

Development of Business Process out Sourcing in India Overview

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Abstract

“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”.

In simple words we can say Business Process Outsourcing is the transfer of an organization's entire noncore but critical business process/function to an external vendor who uses an IT based service delivery. By doing so, Business Process Outsourcing helps an organization concentrate on its core competencies, improve efficiency, reduce cost and improve shareholders' value.

Concepts of Business process outsourcing (BPO) is the act of obtaining services from an external from a source. Outsourcing as referred to in the corporate environment. BPO occurs when an organization turns over the management of particular business process (such as accounting or payroll) to a third party that specialization in that process. The underlying theory is that the BPO firm can complete the process more efficiently, leaving the original firm to concentrate on its core competency.

Keywords: BPO, Business, Performance, Organization Development, Management, Services, Corporate.

Introduction

The full form of BPO is Business Process Outsourcing. It means that a company is not able to do self work rather it takes help from other Company which is expert in that work. By doing this they get more profit and complete work on time. and their cost become reduced. There are many work in form of BPO executive but more than it to make customer satisfaction is more important. Good communication is necessary because they how to do some task in every process. Business process outsourcing (BPO) is the practice of contracting a specific work process or processes to an external service provider. The service can include payroll, accounting, telemarketing, data recording, social media marketing, and customer support.

The main advantage of any BPO is the way in which it helps increase company flexibility. However, several sources have different ways in which they perceive organizational flexibility. In early 2000, BPO was all about cost efficiency. Which allowed a certain level of flexibility at the time? Due to technological advance and change in the industry specifically the move to more service-based rather than product-based contracts. Companies who choose to outsource their back-office increasingly look for time flexibility and direct quality control. Business process out sourcing enhances the flexibility of an organization in different ways.

Indian companies are offering a variety of outsourced services ranging from customer care. Transcription, billing services and database marketing to web sales/marketing. Accounting, tax processing, transaction document, management, telesales/telemarketing, HR hiring and biotech research.

The The modern language deal with an increasing number of new concepts and ideas. To cope with an ever-evolving vocabulary, language use abstraction to help create the new concepts and ideas.

Outsourcing is one such abstracted term that has, over time, amassed considerable positive momentum as well as negative baggage. Outsourcing has been around since the time of the hunters and those who were strong gatherers gathered. Simply put, the primitive society perhaps subconscious recognised the importance of specialization and

outsourced certain functions to those who excelled at them or, in economic terms, performed them more efficiently.

Over a period of time, many started equating outsourcing with specialization (or division of labor). Outsourcing is a utilitarian concept used in business and accounting point of view, it is defined as the transfer of an internal service function to an outside vendor.

Outsourcing was not formally identified as a business strategy until 1989. However, most organizations were not totally self-sufficient; they outsourced those functions for which they had no competency internally. Outsourcing support services is the next stage. In the 1990s, as organizations began to focus more on cost-saving measures, they started to outsource those functions necessary to run a company but not related specifically to the core business. Managers contracted with emerging service providers.

Objective of the Study

The objective of this paper is to study the development of business process outsourcing in India.

Objective of BPO

Outsourcing is a bucket term which includes all types of outsourcing from manufacturing processes to business processes. In this technical guide, we deal with the industry which deals with the outsourcing of business processes, which includes outsourcing of business processes, legal processes, knowledge and research processes, human resource management, etc. BPO is intended to assist internal auditors in carrying out internal audit of entities operating in the BPO sector. The management in concurrence with the internal auditor, taking into consideration various pronouncements of ICAI and other regulatory requirements, assessments of control environment and business domain knowledge, primarily decides the scope of the internal audit. This deals with the operational areas. Technical Guide on Internal Audit of BPO Industry.

The core competencies and outside relationships are identified with objectives in mind:

1. To bring in the greatest value to the customer.
2. To ensure the highest level of productivity for the corporation itself.
3. To increase sales opportunities.
4. To improve corporate image and public relations.
5. To prevent missed opportunities.
6. To reduce annual costs almost immediately.
7. To enable business to focus on core complaints.
8. To reduce or eliminate customer complaints.
9. To increase customer loyalty.

Review of the Literature

An early attempt was made by the "Price Water House Coopers" on study of "Evolution of BPO in India".

A leading research agency, the India journey to BPO is as follows: in the early 1980s several European airlines started using Delhi as a base for back office operations, British Airways being one among them. The BA captive was finally spun off as a

separate organization called WNS Global Services in 2002.

