

## Business Process Outsourcing: Challenges and Opportunities

\*Dr. Anoop Pandey  
\*\*Ms. Ritu Bali

*\*Assistant Professor and \*\*Lecturer respectively, BVIMR, New Delhi*

---

### Abstract

*BPO is a heterogeneous and rapidly growing offshore market with a projected annual growth rate of 60 percent (Tapper, 2004). Brown and Stone (2004) reported that BPO accounted for 34 percent of the global outsourcing contract value in 2004 and projected that BPO services would grow from \$1.3 billion in 2002 to \$4.3 billion in 2007. The growing number of global contracts and alliances focusing on BPO service delivery clearly demonstrate the organizations' beliefs in the BPO value-propositions. BPO suppliers not only help reduce clients' costs, but also provide expertise, help improve clients' services, and increase clients' profits. Client and vendor organizations seeking to exploit the benefits of a BPO relationship need to mutually understand their goals, values, and capabilities before entering into an outsourcing partnership.*

*Business Process Outsourcing (BPO) industry is of significance to India owing to its role in generating foreign exchange and providing employment to the educated youths of the nation. The BPO industry in India has been established only over the last 10 yrs. But the same is being touted as a magic wand which has contributed significantly towards warding off unemployment for thousands of young graduate. However, there is concern regarding issues of health and services that are unique to this new and developing industry. Further BPO sector has been ranked high for attrition rate on account of stress factors, work pressures and health reasons.*

*Through this paper, focus is placed on the following three points: (1) the unique managerial challenges of BPO companies in India; (2) the*

*issues perceived as most critical by the management and employees and (3) the opportunities for BPO firms in coming future.*

**Key Words:** *BPO, Clients, Outsourcing Partnership, Generating Foreign Exchange, Challenges & Opportunities for BPOs*

### Business Process Outsourcing

Generally outsourcing can be defined as - An organization entering into a contract with another organization to operate and manage one or more of its business processes.

Business process outsourcing (BPO) is a broad term referring to outsourcing in all fields. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process. Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria (Stone, 2004)<sup>1</sup>.

Business Process Outsourcing (BPO) is the assignment of one or more intense business processes to external providers. The external provider, who is an independent business organization, but works in collaboration with the parents company, provides the business on agreed terms and conditions including product / service design and quality.

---

<sup>1</sup> Stone, Lisa. "New BPO Definitions Clarify Service Offerings." Research Note (October 2004): Gartner Research, Document G00123758 <[www.gartner.com](http://www.gartner.com)>.

Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry. Its phenomenal growth can be attributed to technological advancements, such as the internet and mobile services, which have reduced communications costs and facilitated the internationalization of business processes and services (Mahnke et.al., 2005)<sup>2</sup>.

Traditionally firms lower cost of production and availability of economy of sales was the major motivational force behind outsourcing<sup>3</sup> (Kakabadse and Kakabadse, 2005 and Klein, 2009) but today, the various perspectives for Organizations to go in for Outsourcing includes:

1. With the emergence of globalised competitive market, firms need to concentrate on their core competencies and identify and outsource their non-core processes (Chalos and Sung, 1998, Currie and Wilcock, 1977)<sup>4</sup>
2. Long term relationships between Host and Vendor clients can help both the companies to satisfy their customer better by enhancing their competitive strengths and developing new skills at the same time (Diromualdo and Gurbaxami, 1988)<sup>5</sup>.

The industry is heterogeneous mix of number of services offered by them ranging from:-



1. Customer Support Services : Customers calling to check on their order status or to have information on products and services.
2. Technical Support Services: Include round-the-clock technical support and problem resolution and troubleshooting of computer hardware, software, peripherals
3. Telemarketing Services: Making calls to prospective customers overseas to sell the products
4. Insurance Processing: Selling specialized insurance schemes to customers
5. Policy Maintenance / Management: Record Changes like Name, Beneficiary, Nominee, Address; Claim

<sup>2</sup> Mahnke, Volker, Mikkel L. Overby, and Jon Vang. "Strategic Outsourcing of IT Services: Theoretical Stocktaking and Empirical Challenges." *Industry and Innovation* 12 (June 2005): 205–53.

