

Job Satisfaction among the Employees of BPO Organizations in Kochi Region, Kerala

¹ Bindi KR, ² Dr. Shanthaamani V

¹ Research Scholar, Karpagam University, Coimbatore, Asst. Professor, SNGIST, N. Paravur, Kerala, India.

² Professor, Karpagam University, Coimbatore, India.

Abstract

BPO industry being one of the significant contributors to the economic development of the nation, it is important to remove the major obstacles in the smooth and continued functioning of the industry. Being highly dependent on human resource, the major problems faced by the industry are attrition and UN employability due to inadequately skilled supply of manpower. This study conducted in Kochi region of Kerala tries to ascertain the major factors of Job Satisfaction and its level among the BPO employees using systematic sampling.

Keywords: BPO industry, Job Satisfaction, Job Satisfaction survey

Introduction

Over a few decades people have seen the growth of the BPO industry as one of the major contributor towards the economic development of the country. Kanwar, Y.P.S., Singh, A.K., & Kodwani, A.D. (2012) ^[11]. The industries major input is human resource, it is vital for the survival of the industry to have sufficient and adequate supply of its raw material. In spite of the tremendous growth potential of the sector, high employee attrition rate and manpower crisis is dampening the growth of the sector. James, M. J., & Faisal, U. (2013) ^[9]. Holman *et al* (2007) ^[8] has found that Indian ITES has the highest employee turnover of 40% against average of 20% and almost 60% of employees have less than one year of tenure. Unlike the other inputs, the human being has several needs and aspirations along with other physiological and psychological demands which are to be met by the organization and society. It may be due to the lack of interest and compassion towards their employees from the side of the top management that showcases in the form of attrition. Mehta, A., Armenakis, A., Mehta, N., & Irani, F. (2006) ^[16]. It is imperative for the organization to see the needs of its manpower resources are fulfilled, satisfied with their job and their organization. Otherwise, their performance will be effected, they may be dissatisfied and ultimately have severe problems with the organization Kanwar, Y.P.S.*et al*, (2012) ^[11] this gives heavy burden to the organization in the form of productivity loss, time wastage and economic loss. Several studies reveal that employees' job satisfaction and commitment are the predictors for the turnover (Mowday, Porter and Steers 1982 ^[18], Cotton and Tuttle 1986, Carsten and Spector, 1987) ^[2] Lack of either Intrinsic or extrinsic Job satisfaction can result in employee leaving the organization. (Udechukwu, I. I. (2007) ^[30] (Randolph, D. S., & Johnson, S. P. (2005) ^[23]. One way to deal with turnover is to promote job satisfaction and motivate the employees to work hard and achieve organizations objectives. Sonia, J. (2010) ^[27] Mulky, A. (2011) ^[19]. Preliminary step towards the retaining employees in the BPO sector is studied and tried to assess the factors and the level of Job Satisfaction among the BPO employees.

Review of Literature

Job Satisfaction has been one of the interesting and most widely studied topics among the researchers. The several definitions of the job satisfaction conclude all the definitions of the Job satisfaction deal with the emotions that the employees have towards their jobs. This shows the attitude towards the 'job in general' or towards 'specific facets of the job'. Moreover the job satisfaction includes how far the outcomes of the work meet or exceed employee expectations. Some of the studies on Job Satisfaction are Waskiewicz, S. P. (1999) ^[31], Parent-Thirion, A. (2007) ^[22] (Lu, H., While, A. E., & Barriball, K. L. (2007) ^[13]. Various studies have emphasized the relevance of studying the Job satisfaction. It is one of the most important motivational factor leading to the organizational commitment, and other positive work place behaviors. The Job satisfaction is related to several work place behaviors like attendance at the work, turnover decisions, decisions to retire, psychological withdrawal behavior, pro social and organizational citizenship behavior, job performance, work place incivility etc. Judge, T.A., & Klinger, R. (2008) ^[10]. The study conducted in a IT industry in Bangalore lays down the most important motivational factors for the IT employees and re-establishes the jobs satisfaction organization commitment relationship. Sonia, J. (2010) ^[27]. NAEM, M. (2011) ^[20] argues that the Job satisfaction is dependent upon the compensation policies of the organization. The employees who are satisfied with their jobs are more likely to stay with their organization. Rao, P. G., & Mallaiah, T. Y. (2012) ^[24].

A study by Sarin, S., & Saini, V. P. (2011) ^[26] emphasizes the need for assessing the Job Satisfaction of the BPO employees so as to combat the future challenges of the BPO industry in the NCR region. According to Echchakoui, Said; Naji, Abdelhadi Job satisfaction is important due to three reasons: one of the important determinant of employee's quality in service delivery, rate of employee turnover, and an impact on employee performance. The Job Satisfaction of the women employees in the BPO industry, the job satisfaction variables and the level of job satisfaction among the women employees of top 3 BPO organizations in South India are assessed by Mary, C. S. A. (2014) ^[15].

