

The Impact of Job Specific Reasons on the Problems Faced by Business Process Outsourcing Employees

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Abstract

Business Process Outsourcing (BPO) is a popular dynamic business strategy in the present day competitive environment. The reforms in the year 1991 especially globalization, liberalization and privatization paved the way for the opening up of trade barriers and the resultant efforts have enunciated the origination and propagation of the concept of global village. Globalization has resulted in dynamic changes in the business world and also in the intellect explosions. The ensuing thinking and forethought has promulgated a new business sculpt called 'Business Process Outsourcing'. Business process Outsourcing (BPO) is inclusive of several facets like call centres, transcription, software design and development, engineering, animation, game development, knowledge process outsourcing, legal process outsourcing smart sourcing etc... Though a fastest growing business segment, BPO suffers from huge attrition challenge. Attrition is the threat of unpredictable and uncontrollable turnover of employees. A rich pool of satisfied high morale employees is inevitable for the successful survival of the outsourcing industry.

Key Words:

Business Process Outsourcing, Information Technology Enabled Services, BPM, Job Specific Reasons, Attrition.

Introduction

Business Process Outsourcing (BPO) is one of the rapid breeding segments of the Information Technology Enabled Services (ITES) industry. BPO – 'the trendy business strategy' promotes business performance in a distinctive way. Information technology and communication technology along with all its networks play the heart beating role of BPOs. Companies offer BPO services through telecommunications or data networks. BPO of today is renamed as BPM – Business Process Management. Throughout this article the pronouncement BPO connotes the same idea as conveyed by BPM.

Mark J. Power defines outsourcing as, “the act of transferring some or all of an organization’s recurring internal activities and decision rights to outside providers whether domestic, near shore or offshore as set forth in a contract”

According to S. Johnsi and N. Nirmala Devi (2004)ⁱ“Business Process Outsourcing (BPO) is the process by which the business process for the company is done through any other organization globally”

The business process outsourcing (BPO) has been experiencing certain chief revolutions over the past few years. It has already been stated that transformation of perception is a vital footstep in any evolution; the sooner it begins the better is its prospects. The BPO industry has gained maturity and is drifting towards higher end services on worldwide competencies. The stakeholders of BPO comprising the clients, academia and the nation in general have to prepare to comprehend the enhanced value proposition offered by BPOS. The rebranding of Business Process Outsourcing (BPO) industry as Business Process Management (BPM) gives the enhanced identity of being a full service value provider by all means and sorts.

India, being the abode of BPO service provider companies and the most sought out BPO destination, has to think of developing and maintaining the sustained growth of BPO sector. Indian BPO sector is the largest sourcing destination and seize about fifty five percentage (55%) in total inclusive global market share. The Indian business process outsourcing (BPO) sector proffers excellence in business infrastructure and excellence in service deliverance. India hugs first position in global business process outsourcing landscape. In majority of BPO operations, discharge of contractual obligations from the part of the outsourcing client requires the use of information and communication technology. Hence BPO is sometimes called as an ITES (Information Technology Enables Services). It can be precisely said that BPO is one of the forms of ITES and for moving up in the value chain the Indian BPO industry may have to leverage the low end capabilities reachable in forthcoming destinations.

The review of available literature and studies depicted that the BPO employees are prone to several problems that stifle their productivity in turn grabbing the growth prospects of the industry. The study spotted out five sets of problems faced by the employees in the BPO sector. These are physical/mental problems, professional problems, financial problems, interpersonal problems and familial/social problems. The causal reasons and their relationship with respective

problems have been synthesized. Despite the growth in BPO revenue turnover there is alarming employee attrition in this sector. The attrition explicitly the unpredictable and uncontrollable reduction in work force adversely affects the performance of the BPO sector. The Human resource; the only factor of production with the power to think and react; should be treated with greater care and caution since their satisfaction is the key to the success of any business organization.

For the purpose of the study the reasons that cause problems to BPO employees were categorized into eight groups. The employee respondents were requested to score each problem on the basis of its magnitude of occurrence and experience in 5 Point Scale. At this point, the problems namely physical/mental, professional, financial, interpersonal and familial/social are the independent variables and the dependent variables selected were job specific reasons.

