BPO: SOCIO-ECONOMIC IMPACT IN INDIA

PROF. (DR.) PRATHIBHA J MISHRA*; MANGLESH KUMAR**

*HEAD, DEPT. OF SOCIAL WORK, GURU GHASIDAS VISHWAVIDYALAYA, BILASPUR (C.G).

**RESEARCH SCHOLAR, GURU GHASIDAS VISHWAVIDYALAYA, BILASPUR (C.G).

ABSTRACT
The basic aim behind this paper is to throw light on BPO’s meaning, working and its effect on economic and social scenario. How with the launch of BPO in our country, proved as a boon for its natives? It will include clear distinction between shining and depriving India. In economical concern what we have earn and in social concern what we are losing. BPO gives best facilities to their employees but still, why smell of dissatisfaction exists? Women constitute a major workforce in this sector in spite of insecurity to their lives and also work pressure over them is higher than men. What its effect on social aspect? The social values are disappearing day by day. Earning of money is a good thing but to handle it is a difficult task. Simply graduates can join this industry. Social relationship need to be defined to these graduate’s. Now they have independent incomes, they feel more comfortable to challenge traditional Values and culture, Live-in-relationship and casual sex in call centers are on increase. I believe that people are getting financial freedom at an age when they don’t have maturity to handle it. The night shift has become a regular phenomenon of this industry and its influence can be seen on lifestyle and health. No one is happy to work in night shifts because due to this valuable family time is disappearing leaving personal relationship emotionally strained. Such employees are likely to be occupied with their own lives and lose touch with what’s happening around them. Safety risks run high while computing. As author have worked in call centers, so according to my experience, others justifications and observation author will discuss this paper.

KEY WORDS: Outsourcing, Ethics, Security, Crime, Health

Introduction
There has been a constant increase in India’s population which reached 1028 million at the dawn of 21st century from 238.4 million at the turn of 20th century. India is a predominantly developing country. To accelerate the process of development a number of measures were undertaken in post-independent India. In fact, poverty and employment were the two major problems which attracted the attention of policy makers and administrators. Indian is competing with the other emerging economy countries. In India there has been economic development since the 1990s as a result of the processes of globalization, economic reform and liberalization. Over the past decade, the services sector in particular has witnessed a high rate of growth, most notably in the information technology enabled services (ITES) and business process outsourcing (BPO) segments¹.

¹BPO companies are external providers that administer and manage one or more information technology
India has been a leading destination for the location of offshore services. With a large population of young people, India has been well placed to meet the human resource requirements of a growing outsourcing services industry. India has a vast educated English-speaking workforce with computer skills indeed, it is estimated that over 167,000 engineering students and approximately 1.5 million graduates are added each year to this young workforce (Phukan, 2003).

Low operating and labour costs and a favorable policy environment are other factors that have contributed to the popularity of India as an outsourcing destination. As a result, numerous new employment opportunities have been created for educated young people, including fresh college graduates and post-graduates. It is estimated that in coming years, the information technology-BPO industry will provide direct employment to 2 million people in the country (Government of India, Department of Information and Technology).

The tremendous growth of the BPO sector over the past few years has resulted inconsiderable changes in the lives of its young workforce. While few studies have explored these issues, limited information available from surveys and evidence suggests that the BPO sector has had both positive and negative effects on the lives of young adults. Notably, unlike many other industries, the BPO sector provides opportunities for employment at a young age, high disposable incomes and quick promotional avenues.

As a result, young professionals in the sector are reaching their career goals and financial targets much earlier than before. At the same time, evidence suggests that young BPO employees are adopting risky sexual behaviors, excessive drug. Alcohol use has also been reported among this sub-population.

(Business Process Outsourcing) BPO

Outsourcing means-

‘Letting outside vendors provide services’ quote from where taken According to Oxford Advanced Learner’s Dictionary it’s defined as-Webster also ‘To arrange for somebody outside a company to do work or to provide goods for that company’

The Scope of BPO Industry

The BPO boom has helped developing countries like India in a major way by creating quality job opportunities in turn benefiting the Indian economy. So what is it that makes BPO India stand out in the crowd? Now-a-days the global economic scenario has gone haywire. Most of the youngsters are worried about job cuts and economic recession. Even NASCOM, the industry association points out that the current fiscal year will adversely affect the Indian BPO/ITes sector.