In the second half of the 1980s, American Express consolidated its JAPAC (Japan and Asia Pacific) back office operations into New Delhi. This center was headed by Raman Roy, and has been a source of several leading names in the Indian BPO industry.

In the 1990s Jack Welch from General Electric (G.E.) was influenced by K.P. Singh, (A Delhi based realtor to look at Gurgaon the NCR region as a base office operations. Pramod Bhasin, the India head of G.E. hired Raman Roy and several of his management from express to start this enterprise called GECIS (GE Capital International Service). Raman for the first time tried out voice operations out of India, the India operations also was the Beta site for GE Six sigma enterprise. The results made GE ramp up their Indian presence and look at other locations. In 2004 GECIS was spun off as separate legal entity by GE, called Genpact. GE has retained a 40% stake and sold a 60% stake for \$500 million to two equity companies, Oak Hill Capital Partners and General Atlantic Partners.

Until G.E. most of the work was being done by "captives"-a term used for in-house work being done for the parent.

Advantages in BPO

BPO has so many advantages this increases speed and efficiency of business process and saves the time of employees it gives more time to increase business strategies due to development taking place in organizational growth and decrease comes in low operating cost. BPO is more beneficial for small and medium business because big corporate found effective solution for management their illegal major business function,

BPO's help to manage records of daily life in less cost of big business organization. This data safe backlog and according to their decision process they get help to escape from help.

The other advantage of BPO is to help in increasing the capacity of companies to change their condition according to situation.

According to this BPO helps in different ways to make organization changeable. This provides service on a pay-per-use basis for service of sellers. This helps the company to change their fixed cost of changeable cost.

BPO is also known as information technology based service. BPO is business practice in which an organization keeps other companies for work and to operate the working organization they need help of their own business. The self-root of BPO is manufacturing industries in which manufacturing company and other companies were higher and makes other part of product from them.

Type of BPO Company

1. National BPO
2. International BPO

National BPO

National BPO companies give their services only in country e.g. Jio, BSNL, Airtel etc. and these

Call centers work in country. National company BPO's gets re-organizational and National BPO companies work all re-organization in local language.

International BPO

International companies talk with customers in English language USA, Germany, French, UK, Australia etc.

The company work with any country, talk in that countries language. Ascent you how to give information of any product on phone to people of any one country and to sell that product.

Development of BPO in India

Outsourcing has existed across the globe from historic days. Both in trade and commerce and domestic work But the BPO Industry is relatively new to India. Though the Information Technology Industry existed in the early 1980s, the BPO Industry emerged during the mid 1990s. Despite its recent arrival on the Indian scene, the industry has grown phenomenally. And has now become a very important part of the export-oriented IT Software and services environment. It initially began as an activity confined to multinational companies, but today it has developed into a broad based business platform backed by leading Indian IT software and services organizations and other third party service providers.

The BPO industry is a services delivery based Industry. These service providers have unique type of billing and services are provided with varied feature. Therefore, the sector has its own challenges. This section is intended to highlight some of the significant challenges that the BPO industry faces so as to enable the internal auditor to plan and perform the internal audit accordingly. The internal auditor is required to perform such audit procedures specific to the entity as deemed necessary to ensure systematic evaluation of risk management, control and governance processes.

Attrition has been single largest challenge faced by the BPO industry. Though certain entities have been very effective in managing this problem, most entities face the problem of significant attrition rates. The rate of attrition faced by the industry is among the highest across all sectors.

Conclusion

The rural BPO programmer is a wonderful effort to improve the lifestyle of the rural citizens by providing them with better employment opportunities. The programmer aspires to have a hundred BPO

centers within the next couple of years which would provide employment to about ten thousand of rural men and women. A number of loopholes still exist in the operational aspects of the project but these can sorted out. The idea is a sustainable one that could possibly be one of the solutions for poverty alleviation and can add to the overall growth of the nation. The project has opened up interesting prospects for the rural youth who can now aspire to complete with their urban counterparts. The rural BPO wave in India has just begun and is quite difficult to predict which direction the market forces will take these BPOs. Rural India is becoming more and more a growth area for business like telecom, FMCG and other goods who want to penetrate deeper in these geographies.

The outsourcing business in India as based on sound fundamentals. But as the market gets over exposed, certain chinks develop that threaten the very basis of the existence of the business. India has got the competitive advantage to capture a good share of the global outsourcing market and rural INDIA, the DOMESTIC outsourcing market. Only constant innovation and spotting new opportunities can help to renew this competitive advantage.

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