<sup>3</sup> Kakabadse, Andrew and Nada Kakabadse. "Outsourcing: Current and Future Trends." *Thunderbird International Business Review* 47 (March–April 2005): 183–204.

<sup>4</sup> Chalos, Peter and Jaeyoung Sung. "Outsourcing Decision and Managerial Incentives." *Decision Science* 29 (Fall 1998): 901–19 and Currie, Wendy L. and Leslie P. Willcocks. "New Strategies in IT Outsourcing: Major Trends and Global Best Practices—Report." London: Business Intelligence Ltd., December 1997

<sup>5</sup> DiRomualdo, Anthony and Vijay Gurbaxani. "Strategic Intent for IT Outsourcing." *Sloan Management Review* 39 (Summer 1998): 67–80

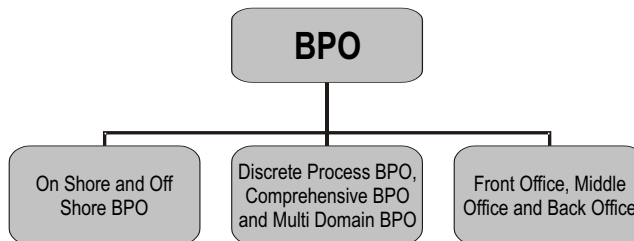
6. Medical transcription in th Health Sector
7. Check processing and imaging in Banking

Types of BPOs: BPOs can be differentiated on the basis of three categories<sup>6</sup>:

1. **On Shore and Off Shore BPO:** Onshore BPO refers to outsourcing to a domestic or nearby vendor whereas offshore refers to the vendor from a different country. For example, for U.S. clients, Canada is considered an onshore location, and India is offshore
2. **Discrete Process BPO, Comprehensive BPO and Multi Domain BPO<sup>7</sup>** : Discrete BPO refers to a single-process BPO where the vendor is responsible for only one process, for example accounts

payable in banking. In a comprehensive BPO, the vendor undertakes multiple business processes within a single support area, such as HR and Multi-domain BPO is where vendor supports various clients' functions across multiple support groups. For example, a vendor may be responsible for HR, finance, and accounting, as well as customer relations

3. **Front Office, Middle Office and Back Office:** Front-office BPO includes customer service and technical support services; middle-office processing includes services such as banking, insurance, telecom, transportation, and utilities; back-office BPO supports functions such as HR and finance



**Approaches to Outsourcing:**

Three approaches generally have been used by the firms for making their outsourcing decisions:

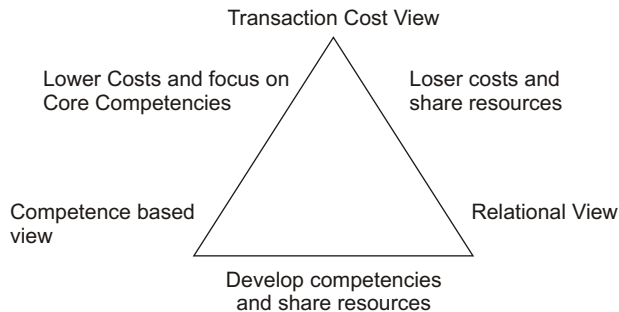
Theoretical Perspectives on Outsourcing; - (Anu Mehta Et. Al)<sup>8</sup>

1. **Transaction Cost View:** Decision to

outsource is determined by the relative transaction and production costs associated with the process or service (Williamson, 1975)

2. **Competence Based View:** the competency based perspective is based on company's core competencies. Competencies are

<sup>6</sup> Anju Mehta, Achilles Armennakis, Nikhil Mehta and Feruzan Irani, Challenges and Opportunities of Busienss Process Outsourcing in India, Journal of Labour Research, Volume XXVII, Number 3, Summer, 2006  
<sup>7</sup> Stone, Lisa. "New BPO Definitions Clarify Service Offerings." Research Note (October 2004)  
<sup>8</sup> Anju Mehta, Achilles Armennakis, Nikhil Mehta and Feruzan Irani, Challenges and Opportunities of Busienss Process Outsourcing in India, Journal of Labour Research, Volume XXVII, Number 3, Summer, 2006



those which are unique, inimitable and non-substitutable (Barney (1991)<sup>9</sup> . According to it, firm should concentrate on its core competencies for competitive advantage and may outsource its non-core activities (Quinn and Hilmer, 1994)<sup>10</sup>

3. **Relational View:** Relational view is based on inter – firm exchange or sharing of knowledge, assets and capabilities. According to Dyer and Singh (1988)<sup>11</sup> , Relational rents are created when partners share, combine or invest their assets, knowledge or capabilities or employ effective governance to lower their transaction costs or improve synergies.