Review of Literature

1. Santoshi Sengupta and Aayushi Gupta (2012) extracted eight dimensions of attrition namely dispirited perpetual factors, unfavourable working conditions, hostile organisational culture, discounted personal factors, substandard nature of job, uncongenial organisational support, low self –fulfilment factors and mystified career path.
2. Divya Christopher and Ankita Tanwar (2012) emphasised the necessity of implementing a knowledge management system in Outsourcing Environment which can reduce man power turn over, knowledge loss and time spending. They added that the greatest challenge in developing and implementing knowledge management system in BPOs is collating and assimilating information and experiences to create knowledge pool.
3. Vijay Pereira and Valerie Anderson (2012) in their longitudinal case study entitled a longitudinal examination of HRM in human resources off shoring (HRO) organisation operating in India examined the development of human resource management practices in a human resource outsourcing organisation. The need for the development of human resource activities based on extrinsic incentives, reward and penalties to positively influence the employee behaviour.
4. Aruna Kumar Panda (2012) stressed the need for recognising business process outsourcing as a key to restrict the brain drain from India on account of its employment

and income generating capabilities. Here outsourcing is viewed as a promising avenue towards socio-economic contribution.

5. Anupama Dullo Raina and M.G. Shahnawaz (2011) examined that scope for advancement and wage benefits are the two important factors that can predict company satisfaction of managers. Job enrichment, job enlargement, autonomy and restructuring of work enhance the satisfaction of the management.

Objectives of the Study

1. To examine the problems faced by BPO employees.
2. To measure the Jobs specific reasons those cause problems to BPO employees.
3. To evaluate the effect of causal reasons on the problems of BPO employees.

Methodology

The research design of the current study is descriptive in nature. More precisely, the study has a 'descriptive-analytical research design'. A structured pre-tested questionnaire was used to collect data. The sample for the study consists of employees serving outsourcing areas of different companies hosted by Technopark, Kerala. Appropriate statistical tools are used for the purpose of the study. Descriptive statistics namely mean, standard deviation and percentages were used to describe the different variables of the study. One sample t-test was used to find out the significance of deviations in the intensity of problems faced by BPO employees from the average level. Bar diagrams were applied to present the levels of effect of various job specific reasons on different problem faced by employees in BPO sector .Box Plots were applied to present the distribution of scores of job specific reasons with respect to different problems. Scheffe test was used to catch on the pattern of variation in the intensity of job specific reasons in different problems of BPO employees. Principal Component Analysis (PCA) was used to spot the weights for job specific reasons those cause various problems of BPO employees.

Problems Faced by BPO employees and effect of Causal Reasons

Job specific reasons are those reasons which arise from the work environment and cause problems to the employees working in any sector including BPO sector. Obviously, job specific reasons are work related reasons. In other words, job specific reasons are such features of

business process outsourcing (BPO) jobs those pose some challenges or problems the employees. Job specific or job pertinent features are very crucial since those determine the job satisfaction and level of morale of the employees. A rich pool of satisfied employees is a vital ingredient for business success.

The various elements used for measuring job specific reasons are odd working hours, lengthy working hours, high pace and effort required, shift timings, repetitive nature of job, over regimentation and pressure to perform on metrics, unattainable corporate targets/standards, bluffly corporate culture, selfish corporate attitude, daily physical confinement or tied up to employee’s desk, lack of job security and low career growth. The intensity with which the work related reasons cause different problems to BPO employees is also premeditated.

In order to measure the job specific reasons those cause problems to BPO employees; F tests, Box Plots, Scheffe test, Principal Component Analysis (PCA) were used for analyses. Box Plots were applied to present the distribution of scores of job specific reasons with respect to different problems. Scheffe test was used to catch on the pattern of variation in the intensity of job specific reasons in different problems of BPO employees. Principal Component Analysis (PCA) was used to spot the weights for job specific reasons those cause various problems of BPO employees.

