiaries of IT services firms.

1.5 TOP 10 BPO COMPANIES IN CHENNAI

Table 1.3a Top ten BPO company in Chennai

<table>
<thead>
<tr>
<th>S.No</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H C L BPO Services</td>
</tr>
<tr>
<td>2</td>
<td>Accenture BPO Services</td>
</tr>
<tr>
<td>3</td>
<td>Sutherland Global Services Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Dell</td>
</tr>
<tr>
<td>5</td>
<td>Citi Group Global Services Ltd</td>
</tr>
<tr>
<td>6</td>
<td>Intelenet Global Services</td>
</tr>
<tr>
<td>7</td>
<td>Infosearch BPO Services</td>
</tr>
<tr>
<td>8</td>
<td>Tata Consultancy Services</td>
</tr>
<tr>
<td>9</td>
<td>Wipro Technologies</td>
</tr>
<tr>
<td>10</td>
<td>Aviva BPO</td>
</tr>
</tbody>
</table>

Source: wiki.answers.com
From these top 10 companies, Sutherland BPO, Accenture BPO and TCS BPO formed the basis of this survey. Number of employees in each company have been given below from 2006 to 2011.

SUTHERLAND BPO started in 2002 and having 3 branches in Chennai

**Table -1.3b: Number of employees in Sutherland BPO**

<table>
<thead>
<tr>
<th>Years</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Employees</td>
<td>14,680</td>
<td>18,720</td>
<td>22,100</td>
<td>25,000</td>
<td>32,300</td>
<td>37,800</td>
</tr>
<tr>
<td>Number of women employees</td>
<td>8,638</td>
<td>10,052</td>
<td>11,235</td>
<td>12,250</td>
<td>14,805</td>
<td>16,730</td>
</tr>
</tbody>
</table>

Source: Primary data

ACCENTURE BPO started in 2001 and having 1 branch in Chennai

**Table -1.3c: Number of employees in Accenture BPO**

<table>
<thead>
<tr>
<th>Years</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Employees</td>
<td>2,000</td>
<td>7,400</td>
<td>11,000</td>
<td>15,670</td>
<td>21,240</td>
<td>24,000</td>
</tr>
<tr>
<td>Number of women employees</td>
<td>1,640</td>
<td>3,176</td>
<td>4,838</td>
<td>6,726</td>
<td>8,497</td>
<td>9,302</td>
</tr>
</tbody>
</table>

Source: Primary data

TCS BPO started in 2004 and having 4 branches in Chennai

**Table -1.3d: Number of employees in TCS BPO**

<table>
<thead>
<tr>
<th>Years</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Employees</td>
<td>13,110</td>
<td>15,875</td>
<td>20,131</td>
<td>24,300</td>
<td>30,200</td>
<td>36,700</td>
</tr>
<tr>
<td>Number of women employees</td>
<td>4,260</td>
<td>6,300</td>
<td>9,012</td>
<td>10,500</td>
<td>13,753</td>
<td>14,926</td>
</tr>
</tbody>
</table>

Source: Primary data
1.6 ISSUES IN BPO INDUSTRY - INDIA

Business process outsourcing, the most flourishing Indian industry sector has emerged as India’s promising sector, and has been growing at a rate of 40-50 per cent since its inception. BPO is a very fast-paced and a high momentum industry. The BPO industry generated one million jobs by the year 2008. Taking advantage of the abundant skills and low cost benefits, large numbers of BPO companies have mushroomed in India in recent years, many of the well established IT companies have also started their BPO divisions. However, there is another side of the BPO picture too which has already brought the BPO industry in limelight many times. This picture is concerned with the non viability of the BPO, and the fact that the young generation of India is actually losing out in the BPO.

In the past couple of years, India has witnessed many small-time businessmen entering the bandwagon of the flourishing the business process outsourcing sector without adequate investment capital or vision that is required to run an employment organization. Even many biggest MNCs were found exploiting the psyche of people who favor and safeguard employment generating and economic development efforts against critics. Many are taking an advantage of the favorable climate created by the recent outsourcing culture of the west. Business process outsourcing organization, commonly known as call centers – work when the rest of the India sleeps! Most of the BPO organizations work according to the international (US and UK) timings; therefore, most of the BPO employees work in night shifts starting anywhere from 10 p.m. to 2 a.m. and ending at 6 a.m. to 10 p.m. There is also a graveyard shift starting at 4 a.m. working in such shifts
having odd timings has started showing hazardous results on the health of the Indian youth. It prolonged working in shifts of odd hours can have major implications on the physical and mental health of the employees. The physical strains like sleep disorders, depression, odd working shifts, learning foreign accents, constantly handling abusive calls and high-stress levels are making the BPO employees more prone to hypertension and heart attacks.