### Business Process Outsourcing in India

India is all set to register the highest growth rate in call center service industry in Asia Pacific Region. A recent survey on

Information Technology Enabled Services has revealed that currently more than 150 call centers are operating in the country including international and domestic.

Presently more than 10,000 seats in different call centers handles 45 – 80 calls per seat per day with an average revenue for each ranging from 8 lacs to 10 lacs per month.<sup>12</sup>

The Nasscom Mokinsey report predicted that IT enabled industry would account for a mammoth \$7 billion business per year. This report also predicts that Indian BPO might generate over 2 million jobs and Rs. 850 billion revenue by the year 2010<sup>13</sup> .

Despite criticism and opposition faced from unhappy US and British workers who have lost their jobs to foreign firms, INDIA's Business Process Outsourcing sector is projected to grow as much as 30% in the next few years.<sup>14</sup>

<sup>9</sup> Barney, Jay. "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17 (March 1991): 99–120

<sup>10</sup> Quinn, James B. "The Intelligent Enterprise: A New Paradigm." *Academy of Management Executive* 6 (November 1992): 48–63. and Frederick G. Hilmer. "Strategic Outsourcing." *Sloan Management Review* 35 (Summer 1994), 43–55.

<sup>11</sup> Dyer, Jeffrey H. and Harbir Singh. "The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage." *Academy of Management Review* 23 (October 1998): 660–79.

<sup>12</sup> Issues and concerns of Health among call center employees, *Indisan Journal of Occupational and Environmental Medicine* – Dec, 2006, Vol. 9

<sup>13</sup> Data Quest Business Employees Survey, 2004, Vol XXII No. 21 November 10, 2004

<sup>14</sup> Call Center Industry in India: [Http://callcentreinindia.blogspot.com](http://callcentreinindia.blogspot.com)

### What makes Call Center in India an Attractive Option:

1. Booming IT and ITES industry with its strengths acknowledged all over the world.
2. Largest English speaking population in the world after USA.
3. Good working culture facilitated through working of same age group people who come from same educational background.
4. Easy job with less emphasis on higher educational qualifications.
5. Availability of facilities like high salaries, transportation, food, safety and security measures make it popular among young generation.
6. Cost effective: manpower available in India is 40% cheaper as compared to what is available at the parent organization's country.
7. Indian Government has recognized the potential of IT enabled services and has taken positive steps for providing numerous incentives.
8. Presence of International Technology vendors and solutions results in creation of most advanced set ups in the technology intensive segment.

**Table 1 : India's Competitive position in comparison to other countries**

Country	India	China	Israel	Africa	South Ireland	Northern Ireland	Czech Republic	Poland	Hungary	Russia
Govt. Support	E	F	G	F	VG	VG	VG	F	F	P
Labour Pool	E	G	G	F	G	G	G	G	G	VG
Infrastructure	F	P	VG	F	VG	VG	VG	F	P	P
Education	VG	F	VG	G	VG	VG	VG	G	F	VG
Cost	E	E	F	VG	G	F	F	G	VG	E
Political Stability	F	F	P	F	G	E	E	G	F	F
Cultural Compatibility	F	P	VG	E	E	E	E	VG	VG	G
Data / IP Security	G	P	VG	G	E	E	E	F	F	P
Overall Climate	VG	P	F	F	G	G	G	F	P	P

P = Poor, F = Fair, G = Good, VG = Very Good and E = Excellent

Source: Garner (2004)<sup>15</sup>

### Darker Side of BPO in India

In spite of the tremendous growth as witnessed by BPO sector and presence of facilities like pick and drop, high incentives, food etc., the industry has the highest attrition and turnover rate as compared to other industries. Long hours of work, permanent night shifts, incredibly high work

targets, loss of identity are the dark clouds which are threatening the future prospects of BPO sector.