Table 1.1 Mean scores of intensity of job specific reasons that cause various problems to BPO employees

Job Specific Reasons	Problems of BPO employees										F	Sig. <0.05
	Physical/Mental		Professional		Financial		Interpersonal		Familial/Social			
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Odd Working Hours	3.18 ¹	1.27	3.88 ²	1.12	3.07 ¹	1.66	3.33 ¹	1.24	4.09 ²	1.15	45.123	0.000
Lengthy Working Hours	4.18 ³	0.87	3.74 ²	1.33	2.55 ¹	3.11	3.83 ²	1.27	4.15 ³	0.90	119.906	0.000
High Pace and Effort Required	4.16 ^{3,4}	0.86	4.37 ⁴	0.82	2.57 ¹	1.64	3.94 ³	1.12	3.36 ²	1.80	117.238	0.000
Shift Timings	2.89 ²	1.35	4.25 ³	1.00	2.61 ¹	1.71	4.26 ³	1.28	4.76 ⁴	0.84	209.842	0.000
Repetitive Nature of Job	3.47 ⁴	1.20	3.22 ^{3,4}	1.27	2.30 ¹	1.57	2.56 ^{1,2}	2.98	2.81 ^{2,3}	1.78	24.479	0.000

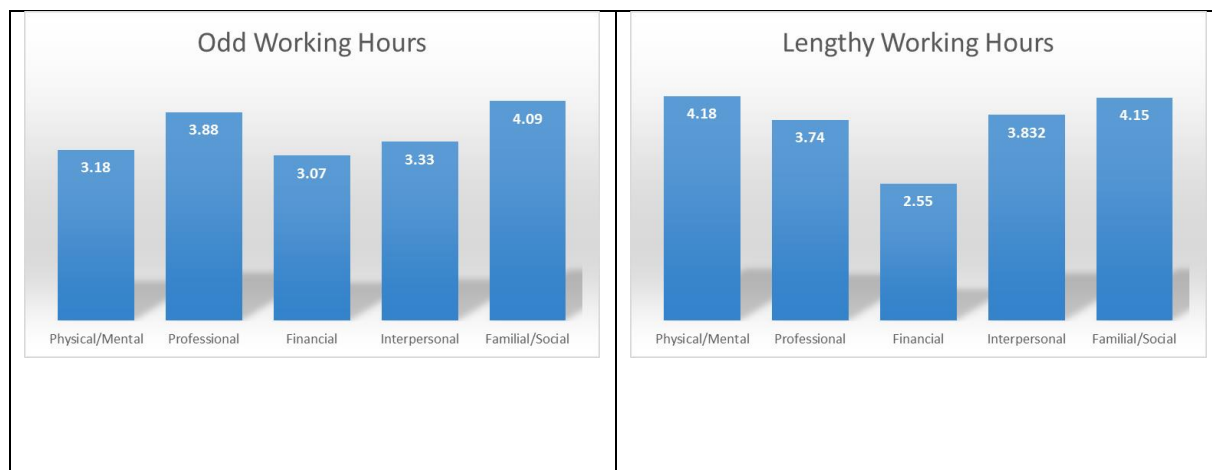
Over Regimentation and Pressure to Perform on Metrics	4.23 ²	0.88	4.10 ²	1.06	2.20 ¹	1.65	4.17 ²	0.97	4.12 ²	1.07	217.135	0.000
Unattainable corporate Targets/standards	3.26 ³	1.43	3.41 ³	1.20	2.46 ²	1.69	2.01 ¹	1.20	4.12 ⁴	1.13	144.526	0.000
Bluffly Corporate Culture	3.26 ³	1.26	3.17 ³	1.27	2.56 ²	1.56	1.96 ¹	1.15	3.28 ³	1.24	74.731	0.000
Selfish Corporate Attitude	2.53 ⁴	1.12	3.61 ⁵	1.27	2.23 ³	1.22	1.92 ²	0.91	1.21 ¹	0.85	248.885	0.000
Daily Physical Confinement / Tied up to Your Desk	3.49 ²	1.19	4.36 ⁴	0.96	2.75 ¹	1.69	4.30 ⁴	0.97	3.87 ³	1.01	117.045	0.000
Lack of Job security	4.23 ²	0.88	4.52 ³	0.92	2.28 ¹	1.64	4.34 ^{2,3}	1.32	4.56 ³	0.62	273.488	0.000
Low Career Growth	3.58 ¹	1.39	4.59 ³	1.05	4.08 ²	1.10	3.97 ²	1.20	3.61 ¹	1.37	42.534	0.000