Various surveys and research conducted among the call center employees have shown that depression is the most common problem faced by BPO employees. Frequent headaches, feeling of fatigue, sleeping disorders and frustration have become regular problems for them. The basic profile of the BPO employees is troubleshooting, sales or revenue collection. All of these are done through tele-calling. Talking to foreigners in a fake foreign accent, solving other people’s problems, facing and handling the anger and abuse of the clients become a routine for these juvenile populations.

The youth is facing the brunt of the thoughtless campaign of many employers who are just trying to encash the flourishing BPO scenario. With no particular qualification required for call center jobs (except fluency in English and good communication and convincing skills) BPO jobs provide a quick gateway to good pay packages. Many youngsters are quitting their education right after the 12th standard for these jobs. This step can block and kill their long term (future) career prospects. Furthermore, at the very young age, they get a lot of money in hand, and they are unaware of the rational utilization of that money. Furthermore, working in overnight shifts does not get accepted easily in the traditional Indian culture, and the youth is
resistance from the seniors in the society. Due to the increasing gap between the supply and demand of the talent for BPOs, and the already saturated talent market, the companies are luring and attracting youngsters with attractive pay packages and other benefits, as soon as they get out of college. However, the youngsters have to face the realities of the industry as they fail to cope with the stress and responsibilities of their work life. It is clearly a case of hyper-growth with an immediate fall-down as soon as the reality strikes. With no time for personal life, the erratic schedules and monotonous work of business process outsourcing also disturbs the family life of the employees adding to their frustrations. This will definitely lead to lose family ties and other unhealthy behavior. All these problems have triggered the problems of attrition and retention for the BPO industry itself. If not taken care of, these problems can lead to hazardous health and other implications for the youth of India.

### 1.7 ISSUES RELATED TO WOMEN EMPLOYEES

Attrition denotes a reduction in the employee strength of an organization on account of resignation, retirement or death. So it means a shrinkage in the number of sizes. From the time of emergence of BPO industry it has become the biggest employment generator. However, the increasing demand and supply gap of qualified professionals in the BPO industry has been a challenge for the HR fraternity. Not only does the HR manager fulfill this gap, but they also have to constantly be on the lookout for the right kind of people who can keep pace with the unique work patterns in this industry.
Job Satisfaction of Women Employees in BPO Industry

The average attrition rate in the BPO industry in India is approximately 30 – 35 percent. However, this is far less than the attrition rate in the US which is more than 70 percent. The percentage of women employees in the workforce in the BPO industry are high (Around 30-35 percent of the total). This adds to the high attrition rate because most women quit their job either after marriage, maternity or because of social pressures caused by irregular working hours in the industry. As organizations in the BPO industry invest a lot of funds in training the workforce, the organization suffers a huge loss when its trained workforce leaves the organization.

The Indian IT and BPO industry has strength of up to 1.3 million people, and women constitute about 35 percent of this population. While the overall attrition in the industry is around 30 percent per annum, women constitute hardly around 5 percent of this. Unlike men, women tend not to jump jobs for a mere 10-15 percent hike in compensation, do not easily get influenced by peer pressure or outside influences motivating them to quit, etc. It is mostly only marriage or motherhood who leads them to move jobs. With the right working environment, women work longer with the same organization compared to men in a job. And the right environment for most women often means only one thing: Work-life flexibility.

1.7.1 GLASS CEILING:

In the early 1970’s, Americans coined a word called ‘Glass Ceiling’ to describe the phenomena of societal and organizational prejudiced attitudes that create artificial barriers preventing women reaching senior executive positions.
A recent survey conducted by Grant Thornton's International Business Report showed that only a small number of women hold top positions in corporate houses worldwide, while the percentage of women who made it to the top management level in India was only 20 percent. Though the percentage of women employees in the BPO industry are quite high, the percentage of women in top positions is quite low. The representation of women in the junior-level jobs is higher and representation of women in senior roles is lower. The main reasons for this, as observed in the survey, showed that many women are unable to put in as many hours are their male counterparts due to family priorities and subsequently not able to go that extra mile to go up the ladder. And women often find it difficult to make up for the loss of experience and learning during the maternity breaks and find it challenging to come back on track with their careers. Women also tend to be flexible to their husband’s career by having to relocate when there is a change in the husband’s job, etc., thereby leading to breaks in their career.