**Health Problems:** About 30 – 40% of the employees working in the call centers had complained of eye problems, soreness, dryness, blurred vision, light sensitivity, headache which are together called as

<sup>15</sup> Stone, Lisa. "New BPO Definitions Clarify Service Offerings." Research Note (October 2004): Gartner Research, Document G00123758 <www.gartner.com>.

Computer Vision Syndrome. Further, employees are suffering from digestive disorders. Further, 34% employees have reported to their HR managers that they are suffering from disease called Dysphonia i.e. inability to speak which is characterized by croakiness of voice, irritating cough, poor vocal power, inability to modulate and breathing difficulties<sup>16</sup>.

**Stress:** Prolonged working in shifts of odd hour's 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<sup>17</sup>. 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 loose family ties and other unhealthy behavior.

Through this paper, I have made an attempt to find out the possible causes of stress among BPO employees and also an attempt has been made to suggest remedial measures to be taken to avoid the stress factors and giving the employees a very congenial and conducive environment to ensure their career growth.

### **Objectives Of The Research**

Previous studies on Business Process Outsourcing Industry have highlighted the boom in the BPO Sector and its growth trends in coming future but at the same time it has uncovered various concerns relating

to high turnover and attrition rate, presence of stress and unhealthy factors, work life imbalance etc.

Through this paper, we focus on the following three points: -

1. The Unique Challenges for Human Resource Department of Vendor Company
2. The opportunities available for BPO sector
3. Suggesting measures to overcome challenges

### **Research Methodology**

The study is based on both primary and secondary sources.

For Primary Data, interview method is used, wherein interviews of 20 employees working in different BPOs were taken. It was ensured that employees are drawn from all levels of organization viz. lower level, middle management consisting of team leaders and upper management.

The sample consisted of around 20 executives from 15 major Indian BPO organizations. The respondents were selected by the contact person in each organization. Of the 20 executives, ten were drawn from lower management, 05 from middle management, and 05 belonged to upper management. The sample was drawn from different levels of management to overcome any response bias due to the manager's status in the organization and to obtain perceptions from all levels of management common to Indian BPO firms.

The sample consisted of 08 females and 12 males with ages ranging from 20 to 43 years.

---

<sup>16</sup> Problems in BPO by Mr. M D S Prabhu published on 26<sup>th</sup> October, 09, BPO FAQ, <http://bpoindia.org>

<sup>17</sup> Bhagwati, J., Panagariya, A. and Srinivasan, T.N. (2004) 'The muddles over outsourcing, Journal of Economic Perspectives, 18:4, 93-114.



Number of years of work experience in a BPO firm ranged from five months to 7.5 years.

BPO were selected from Delhi and NCR region. All the organizations were well established and had more than 1,000 employees providing support for different business processes such as technical support, customer services, HR, insurance, banking, and software. A majority had U.S.-based companies as clients.

Using a semi-structured interview format, respondents were asked ten open-ended questions related to positive and negative aspects of working in the BPO industry, managerial challenges, recent changes, and future trends:

1. What are the positive aspects of working in the BPO sector?
2. What are the negative aspects of working in the BPO sector?
3. What recent changes have you witnessed in your job/organization?
4. What are the major challenges faced by you/your organization?
5. What are the strengths of the Indian BPO industry?
6. What are the weaknesses of the Indian BPO industry?
7. What opportunities exist for the Indian BPO industry?
8. What are the threats to the Indian BPO industry?
9. How has the external environment changed recently?
10. Any other information that you would like to share?

Information was also gathered on company size, business operations, major clients, and respondent's age, gender, work experience,

and job designation. The respondents were interviewed either in person or on telephone and average time per interview was approximately 40 - 50 minutes. After entering their answers, they are once again contacted for further clarification and information as required.

Interview responses were then content analyzed. The first stage of content analysis involved unitizing the data. 20 different sheets were formed based on the answers given by the respondents and then the units were independently examined and data was meaningfully organized with emphasis on common answers given by the respondents. Examples of statements used to characterize themes included the following: "The reason I am staying in the industry is good salary," "you get to work with educated people and of the same age group," "the worst part of the job is the night shifts," and "there is high attrition, it is very difficult to stop people from leaving." These examples were used to identify themes related to HR, work environment, and job design.