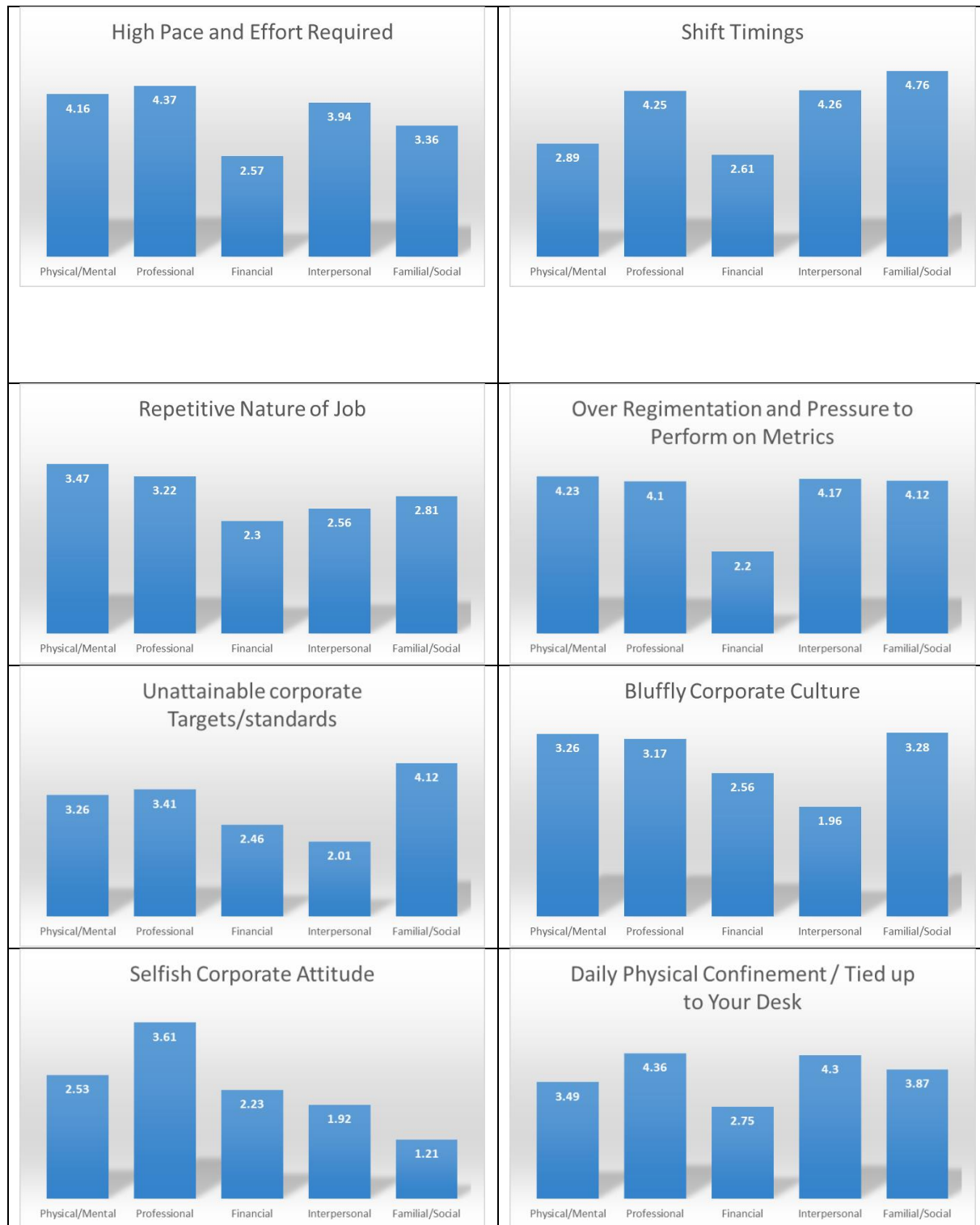
Source: Researcher developed from Primary Data

