



INSUFFICIENT SALARY PROBLEMS FACED BY SALARIED PERSON IN BPO SECTOR

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Abstract

The Business Process Outsourcing (BPO) sector has long grappled with the persistent challenge of insufficient salaries for its employees. This issue significantly impacts the lives of salaried individuals within this industry. Despite being an integral part of the global economy, BPO employees often face compensation packages that fail to match the demanding nature of their roles. The work in the BPO sector involves handling critical operations, customer service, and complex tasks requiring round-the-clock availability. However, the compensation structure frequently falls short in reflecting the skill set and dedication these employees bring to their roles. Low salaries often lead to financial stress, impacting the overall well-being and motivation of workers.

Key Words: Employees, BPO, Salary, Financial Stress

INTRODUCTION

The insufficiency in salaries experienced by salaried individuals in the BPO sector constitutes a significant problem with multifaceted implications. Despite shouldering substantial responsibilities and working in a high-demand environment, employees in this sector often encounter compensation packages that inadequately reflect their contributions and the industry's demands. This disparity between the efforts exerted and the remuneration received leads to financial strain, impacting employees' quality of life, job satisfaction, and overall well-being.

STATEMENT OF THE PROBLEM

The problem of insufficient salaries not only undermines the financial stability of individuals but also engenders a host of other issues, including reduced motivation, increased turnover rates, and a potential decline in the quality of service delivered. Addressing this challenge requires a comprehensive reassessment of salary structures within the BPO sector to ensure fair compensation that aligns with the skills, efforts, and commitment demonstrated by employees, thereby fostering a more sustainable and equitable work environment.

OBJECTIVES OF THE STUDY

- To analyse the factors contributing to insufficient salaries in the BPO sector.
- To analyse the insufficient salary problems in salaried persons in BPO sector.

SCOPE OF THE STUDY

The main scope of the study is to analyse the BPO sector's employees towards problem faced by insufficient salary. This study helps to identify the factors that insufficient salary problems faced by the BPO sectors. This study helps to understand the BPO sector employee's problems and needs.

RESEARCH DESIGN

Research design: Survey research was conducted in this study.

Sampling Technique: Convenient sampling technique was used.

Sampling size: Sampling size taken in this study was 112 respondents.

REVIEW OF LITERATURE

Rani and Mahalingam (2013), based on a sample Survey of BPO employees across the country, reported that the BPO is an Industry where performance is almost entirely metrics- driven and it is also an industry Where metrics and the pressure to deliver on them have emerged as significant causes of stress. Yet – by the very fact that the metrics are automatically generated and cannot be argued with – there was comparatively less angst on the appraisal system in the BPO Industry than in the IT industry. As per their study, the overall satisfaction score for the ITeS employees was at 8.3 (or 83.0 per cent) on a scale of 10.

Taylor et al. (2010) succinctly conveyed that in this work setting: “powerful implicit expectations of acceptable and output levels are embedded in the culture in each work flow, with managers and particularly, team leaders Applying performance norms.”

Lewig K. A. and Dollard M. F. (2012) in their article titled “Emotional dissonance, emotional exhaustion and job Satisfaction in call centre workers” (European Journal of Work and Organizational Psychology, 2013) have researched on Emotional Labour (emotional demands) of call centre work and their Relationship to the job satisfaction and emotional Exhaustion in a sample of South Australian call centre Workers. Qualitatively the research confirmed the central Role of emotional labour variables in the experience of Emotional exhaustion and satisfaction at work. Emotional Dissonance was found to exacerbate the level of emotional Exhaustion at high levels of psychosocial demands, indicating jobs combining high levels of both kinds of Demands are much riskier.

INDUSTRY AND COMPANY PROFILE

The Business Process Outsourcing (BPO) sector has undergone a remarkable evolution since its inception in the 1980s. Initially, it emerged as a cost-effective strategy for companies to delegate non-core business functions to specialized service providers. The primary goal was to streamline operations, reduce overheads, and enhance efficiency. Over the years, the BPO sector has transformed into a dynamic industry playing a pivotal role in the global economy. In the early stages, BPO primarily focused on outsourcing back-office tasks such as data entry, payroll processing, and customer support. These functions were labour-intensive and often hindered the core operations of businesses. As companies recognized the benefits of outsourcing these tasks to countries with a lower cost of living, the BPO sector saw rapid growth, with India, the Philippines, and other Asian countries becoming major outsourcing hubs.

DATA ANALYSIS AND INTERPRETATION

Chi-square test between Monthly salary of respondents and problem of insufficient salaries of the respondents.

Hypothesis:

HO- There is no significant association between Monthly salary of respondents and problem of insufficient salaries of the respondents.

H1- There is a significant association between Monthly salary of respondents and problem of insufficient salaries of the respondents.

Monthly * Cost of living Disparities cross tabulation

Particulars	Which of the following factors do you believe contribute to the problem of insufficient salaries in the BPO sector? [Cost of living Disparities]					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Monthly salary 15001-20000	26	5	13	4	1	49
21000-30000	13	0	2	2	1	18
Above 40000	5	1	4	0	0	10
Below 15000	16	2	11	6	0	35
Total	60	8	30	12	2	112

Chi-Square Tests

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.303 ^a	12	.503
Likelihood Ratio	13.955	12	.304
N of Valid Cases	112		

INTERPRATATION:

Since the p-value is .503 which is greater than the significant value of 0.05, we accept null hypothesis.

Therefore, based on the result, we conclude that there is no significant association between monthly salary and cost of living disparities.

INFERENCE:

Null Hypothesis is accepted and alternate Hypothesis is rejected. It is concluded that there is no significant qualification association between monthly salary and cost of living disparities.

RANK ANALYSIS

Problems faced by respondents in the insufficient salaries in BPO sector

FACTORS	MEAN RANK	RANK
COST OF LIVING DISPARITIES	2.66	4
COMPANY PROFIT MARGINS	2.60	6
COMPETITION FROM OTHERS INDUSTRIES	2.77	2
HIGH ATTRITION	2.66	4
GOVERNMENT POLICIES	2.89	1
LACK OF SKILL BASED PAY	2.67	3

INTERPRETATION

According to the above table Government Policies Rank 1, Competition from others industries Ranked 2, Lack of skill-based pay Ranked 3, Cost of living disparities and high attrition Ranked 4 and Company margins ranked 6.

FINDINGS

Null Hypothesis is accepted and alternate Hypothesis is rejected. It is concluded that there is no significant qualification association between monthly salary and cost of living disparities. In problems faced by respondents, it was revealed that Government policies is ranked 1st, competition from others industries is ranked 2nd, lack of skill-based pay is ranked 3rd, cost of living disparities and high attrition is ranked 4th, and company profit margins is ranked 6th

SUGGESTIONS

Salary Benchmarking Study: Conduct a comprehensive analysis of salary structures across different roles and levels within the BPO sector. Identify areas where salaries are not competitive compared to industry standards or where there's a significant wage gap between similar roles. **Employee Satisfaction Survey:** Design and implement a survey to understand employee perceptions regarding their salaries. Gather feedback on whether they feel adequately compensated for their work and identify any specific pain points or areas for improvement.

CONCLUSION

In conclusion, addressing the insufficient salary problem faced by salaried individuals in the BPO sector requires a multifaceted approach. Through initiatives such as financial literacy workshops, negotiation training, and advocacy for policy changes, we can empower BPO employees to improve their financial well-being. Additionally, providing opportunities for skill development, mentorship, and access to financial assistance programs can further support their career growth and economic stability.

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