On comparing and discussing the categories, ten broad categories emerged that described the interview data..

Attempt is also made to categorize the data on the basis of positive and negative statements and the three levels of management to understand in better way the critical issues at all the levels.

To identify the strengths and weakness, SWOT Analysis was used.

Secondary data was obtained from the papers published in Journals, blogs given on websites and website of research agencies

### **Data Analysis and Findings**

1. When asked about the positives points of BPOs, majority of the

employees emphasized on Work Environment, Growth Prospects, Money, Learning opportunities, Benefits and Skill Development as the motivational factors luring the people to apply for jobs in BPOs.

**Table 2 : Sample of Main Categories and the Responses given by the Respondents**

Category	Interviewee's Response
Career and Business Prospects	<ol style="list-style-type: none"> <li>1. "Many career options like trainer, team leader, service delivery manager"</li> <li>2. "Promotions are quick and based on performance"</li> </ol>
HR Issues	<ol style="list-style-type: none"> <li>1. "It is difficult to stop people from leaving"</li> <li>2. "Giving feedback, especially negative feedback to employees is a problem, we have to portray positively somehow."</li> <li>3. "Motivate team, when you too are feeling stressed and exhausted"</li> </ol>
Motivation and Stress	<ol style="list-style-type: none"> <li>1. Sometimes the work pressures are just too much</li> <li>2. People are frustrated and not satisfied with job</li> <li>3. Health is being adversely affected. Picking up one call after another is a tuff task</li> </ol>
Work Environment	<ol style="list-style-type: none"> <li>1. "Very good, open and friendly culture"</li> <li>2. Work environment is good</li> <li>3. OK, however it looks that everyone is busy with himself. Not enough time for breaks to chat</li> </ol>
Customer Relations	<ol style="list-style-type: none"> <li>1. "there are customers who just don't want to talk to Indians, handline them is big problem"</li> <li>2. "Listening verbal abuses from customers without any reason is stressful" sometimes you feel like crying but you have to pick the next call"</li> <li>3. Customer care issues like cultural differences need to be addressed</li> </ol>
Competition	<ol style="list-style-type: none"> <li>1. Countries like China, Philippines etc. are giving good competition</li> <li>2. Competition from Captive Sector</li> </ol>
Client Vendor Demands	<ol style="list-style-type: none"> <li>1. Meeting client demand is very challenging</li> <li>2. Company went into strategic partnership and merged with client for better salaries, work culture</li> </ol>
Change related issues	<ol style="list-style-type: none"> <li>1. "training employees according to changing client policies is difficult"</li> <li>2. "Many changes – client's processes, policies, rules keep on changing"</li> </ol>
Cost and quality	<ol style="list-style-type: none"> <li>1. "Client implemented quality check and standards"</li> <li>2. "It is turning costly for company as they make much less profits now; pay increases"</li> </ol>

**Note :** The statements are randomly selected from responses of Middle, upper and lower level employees based on their frequency in answers.



2. Negative points of BPO included Night Shifts, wherein 15 people out of 20 said that they are finding it very difficult to work in night shifts and is affecting their health. Other factors which are going on the negative side included tiring and monotonous job, lack of motivation, high attrition rate, daily targets.

Employees working at the upper level have shown their concern regarding increasing Client requirements. They were of the opinion that when they the, original owners cannot meet quality requirements effectively than how can they expect the outsourced companies to meet their demands perfectly. The other factor on which they emphasized was of increasing competition.

3. **Major Challenges:** Challenges identified through interviews were different for different levels of management.

**A. Challenges at lower level included:**

- a) **Meeting targets:** Employees are working under constant pressure to meet the deadlines and targets assigned to them as their salaries, incentives and appraisals are based on their performance.
- b) **Dealing with customers:** Dealing with foreign customers over phone specially britishers and US citizens is also very challenging as these people make verbal attacks on employees and use abusing words like back off you paki, I don't want to talk to you, pass

me to someone who can speak my language etc. The employees feel that such customers are frustrated as their jobs have been shifted to India.