Two years before the growth of BPO, it was parallel to the growth of employment opportunities amongst the youth who may not be professionally skillful. But the existing demand of BPO jobs requires well educated youth who are proficient enough to handle calls.
Call center business has a great scope in India. Some five years back call centers in India were mere means of cost cutting for giant companies. Only few jobs were outsourced but now BPO’s are emerging as an effective tool. Presently the focus is shifting from non-core aspect of the business to areas of specialization. As outsourcing became important, it needed to be done in lowest minimum cost. India is one of the most preferred destinations by international business in the West.

India in the recent years has shown huge developments in the areas of communication, power and software developments. India exports software to 95 different countries and stands second in the world as far as software exports are concerned. In addition India has ISO 9000 and others software firms that have a reputation of providing quality services.

India stands out of the rest in terms of better IT and technological infrastructure, low cost, skilled manpower that is readily available, friendly taxation and other laws, a stable government, a fast paced economy and quality certified software firms.

The Outsourcing in India

The idea of outsourcing has its roots in the 'competitive advantage' theory propagated by Adam Smith in his book 'The Wealth of Nations' which was published in the year 1776. Over the years, the meaning of the term 'outsourcing' has undergone a sea-change.

In world, information technology has become the backbone of businesses; 'outsourcing' is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of certain business process under the requirements and specifications of the outsourcing company. This outsourcing process is beneficial to both the outsourcing company and the outsourcing service provider.

Although the IT industry in India has existed since the early 1980s, it was the early and mid-1990s that saw the emergence of outsourcing. The availability of technically trained and skilled manpower in India is making companies across the world look at the country as a profitable base to shift their high-end support services.

What is outsourcing? Outsourcing is contracting with another company or person to do a particular function. Almost every organization outsources in some way. Typically, the function being outsourced is considered non-core to the business. The outside firms that are providing the outsourcing services are commonly called, service providers. Currently, outsourcing takes many forms. Organizations still hire service providers to handle distinct business processes, such as benefits management. But some organizations outsource whole operations. The most common forms are Information Technology Outsourcing (ITO) and Business Process Outsourcing (BPO). Business process outsourcing encompasses call center outsourcing, Human Resources Outsourcing (HRO), finance and accounting outsourcing, and claims processing outsourcing.

Impact of the BPO Industry on society

It is one of the most discussed concerns at present. Its impact can be felt in different areas and spread over several countries. The impact of outsourcing on economy is largely discussed. However, there are few people who are really interested or consider the impact of outsourcing on the society. If we talk about Indian society, then definitely one can notice and observe the change brought by the outsourcing services and institutions.
Outsourcing can be both beneficial (economically) as well as harmful (socially) for the society. Meanwhile we are also losing on several cultural and traditional benefits. The outsourcing companies and projects emphasize on the foreign cultural values, the place from which the original project has been outsourced. The holidays, the work culture, day-to-day dealings and more tend to lay greater importance on the social norms that are not part of our system, our community. Nevertheless, people should appreciate the fact that more people are employed and loads of opportunities to learn new and exciting things working in BPO sector are available. If we resist the intrusion of the values and keep our professional lives at distance from our personal lives, it will serve better and help us in the long run. We can get the best out of these two societies then it’s sure the best associate oneself with. Even women were game for graveyard shifts. The dangers that the odd working hours posed to health took a backseat in the minds of these driven professionals. Consumerism continued to get fuelled by the BPO employees. They had more money on their hands than what the earlier generations couldn’t make. The young call center employees were able to buy property and lifestyle objects, things that their parents could obtain only after saving for years. The more important part is that these young call center services employees were game for the challenge. They were not in this for only money anymore.

**BPO and Life style**

Authors admit that BPO, boom has provided jobs to thousands of college students and graduates, who previously would have found it difficult to get employment. But apart from this, it has poised a challenge to challenge our own cultural values such as the patriarchal family, and taboos such as premarital sex. The work culture followed in BPO is different and less hierarchical. The exposure to such a work culture is leading employees to challenge hierarchies at home and in society. Now that they have independent incomes, they feel more confident to challenge traditional values and customs. Live-in relationships and casual sex among call center employees are on the increase, as are alcoholism and drug abuse. The problem is people are getting financial independence at an age when they don’t have the maturity to handle it. Most of the work at call centers and BPO operations is at night, because they have to interact with U.S or Britain natives and there time varies from Indian time zone. So employees tend to lose touch with their family, friends, and neighbors, whose waking hours are different. “You start hanging out with a different set of people with whom you don’t really have very deep ties.” The person is no longer a vibrant and active part of a family or neighborhood.