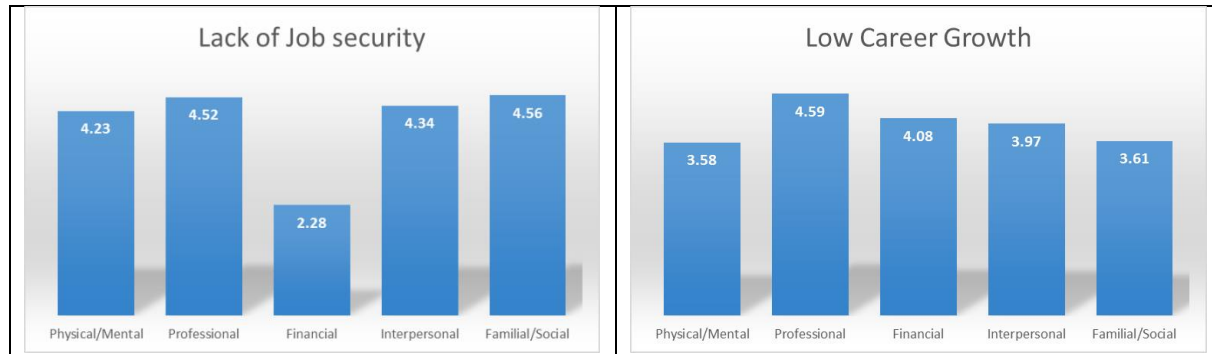
Table 1.1 shows the mean scores of intensity of job specific reasons in the causal of various problems to BPO employees. From the table we can understand that, as the significance levels of one-way ANOVA (F-Test) are less than 0.05 for all job specific reasons, it can be inferred it can be inferred that there is significant difference in the magnitude of job specific reasons in the causing of various problems of BPO employees. Scheffe test results indicate that the set of severe problems created by odd working hours is professional and familial/social problems as they possess the highest mean scores of intensity. The second group of problems affected by odd working hours is physical/mental, interpersonal and financial. The severe problem created by lengthy working hours is the physical/ mental problem followed by familial/social problems as per Scheffe test. The least affected group of lengthy working hour is financial problem. The important problem created by high pace and effort required is professional along with physical/ mental problems. The second placed group of problems as affected by high pace and efforts required is constituted by interpersonal and financial problems. The set of severe problems caused by shift timings is familial/social problems followed by interpersonal and professional problems. The table also evidences that in the case of shift timing, the other two problems come under intermediate group and lowest group as per Scheffe test. The significant problem created by repetitive nature of job is physical and mental problems and the least affected problem is financial. All problems except financial problem are the most severe problems created by over regimentation and Pressure to perform on Metrics. As per this test financial problem is the least one in this respect.

As per the Scheffe test, the highest affecting group is created by familial/social problems as the result of unattainable corporate Targets/standards. The problems like physical/mental, professional and financial come under the intermediate group. The least affected group is interpersonal. The important problem created by bluffly corporate culture is professional problems, come along with physical and mental and professional. The least affected problem as indicated by Scheffe test result is interpersonal. The sphere of finance is the area which is least affected by daily physical confinement. From the result, professional problems appear in the highest affecting group and the next affecting group is belonged by physical/mental, interpersonal and financial problems. In the intermediate group there are physical/mental and interpersonal problems and the lowest affecting group comprises of professional problems. As per the Scheffe test, familial/social problem got the highest score as affected by the lack of job security. The intermediate group comprises of professional, physical and mental and interpersonal. The least rated problem is financial affected by lack of job security. From the results, professional problem has the highest score affected by the low career growth. The intermediate group consists of financial and interpersonal problems. The lowest score is shared by physical and mental and familial/social problems as affected by the job specific reason of low career growth.