- c) **Work life balance:** working in 24 X 7 environments with no time for personal life, the erratic schedules and monotonous work of business process outsourcing disturbs their family life and causes frustration. This further results in loose family ties and other unhealthy behaviour.
- d) **Stress:** The basic profile of the BPO employees is trouble-shooting, 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 employees. Identify loss is another factor causing stress as reported by one of the interviewee who said their names are changed according to the local names of the region.
- e) **Health:** Prolonged working in shifts of odd hours has major implications on the physical and mental health of the employees. Out of the people interviewed, majority of the people have expressed that depression is the most common problem faced by

BPO employees. Frequent headaches, feeling of fatigue, sleeping disorders and frustration are regular features of their jobs. Working at night shifts requires them to adjust to biological clock and shift their social activities accordingly which adversely affect their health.

- B. Other than the above, challenges at the middle level included motivating employees to give their best under

constant pressure and also handling absenteeism and attrition rate. Majority of the employees have accepted that the industry is suffering from high attrition rate with an average of 2 out of 10 employees leaving the organization every month. Often managers are not properly trained to work with teams and directing and guiding different teams simultaneously.

	Lower Management	Middle Management	Upper Management
Positive Aspects	Work Environment Growth prospects Money Learning Opportunities Benefits	Learning Skill development Money Fast growth Career prospects	New business areas Growth prospects Manpower availability Client partnerships IT based services
Negative Aspects	Night Shifts Tiring / Boring Stress / Lack of Motivation Attrition	Motivation Night shifts Attrition Stress Daily targets	Tough job HR Issues Competition Increasing cost Client requirements
Challenges	Adapt to change Customer handling Targets Shift and health Competition	Motivation Attrition HR Issues Targets Client Satisfaction Employee satisfaction	HR Issues Competition Operational costs Client standards

**Note:** Based on the frequency of responses given by interviewees during the interview.

On the other hand upper management showed their concern for meeting Client Demands. Customer-companies tend to demand better results from outsourcing partners than what they could actually expect from their own departments. "When the job is being done 10,000 miles away, demands on parameters such as quality, turn around timeliness, information security, business continuity and disaster recovery, etc, are far higher than at home. So, how to be more efficient than the original?"

**4. Opportunities for BPO Industry:** employees have shown their optimism towards following factors: -

1. High Growth potential with new organization entering the Indian market. For eg.

European clients also are now coming to India

2. Both client and vendor companies are now moving towards relational based model based on partnerships
3. New areas are opening with introduction R & D, Publications, Market Research and Knowledge Process Outsourcing
5. Major threat for the Indian BPO industry comes out from countries like China who are attracting foreign companies to them and also captive units being set up by the foreign companies themselves in the country. Moreover, the increased competition from local and global vendors is chipping away the profit margins of domestic vendors.

**Table 4 : SWOT Analysis**

Strengths	Human Resource, Cost and time Advantage, Work culture
Weaknesses	Job requirements, HR Issues like night shifts, stress, Cultural gap, customer handling.
Opportunities	Growth – new business avenues coming up, IT based services, Client partnerships
Threats	Competition, unpredictability, increasing costs, Client demands.

**Note:** The key issues in each SWOT category are derived on the basis of frequency with which the issues were mentioned by the respondents.

**Recommendations**

Based on the primary and the secondary data, I conclude with following recommendations:

**1. Identify Strengths and Core**

**Competencies:** the BPO's in India should try to identify their strengths and concentrate more on their core competency. As the competition intensifies, the future of any company

will depend upon their quality of services and unique resources.