Financially independent children now want their parents to treat them as equals. Parents have to redefine their roles, or lose their positions altogether. Parental authority is already weakened, and the more parents try to assert their authority, the more likely it will be completely broken. So it’s who? We have decided which way to lead our life. Though there are so many ill effects of booming BPO on our socio cultural life but one thing is a fact that it’s has generated a tremendous amount of opportunity to earn and be employed. But at what cost?

- Impacting family and society culture (drug abuses, premarital sex, alcoholism, rave parties) etc.
- Breaking the biological laws (night shifts-depression, frustration, anxiety etc.)
- Multiple relationships (affairs)
- Immoral Behavior
Women Employees in BPO

“It’s hard to be a woman
You must think like a man
Act like a lady
Look like a young girl
And work like a horse”

India has more working women than any other country in the world. Of the entire workforce of 400 million, 30-35 per cent is women, and of these, only 20 percent work in urban India. This figure can largely be attributed to the growth of the IT-BPO industry, which is one of the largest recruiters of a qualified workforce in recent times, says the study (NASSCOM). According to the study long work hours, security concerns, and job insecurity were the three main reasons why employees were unhappy. Many felt that managements ignored their problems, and also believed that they are not involved in setting targets. As for the employees, the study discovered that many found that work conditions are tough. Sixty-six per cent of the respondents said they experienced pressure during normal working days. The number of women suffering from work pressure was higher, at 75%, compared with men, 59%.

The participation of women in BPO industry has been seen as a critical enabling factor for continued growth of the industry. BPO companies are recognizing women on board at all levels and this helps the organization to make good business sense. Therefore BPO companies are trying to develop and involve women for higher roles and functions. Most of the people talk about exploitation of women in call centers. Despite the physical stress, tough nature of the job and low status of call center work, women constitute about 70 percent of the total workforce in BPO sector. According to an independent research it has been found that women are satisfied and enjoy their work at call centers. A call center job gives them more freedom and autonomy.

With introduction of communication technologies and new information, woman has now become commodity in market driven economy as it is already in western country, everywhere in media or off screen women are seen for promoting everything. They have to do the unpaid household chores in addition to the paid work in the BPO industry.

India has the largest number of women working in BPO’s than any other single country in the world. This can be partly attributed to the growth of BPO’s in India. But still some cases coming in picture which make us sad and surprise in sense of security to their life and character.

BPO employee gang raped in capital again

Once again BPO employee became the victim of gang rape in New Delhi at midnight on Nov 24 2011. A 30-year-old Manipuri girl was abducted and raped while returning from job. The victim was dropped by her office cab near her house at 1am. She was allegedly abducted by a group of people and was raped in a moving car.

However, police claimed, “The victim’s abduction does not seem planned. Since the cab dropped her at a secluded spot the criminals seem to have struck sensing her helplessness. This is not the first case that any BPO employee became the victim of gang rape or sexual harassment while returning home from work at midnight.

One of the prominent among them was Pratibha case in Bangalore, where the girl was raped and killed by her cab driver; however, the accused faced the verdict recently. It once again proved that Delhi is not at all safe for women and raised question at the police and administration about their security arrangement in the capital.
It’s the ethical responsibility of BPO but they are not taking any step because they are busy in money making and security measures are only on the job.

**BPO employee did suicide on the job**

While communicating on the phone with the customer, she got so much frustrated that she pierced the sharp pencil in her neck and due to severe bleeding died on the spot. Author have done job in call centers, in morning shift you are upset from less sleep at night and as u sit on chair and log in, calls process begin and some customers are so rude in chatting that they abuse us frequently, for a man he can handle but for a women its impact can be on her dignity, beside it work load, target completion add more to it, in all this process women think to get rid from it, is to commit suicide, somewhere her family relation also affect her working and if all is well at home them everything is well in workplace too.

**Udyog Vihar call Centre murder case**

Sanjay Yadav, TNN | Oct 10, 2013, 03.42 AM IS Wednesday

GURGAON. The killings happened after an argument over rejection of a leave application turned into a bloody brawl on Saturday. Police took him on three days' police remand. According to police, executive Sunil Kumar, 25, was denied leave on Sunday for his son's birthday by his superior, Mukesh Bisht. A heated argument followed and things didn't end there.