Figure 1.1 Bar Diagrams representing intensity of job specific reasons that cause various problems to BPO employees.







Source: Researcher Developed from Primary Data

Bar Diagrams representing intensity of job specific reasons that causes various problems to BPO employees are presented in Figure 1.1. In order to find out composite variable representing different elements of job specific reasons, Principal Component Analysis (PCA) with Varimax rotation was carried out. Table 1.2 presents the weights given under Principal Component Analysis (PCA) to job specific reasons that cause problems to BPO employees.

Table 1.2 Weights given to the elements of job specific reasons using PCA
(*Principal Component Analysis*)

Components	Physical/Mental	Professional	Financial	Interpersonal	Familial/Social
Odd Working Hours	0.078	0.072	0.163	0.076	0.133
Lengthy Working Hours	0.052	0.044	0.074	0.075	0.085
High Pace and Effort Required	0.050	0.067	0.052	0.057	0.067
Shift Timings	0.087	0.075	0.067	0.063	0.079
Repetitive Nature of Job	0.130	0.162	0.134	0.090	0.090
Over Regimentation and Pressure to Perform on Metrics	0.077	0.089	0.072	0.040	0.029
Unattainable corporate Targets/standards	0.076	0.101	0.054	0.060	0.096
Bluffly Corporate Culture	0.105	0.050	0.086	0.068	0.090
Selfish Corporate Attitude	0.062	0.126	0.094	0.135	0.054
Daily Physical Confinement / Tied up to Your Desk	0.130	0.042	0.046	0.125	0.084
Lack of Job security	0.077	0.073	0.061	0.114	0.101
Low Career Growth	0.077	0.100	0.099	0.097	0.094

Source: Researcher Developed from Primary Data

In Principal Component Analysis (PCA) the composite variable representing job specific reasons causing different problems to BPO employees was framed out. Among the components of composite job specific reason causing physical/ mental problems, the highest weight is assigned to the reason component representing the feeling of daily physical confinement / tied up to the job desk. With respect to professional problems the highest weight is assigned repetitive nature of job. In the case of interpersonal problems the highest weight is assigned selfish corporate attitude. And in case of familial/ social and financial problems the highest is with the reason component representing the job at odd working hours.

Table 1.3 Mean opinion scores of problems of BPO employees caused by job specific reasons.

Problems	Mean	SD	F	Sig.
Physical/Mental	3.50	0.59	391.688	0.000
Professional	3.87	0.37		
Financial	2.69	0.47		
Interpersonal	3.36	0.44		
Familial/Social	3.75	0.38		
Total	3.44	0.62		

Source : Researcher developed from Primary Data

The value 0.00 is far below the criterion value of 0.05 indicating the significant difference in the level of intensity of different problems caused by job specific reasons. The massive problems created by job specific reasons are professional followed by familial/social problems. The financial problems are least affected by job specific reasons.

Box Plots are applied at this point to present the distribution of scores of job specific reasons with respect to different problems.

Figure 1.2 Box Plot representing composite variable for job specific reasons in different problems.