2. **Effective MIS:** the organisations need to have a thorough understanding of their client organizations and should have strong and effective management information system. Knowledge can be the competitive edge for the vendors which will help them to keep them abreast of the changes occurring, such as new technologies, changing client requirements, government regulations, and customer attitudes.
3. **Emphasize on long-term and value-based relationship with the client:** Indian BPO's should understand that outsourcing is about partnership and not just about providing a service or solution. In order to establish a long-term and mutually beneficial client relationship, they must show their commitment through investing in resources and sharing them with the client.
4. **Establish Realistic Performance Standards and an Active Appraisal System:** BPO's should clearly benchmark their processes and design proper guidelines to ensure that everyone knows what is expected out of them. Proper control checks along with the standards laid down in advance will help to improve quality of their services.
5. **Develop clear communication networks at all levels of management.** Clear and transparent communication of the goals, policies, and plans of the company at all levels is crucial to success. Employee participation in planning and decision making can be an important tool to improve employee motivation.
6. **Reframing of HR policies** and redesigning of job designs is very important to curb the issue of high attrition rate. Length and frequency of breaks should be increased to avoid stress and boredom in the job.
7. **Creative Ways to Motivate Employees must be designed.** For example, developing a team culture, rotating employees through various jobs, defining a career path, and stabilizing employment are potential options.
8. Efforts must be made to discover critical issues with the help of employee participation and steps must be taken to deal with them. HR department to realize that each employee has unique strengths and weaknesses and is coming from different background. Tailor made programmes must be designed to solve critical individual problems.
9. One of the critical success factors for BPO industry is the ability to adapt to continuous changing and dynamic environment and for this, employees must be open to change. Managers must develop change management skills. Organizations need to develop a culture of continuous learning.

### **Managerial Implications of the Study**

The study examines the strengths and weaknesses of India as a player in BPO Industry. While the major strength of Indian BPO industry is considered to be its qualified manpower available at competitive salaries as compared to their counter parts, the

major challenges including high attrition, work life imbalance, stress and motivation issues faced by the industry are also coming from HR field. The industry must design a special focused curriculum that prepares Indian youth specifically for this industry. BPO managers must take action at both strategic and operational levels. At the strategic level, they need to rethink their business goals, revamp their organizational structures, and improve client-vendor relations. At the operational level, action plans are needed to deal with issues like employee motivation, attrition, and training and development.

### Bibliography

1. Stone, Lisa. "New BPO Definitions Clarify Service Offerings." Research Note (October 2004): Gartner Research, Document G00123758 <www.gartner.com>.
2. Mahnke, Volker, Mikkel L. Overby, and Jon Vang. "Strategic Outsourcing of IT Services: Theoretical Stocktaking and Empirical Challenges." *Industry and Innovation* 12 (June 2005): 205–53.
3. Kakabadse, Andrew and Nada Kakabadse. "Outsourcing: Current and Future Trends." *Thunderbird International Business Review* 47 (March–April 2005): 183–204.
4. Chalos, Peter and Jaeyoung Sung. "Outsourcing Decision and Managerial Incentives." *Decision Science* 29 (Fall 1998): 901–19 and Currie, Wendy L. and Leslie P. Willcocks. "New Strategies in IT Outsourcing: Major Trends and Global Best Practices –Report." London: Business Intelligence Ltd., December 1997
5. DiRomualdo, Anthony and Vijay Gurbaxani. "Strategic Intent for IT Outsourcing." *Sloan Management Review* 39 (Summer 1998): 67–80
6. Anju Mehta, Achilles Armennakis, Nikhil Mehta and Feruzan Irani, *Challenges and Opportunities of Business Process Outsourcing in India*, *Journal of Labour Research*, Volume XXVII, Number 3, Summer, 2006
7. Barney, Jay. "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17 (March 1991): 99–120
8. Quinn, James B. "The Intelligent Enterprise: A New Paradigm." *Academy of Management Executive* 6 (November 1992): 48–63. and Frederick G. Hilmer. "Strategic Outsourcing." *Sloan Management Review* 35 (Summer 1994), 43–55.
9. Dyer, Jeffrey H. and Harbir Singh. "The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage." *Academy of Management Review* 23 (October 1998): 660–79.
10. Issues and concerns of Health among call center employees, *Indisan Journal of Occupational and Environmental Medicine – Dec, 2006, Vol. 9*
11. Data Quest Business Employees Survey, 2004, Vol XXII No. 21 November 10, 2004
12. Call Center Industry in India: [Http callcentreindia.blogspot.com](http://callcentreindia.blogspot.com)
13. Problems in BPO by Mr. M D S Prabhu published on 26<sup>th</sup> October, 09, BPO FAQ, <http://bpoindia.org>
14. Bhagwati, J., Panagariya, A. and Srinivasan, T.N. (2004) 'The muddles over outsourcing,
15. *Journal of Economic Perspectives*, 18:4, 93-114.