**Impact of the BPO Industry on health**

“NIGHT is a world lit by itself” How true this famous quote of Antonio Porchia sounds when you visit those well-lit corporate companies, almost blurring the divide between the night and day. Especially those companies offering call centers, BPO services and other such services at night, you couldn't make it out that it's night until you actually come out and see the starry sky above your head. Individuals working in such companies appear to be nonchalant and might not be aware of the hazards that are in store for them.

Traditionally, general employee work schedules used to follow the sun and employees used to work in night shifts on and off only in emergency conditions. Now working at nights has become a regular phenomenon of the corporate lives and its influence can be felt on both their lifestyle and health. As most of the service provider companies are usually U.S. or Europe based, employees working for such companies are forced to work as per their time schedules; hence half of the corporate workforce of today is burning the midnight electricity struggling to match the different time zones around the world.

They include 49,500 teenagers (17-19 years) and 138,700 young adults (20-24 years). Shift work is most concentrated in the private sector, with 702,800 shift workers, compared to 279,100 in the public sector. Part-timers are more likely to be affected—17 percent of part-timers are on shifts, compared to 14 percent of full-time workers. Shift work is concentrated in the most dangerous areas of employment. Mining has the highest rate—43 percent—followed by health and community services with 33 percent and transport and storage on 32 percent. Health workers are often involved in critical care, sometimes making life and death decisions. Yet of the 236,700 people working shifts in health and community services, 113,700 are on rotation, 36,000 are on nights, 43,700 are on irregular shifts, 5,700 are “on call” and 4,500 are on split shifts. These hours have a serious impact on workers and their families. Shift workers have little opportunity to interact in social or family gatherings, and are under enormous strain and stress in coping with everyday issues, both on and off the job. (NASSCOM: 2004 figures)
Among the most common health problems are gastrointestinal complaints, including constipation, diarrhea, excessive flatulence, abdominal pain and heartburn. These ailments are two to three times more frequent among shift workers. The causes are poor eating or diets high in saturated fats. Too much fast food is consumed because of constant tiredness and lack of time to prepare healthy foods. People also have difficulty digesting food during the overnight hours. Other factors include disturbed sleep, poor eating habits, overeating, excessive coffee drinking, smoking and psychological stress. Yet the scientific research that has been done points clearly to the imperative need for minimal night work, the abolition of rotating shifts, adequate time for meal breaks and lengthy rest periods between shifts.

Like every other aspect of corporate life, working in nights has its own pros and cons like:

- Individuals experience social seclusion owing to the nature of their jobs
- Such employees are likely to be occupied with their own lives and lose touch with what's happening around them.
- Valuable family time disappears leaving personal relations emotionally strained.
- Prolonged night schedules have adverse results like poor health, employee burn out, losing the sense of night and day, loss of concentration, irregular eating habits act for it

These BPO’s are registered under- Shops and Commercial Establishments Act, 1963.

- Given the round-the-clock nature of work that is part of the ITES industry, the Government grants it permission to work on a 24x7x365 model. These units are also exempt from the following provisions of the West Bengal Shops and Commercial Establishment Act, 1963.

- Closing an establishment and granting of a weekly holiday under Section 5 (1) of the Act, provided that every individual has at least one day off every week and a compulsory day off in lieu of working on bank holidays. This would enable the ITES companies to run their operations on all seven days of the week.

- Opening and closing hours under Section 7 (1) of the Act. This would enable the ITES industry to run a three-shift operation.

- Working hours’ stipulation under Section 7 (2) of the Act. This will enable ‘flextime’ operations for its employees.

- Enabled to engage female employees between 8 pm and 6 am, under Section 10 (b) of the Act subject to (i) Special arrangements being made for protection of female employees during these hours; (ii) Female employees being employed jointly or in a minimum group of 10 female employees; (iii) Arrangement of a separate rest room for female employees; (iv) A minimum of 50 people to be employed during these hours (including female employees).

- Under section 13 of the West Bengal Shops and Commercial Establishment Act, 1963 the ITES companies will now have an option of giving compensatory day off to an employee if the quantum of work exceeds 48 hours a week.
Under the Employment Exchange Compulsory Notification of Vacancies Act, 1959, ITES companies will be required to send a consolidated report every quarter on the vacancies to the concerned employment exchange. The exchange, will, however sponsor names only when specifically requested to do so by the company.