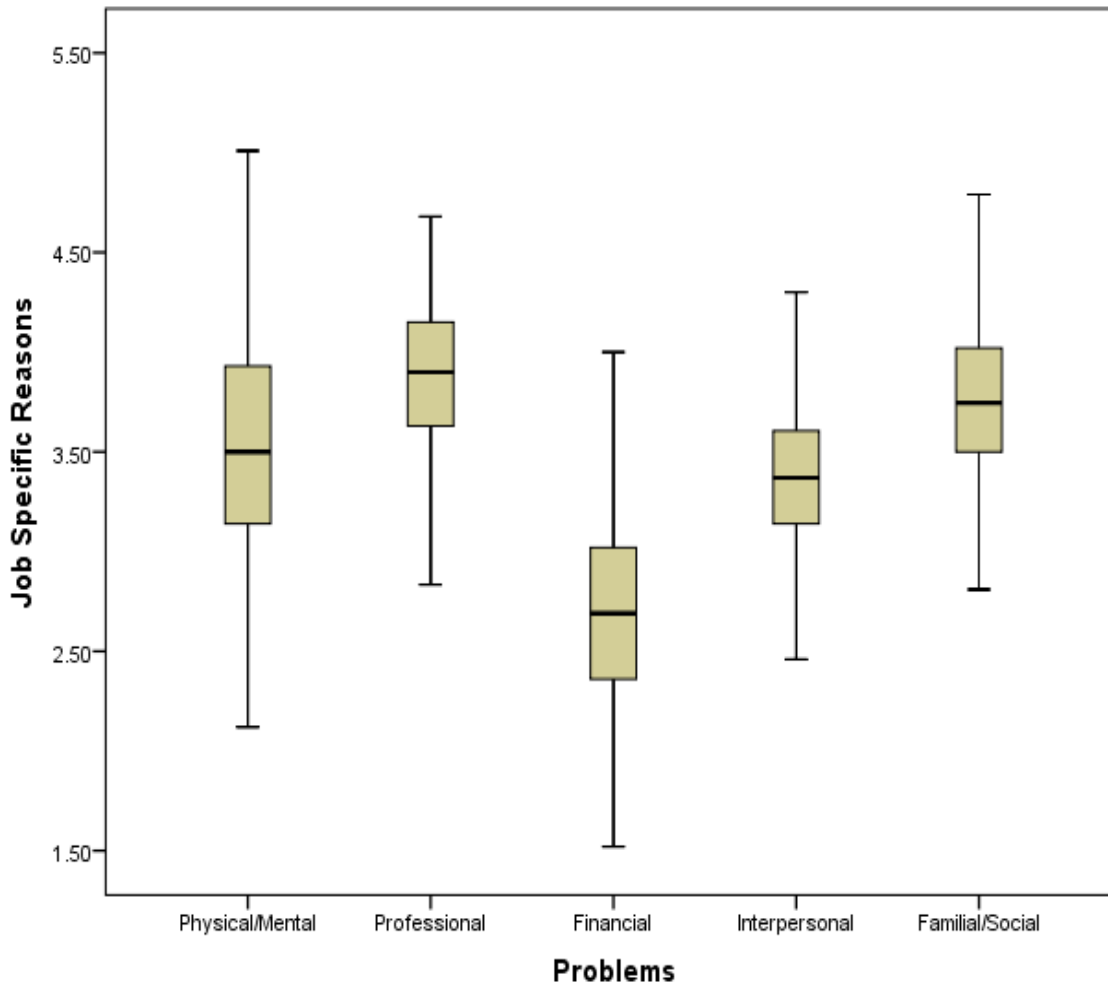


Figure 1.2 presents the Box Plot representing composite variable for job specific reasons causing different problems, job specific reasons are found higher for the causal of professional problems as the median is at the highest level. At the same time, job specific reasons are found to have lesser effect on the cause of financial problems as the median is at the lowest level.

The variation in the intensity of job specific reason is the maximum for physical/mental problems as the boxes and whiskers of the plot representing the same is the longest. Whereas, the variation in the intensity of job specific reason is minimum for interpersonal problems as the box plot representing the same is the shortest. Besides, all job specific reasons are found to be normally distributed in all problems as the box plots of all problems are found to be symmetrical.

Conclusion

Business Process Outsourcing (BPO) is a gifted industry with notable development potential. There is to be a more than proportionate expansion of the industry with time provided the allied problems and challenges are managed well with the backing of strong enthused, satisfied and dedicated work force functioning on strong morale. If so the industry will proliferate to the upcoming era. To bring to a close, Indian BPO industry is likely to go on partnering and handholding its clientele to facilitate business success in the current digital and knowledge age, provided the challenges around retention of motivated employees addressed and redressed with. Indian BPO industry is said to be well set on its goal to reach the revenue mark over 300 billion USD by the year 2021.

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