By virtue of women having the responsibility to care for the family, the time that they are able to dedicate to networking is lower compared to men, and this is another major setback to the progress in their careers. Women marriageable age in India is 25-30 years and continuing job after marriage is dependent on many factors, thereby they are unable to reach high positions by that age. Women employees also face many challenges with the attitude of male employees reporting to them. However, in the recent times, women employees are serious about their careers and are slowly able to break the glass ceiling in the BPO industry, to some extent, and women employees are now holding top positions in the organizations.
1.7.2 SECURITY PROBLEMS:

Ever since the 24-year-old woman, Pratibha Murthy, working with Hewlett Packard Global Delivery India Center in Bangalore was raped and murdered by a person masquerading as the driver of the company car, in December 2005, there has been rampant fear among women who started to think twice about working at odd hours. This, in turn, led to fears that the rapidly growing Indian BPO industry might face a downturn if the significant women-working population decides to desert this segment.

1.7.3 WORKLIFE BALANCE:

The term work life balance was coined in 1986. Work–Life Balance can be defined as achievement and enjoyment of all four life quadrants – Work, Family, Friends and Self. A research project, conducted in nine cities, by Avtar Career Creators (2007) about the work-life balance of Indian working women showed that more than 73% of women interviewed felt that managing a home, and a career was a primary reason for their high stress and unhealthy lifestyle. While balancing a demanding career and also managing their home, it becomes almost impossible to pursue hobbies or focus on personal wellness.

1.8 ROLE OF JOB SATISFACTION

Job satisfaction has been the main topic of concentration for researchers for many years. There is some degree of position correlation between Job Satisfaction and Physical health of people. Individuals who have a higher satisfaction level tend to have higher income, more education and eventually enjoys greater benefits, which promote long life. It was found that people who like their work and have lesser stress, live longer.
the other hand, people who have chronic dissatisfaction with their work, which in turn leads to stress, have issues related to their health. Job Satisfaction reduces employee turnover and absenteeism rate. Somebody who is contended and satisfied, find it easier to live within the organization and also have an emotionally healthy life in their personal life.

Whereas, people who are chronically upset and stressed out, make the organizational life of others whom he interacts with vexatious. Job satisfaction leads to more people who feel happy and positive about their work life who eventually spread good word about the organization to the community, friends and family. This increases the good will of the company. When the goodwill increases, there are many qualified and dynamic candidates who show interest in joining this organization over others. Thus, the organization will be able to attract quality talent.

Job Satisfaction is also correlated with mental health of the individuals. When a person is dissatisfied it will have its spillover effects in other areas of life too. A dissatisfied person at work generally tends to be negative about their family, leisure activities and sometimes life itself. This leads to many unresolved personality problems and also leads to maladjustment.
1.9 ATTRITION RATE IN BPO

Table -1.4

Attrition rate in BPO

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>18</td>
<td>33</td>
<td>50</td>
<td>52</td>
<td>58</td>
<td>55</td>
<td>57</td>
<td>40</td>
<td>55</td>
</tr>
</tbody>
</table>

(Source: BPO India, NASSCOM)

Attrition can be defined as a reduction in the number of employees through retirement, resignation or death and the attrition rate is defined as the rate of reduction in size or number. Attrition of employees to some extent is necessary for the arrival of new ideas in any organization. It helps organizations to maintain their dynamic nature in fast changing environment. It brings in new blood, opens up new outlooks for change, development and improvement, shows ways to expand operations and add to the creative lines of the organizations. Attrition in a limited measure can thus bring gain to the organization. However if attrition increases beyond a certain level, it will result in a negative effect.

Attrition in the BPO industry is twofold. One part of the attrition is where the employee leaves the industry entirely. The other section of attrition is where the employee joins another firm in the industry. Both the sections have separate reasons which need to be identified. The primary reason for people leaving the industry is due to the cause that the industry is viewed as a gap filler occupation. There seems to be an error in the way the industry is structured.
The industry has been mainly dependent on youth who take out time to work, make money in the process while thinking of career alternatives. Hence for this group BPO is never a long term career but only as a part time job. The easy availability of BPO jobs is only a source of easy money till the time there is no other source of funding. Also the unfriendly working conditions, late night work shifts, high tension jobs act as a restriction with people to stick with this industry for a long time.

1.10 FACTORS RELATED TO JOB SATISFACTION

1.10.1 Nature of job:

Nature of job which can be measured by occupation level and job content determines job satisfaction. Higher level of occupation level is observed to provide higher satisfaction as compared to lower levels, because a high level job is considered to be prestigious and gives the person a status in the society which by itself increases the satisfaction level of the individual.