The above studies show the need for studying the Job satisfaction. From the above studies the researcher has identified the research gap of the Job Satisfaction or assessing the Job Satisfaction level in BPO sector. It is done either outside the country or are conducted within India. They are limited to specific areas like NCR, South India (Tamil Nadu, Karnataka and Andhra Pradesh) or limited to specific organization or gender. There has not been any study conducted on the Job Satisfaction among the BPO employee of Kochi region or its level using the Job Satisfaction Survey.

Statement of the problem

The BPO industry promises a flourishing future to the Indian economy and society. However due to the heavy attrition rate, there is anxiety towards the industries growth. Being heavily dependent on the quality performance from its employees; unless the increasing employee turnover is managed at the individual organizational level, it can cause heavy financial loss through lower productivity ratios and finally impair the Industry itself. Hence employee (talent) retention is the only method to ensure the bright prospects for the BPO sector. The higher Job Satisfaction can lead to employee retention. It is primarily necessary to identify the factors of the Job Satisfaction through a confirmatory factor analysis among BPO employees of Kochi region and then assess the level of the Job Satisfaction so that corrective measures if required can be provided.

Objectives

To identify the factors of the Job Satisfaction in the BPO organizations

To assess the level of the Job Satisfaction among the employees of the BPO organizations in Kochi.

Limitations of the Study

1. The study was restricted to the InfoPark Kochi in Kerala to ensure homogeneity of the respondents
2. The research instrument used was not specifically designed for this particular sector.

Research Methodology

The study was conducted in the Kochi region where the major BPO organizations in Kerala are situated. The city also nestles the Info Park, the main BPO hub in Kerala. Even though several BPO organizations are located in the different parts of the City, the organizations undertaking large scale outsourcings activities had their operations run in the Info Park. Moreover to maintain the homogeneity in the group, the study was conducted among the employees of the BPO organizations functioning in the area. The study used the validated instrument Job Satisfaction Survey and a nine sub-scale measuring employee satisfaction (Paul E. Spector, 1985) [28].

Sampling

The population consists of all the employees of the BPO organizations functioning in the Ernakulam City. The sample was selected from the different the BPO organizations in the Info Park Kochi. There were about 7 BPO organizations located in the different buildings. Since many of these organizations were dealing with the confidential information's belonging to the cross country organizations, so a high security systems are installed and the rendering restricted or no entry is maintained in the Organisation. Hence the researcher collected data from these employees during their leisure times. The researcher opted for a probability sampling method, the systematic sampling. The data were collected by personally contacting every 5th employee coming out of the organization. The data were collected over a period of year, but to ensure non duplication of the respondents a single building was approached continuously over a period of several days. To ensure sufficient number of respondents, about 650 data were collected, out of that only 637 could be used after checking the completeness and other editing processes. Hence the total sample size was 637 respondents belonging to 7 BPO organizations housed in the Info Park.

Tools of the data analysis

AMOS 18 was used for conducting confirmatory factor analysis. It was a type of structural equation modeling. In SEM, it is a common practice to use a variety of indices to measure the model fit. Hence apart from the ratio of the χ^2 statistic to its degrees of the freedom, a handful of the fit indices like Goodness of Fit Index (GFI), adjusted goodness of fit (AGFI), Normed Fit Index (NFI), Standardized Root Mean Residual (SRMR), and the Comparative Fit Index (CFI) were used. Since complex models were inevitably miss pacified sometimes, the standard χ^2 test of the hypothesis is perfect fit to the population covariance matrix was given less importance than the measures of the degree of the approximation between the model and the population covariance matrix. The *root mean squared error of approximation* (RMSEA) was selected as such a measure (Gignac, 2006) [6].

Data Analysis and Interpretation

The measuring instrument used in the research was the Job Satisfaction Survey developed by Dr. Paul Spector. Using a validated instrument implies that the researcher need not check for its validity and reliability. This instrument has not been used in the BPO organizations in the Indian context; it became the responsibility of the researcher to check the reliability and validity of the instrument in this context. Hence the results of the reliability coefficient Cronbach Alpha was shown below in Table 1.

Table 1: Reliability of Job Satisfaction Survey Instrument

Job Satisfaction Factors	Cronbach Alpha Coefficient Before	Cronbach Alpha Coefficient After
Pay (JS1)	0.152	0.800
Promotion (JS2)	0.363	-
Supervision (JS3)	0.404	0.821
Fringe benefits (JS4)	0.350	
Contingent rewards (JS5)	0.482	0.506
Operating procedures (JS6)	0.444	0.418
Coworkers (JS7)	0.214	0.562
Nature of work (JS8)	0.443	0.726
Communication (JS9)	0.418	0.514

The 9 main factors of the Job Satisfaction as per the ‘Job Satisfaction Survey’ instrument were Pay, Promotion, Supervision, Fringe benefits, Contingent rewards, Operating procedures, Co-workers, Nature of work and Communication.