Impact of BPO industry on Indian economy

A recent study by NASSCOM shows that the young and ebullient Indian IT-BPO industry has contributed significantly to India’s growth story by inventing, reinventing and transforming itself in a short span of time. The three-decade-old IT-BPO industry has had great impact on the Indian economy and youths of Indian society (M/F) more than any other sector, and within a much shorter time frame. Not only has the industry helped India to emerge as a global force, it has also given a major fillip to the country’s growth, helping it to narrow down the several ‘divides’ that separate its society. In order to understand the extent of the impact that the IT-BPO sector has had on India’s growth story, NASSCOM has worked on a special study that explores the transformational nature of its role. Broadly speaking, the study shows that India’s IT-BPO industry has made a lasting, sustainable, phenomenal and multi-fold contribution to the country’s economy over the last decade. It has not only driven balanced regional development, the sector has empowered the country’s diverse human resources, created an innovation platform and most importantly, put India on the global map.

According to the NASSCOM report, the Indian IT-BPO industry has undergone a rapid evolution, as it has kept abreast of what the global markets require in terms of products and services. According to the NASSCOM study, today, 74 per cent employees are less than 30 years old and 35 per cent are less than 25 years of age! The industry is meeting the changing aspirations of India’s youth by providing them high paying jobs. It is also setting new standards in terms of work environments. The IT-BPO industry is additionally creating a livelihood for the economically backward sections of the society, with 5 per cent of the workforce from these areas. The differently-abled have also benefited from the IT-BPO industry, gaining employment in the sector and joining the mainstream. 60 per cent of the companies provide employment to differently-abled people. Because in this industry physical work is not required much but memory work is more accepted, so on this basis they are employed and their morale got increased by seeing their inclusion with mainstream generation.

The overall impact of these initiatives is that India is emerging as a skills factory for the rest of the world. Clearly, the Indian ITes-BPO industry is expected to emerge as a strategic growth engine for the country by 2020.

Suggestions

A survey by Circadian Technologies, a consulting firm, has found that employees who work in the night shifts are prone to low productivity and reduced health. Companies can reduce the effects of night shifts on their employees in the following ways:

- Look for an alternative for continuous night shifts. Try rotation method so that night shifts will be shared evenly amongst all the employees.
- See to it that there is no immediate change in the shifts of work for it will terribly disrupt the circadian rhythms of the employees.
- In case an employee is allotted night shifts through the weekdays he should be given a total off during the weekends and a long break of 3 to 4 days every month.
Employee should be encouraged to take balanced diet along with additional supplements. This will help in sustaining the individual's energy that burns out fast due to lack of sleep and persistent fatigue.

If the employee happens to fall sick due to his night job, he should be shifted to day's job and necessary medical help should be provided.

Educate the employees as well as their families about the night shifts and their repercussions and the safety measures they need to adopt like eating healthy, remaining fit and taking frequent breaks while at work.

As virtual working environment and the need to stay connected are compressing time zones, there remains little except seek refuge in what one great poet said, "one may not reach the dawn save by the path of the night.

As for the employees, the study discovered that many found the work conditions tough. Sixty-six per cent of the respondents said they experienced pressure during normal working days. They were in need for a forum where their interests can be addressed," said Noronha Ernesto, This thought given the idea of Union in BPO industry, and they succeeded but every BPO didn’t have union. So measures must be taken to form unions for effective living.

Having said that, it's also important to note that BPO companies are registered as establishments under the Indian law. Hence, labour laws and the Trade Union Act are applicable to these outfits. Therefore, ITES workers have a right to form unions. BPOs maintain there is no need for employee unions because they provide good working conditions, free/subsidized food and transport.

But if the work atmosphere is really that good, then they need not fear employee unions. In fact, some estimates suggest in the last five years, there have been more man days lost due to lockouts than strikes.

In spite of it BPO are mushrooming day by day in big cities with no (HR) and welfare policies and challenges for them are target achievements in given time and they are not include in target framing, decision making and many other things.

References:-
2. BPO Digest Edited by Deepak Shikarpur.
5. Labor and Industrial Law- Dr.V.G.Goswami/Factory Act.1948/2008/part 7/page no-245
6. NASSCOM: A major private organization for the development of IT industry.
10. Smith Adam 'The Wealth of Nations' which was published in the year 1776.

Internet Links-
2. . www.outsource2india.com
3. www.bizbrim.com
4. The Hindu online edition/Wed, Jan 10
6. www.nascomm.com/role of women in BPO