1.10.2 Job content:

Job Content also has an effect on job satisfaction. Job content means the intrinsic value of the job which can be determined by the requirement of skills needed for it, the degree of responsibility, power and also the growth it offers. A high content of these factors gives higher satisfaction. For instance, a person doing routine and repetitive tasks with no scope for creativity has a lesser satisfaction.
1.10.3 Working conditions:

Working conditions of the physical work environment and the facilities provided for performing the job also determines job satisfaction. This works in two ways. First, when these facilities provide the individuals, job performance improves. Second, provision of these conditions affects the person’s perception of the organization. If these factors are favorable, people experience higher levels of job satisfaction.

1.10.4 Supervision:

The nature or type of supervision affects the job satisfaction of people, because the degree of importance attached to individuals varies in different types of supervision. In employee oriented supervision, the job satisfaction is higher because the concern for people is higher, which is perceived favorably by employees. Whereas in a job oriented supervision, more importance is given to the performance of the job, and people become secondary and this leads to decreased job satisfaction.

1.10.5 Equitable rewards:

The linkage between job satisfaction and rewards determines the degree of job satisfaction. If the reward is perceived to be based on performance, fair and equitable, then it offers higher satisfaction whereas if it is perceived to be based on considerations rather than job performance, it decreases job satisfaction.

1.10.6 Opportunity:

Apart from seeking job satisfaction from the context of work environment and job nature, people also attach importance to opportunities
for promotion. If the current job does not provide enough opportunities for promotion, it causes dissatisfaction.

1.10.7 **Work group:**

Individuals in a workplace always work in a group environment – either a group formed officially or a group formed by them. This happens so that individuals can derive emotional satisfaction at the workplace. To the extent to which this group interaction is cohesive, the satisfaction level is high. If the group interaction is not cohesive, the satisfaction level is low. In a cohesive group individual derive satisfaction and comfort from their interpersonal relationships, and workplace becomes satisfying leading to job satisfaction.

1.10.8 **Stress:**

When a job is stressful and causes friction in an employee’s personal life, or it causes anxiety and confusion, it reduces job satisfaction. This is primarily on account of negative job stress.

1.10.9 **Leadership:**

Employees derive satisfaction when they work with ‘leaders’ not ‘managers’. Managers are involved in only getting the job done and do not give importance to the individuals. Whereas leaders also motivate employees and support efforts for reaching better performance, etc.

1.10.10 **Work standards:**

The quality of work done by the group is also a factor in job satisfaction. When the quality of work and results / output in the group to
which the employee is associated is good, then the employees derive satisfaction from it.

1.10.11 Adequate authority:

When an employee is given more freedom to take decisions relating to his work, it increases job satisfaction because it gives a sense of authority to the employee.

1.10.12 Promotion:

The promotion system in an organization is also a factor for job satisfaction. If a promotion process is perceived to be fair and based on the performance of the individual, it provides higher job satisfaction compared to promotions based on work experience, relationships, etc. These adversely affect job satisfaction.

1.10.13 Remuneration

Remuneration can also be termed as pay, wage, salary or compensation. It is basically payment for work done, which can be given in the form of basic wage and salary, other cash payments, shift pay, overtime pay and other benefits in kind. It is the financial and non financial extrinsic reward provided by the employer for the skills; time and effort made available by the employee for fulfilling job requirements aimed at achieving organizational goals.

When remuneration is perceived to be fair, adequate and competitive it increases job satisfaction. Whereas, if is perceived to be unfair and inadequate it reduces job satisfaction.
1.10.14 Fairness

Fairness means providing equal treatment and providing the same services and benefits to all. Fairness is a perception, and it depends on the situation and the person’s view. However, when organization policies are fair and does not discriminate between groups of people, then the satisfaction level in such organizations is higher than other organizations where the practices and policies are perceived to be unfair.

1.10.15 Job Security

Job security has become a topic of research interest in the recent years. Job security is important for influencing work-related outcomes. Job security is an important factor for employee health, employee satisfaction, employee turnover and also for organizational commitment. When there is job insecurity, it leads to reduced satisfaction level and reduced commitment to the job.

1.10.16 Recognition & Appreciation

Timely recognition and appreciation are also important motivating factors, which increase the effectiveness of employees and their job satisfaction.

1.10.17 Social Simulation

Work and social simulation are another determining factor of job satisfaction. Employees prefer challenging and active roles rather than routine jobs that cause boredom over a period of time. Employees who perceive their job as a way of making a career out of it feel more satisfied.
than employees who see their jobs as only a temporary position. And employees who perceive their job as a career also take up more challenges in the working tasks and seek further developmental opportunities in their working role.

1.11 RESUME OF SUCCEEDING CHAPTERS

The current chapter deals with introduction in the BPO industry and the topic under study. The second chapter will be covering review of relevant literature and third chapter deals research methodology. The fourth chapter will be having the statistical analysis and interpretation of the data collected. Fifth chapter covers discussion, suggestion and conclusion.