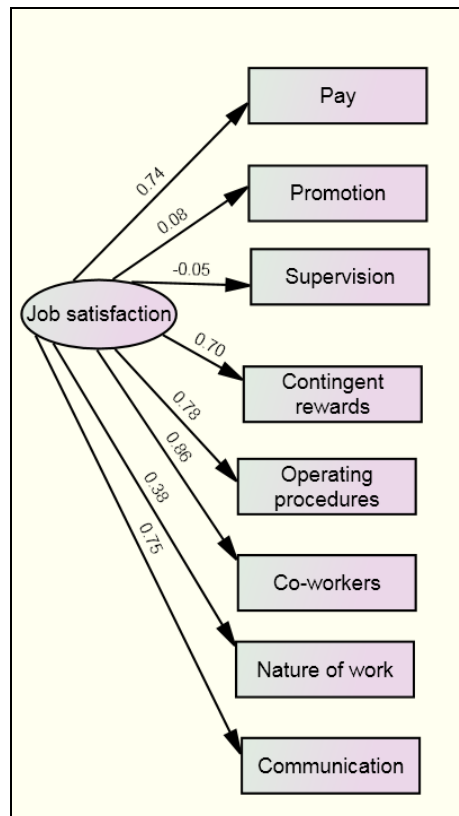
After checking the validity of all the nine main factors, the model fit indices and the regression coefficient for total Job Satisfaction was shown in Table 2, 3 along with the full model.

Table 2: Model fit Indices for CFA Job Satisfaction – Total

	χ^2	DF	P	Normed χ^2	GFI	AGFI	NFI	TLI	CFI	RMR	RMSEA
Job satisfaction	20.163	13	.091	1.551	.993	.976	.991	.993	.976	.122	.029

Table 3: The regression Coefficients Job satisfaction Total

Factors/Latent Variables (Dependent Variable)	Construct (Independent Variable)	Regression Coefficient	C.R.	P	Variance explained (%)
Job satisfaction	Pay	0.738			54.5
	Promotion	0.083	2.122	0.034	0.7
	Supervision	-0.054	-1.38	0.168	0.3
	Contingent rewards	0.701	16.339	<0.001	49.2
	Operating procedures	0.779	17.92	<0.001	60.7
	Co-workers	0.862	15.704	<0.001	74.3
	Nature of work	0.379	8.236	<0.001	14.3
	Communication	0.754	17.488	<0.001	56.8



The value of the total regression coefficient was found that the value of the regression coefficients of the promotion, supervision and nature of the work was less than the 0.4 meaning that they did not have significant impact on the Job Satisfaction in the study. Hence Fringe benefits, Supervision, Promotion and Nature of the work were eliminated from the final analysis. So it can be inferred that the factors relevant to Job Satisfaction in the BPO employees in the research were Coworkers (0.86), Operating procedures (0.78), Pay (0.74), Communication (0.75), and Contingent rewards (0.70).

After assessing the relevant factors of the Job Satisfaction among the BPO employees, an assessment of the level of the Job Satisfaction among the BPO employees were considered. The respondents were asked to answer a set of 35 questions in the Six Point Likert Scale regarding to the Job satisfaction of the employees in the BPO industries. The responses are scored as 1 for 'Disagree very much', 2 for 'Disagree moderately', 3 for 'Disagree slightly', 4 for 'Agree slightly',

5 for 'agree moderately' and 6 for 'Agree very much'. The total score of all 35 questions for every 637 respondents was found out, based on the which the mean % score

$$[MPS = \frac{MeanScore \times 100}{Maximumpossiblescore}]$$

for the Job satisfaction for every respondent was calculated. The score was classified into four groups as low or poor if the mean % score was less than 35%, average if the mean % score was between 35 to 50 %, medium or good if the mean % score lied in between 50 to 75% and high or excellent if the mean % score is above 75%.

A one sample Z test was carried out to test the significance. The following table (Table 4) gives the Mean, SD, Mean % Score and Z value of the variables considered. (Loyd, B. H., & R. R. Abidin. R. R. (1985).

Table 4: Mean, SD and z value for Job satisfaction

	N	Mean	Std. Deviation	Mean % score	CV	z	p value
Job satisfaction	637	44.06	9.75	45.90	22.12	-10.193	<0.001

As the mean percentage score of the Job satisfaction of the employees in the BPO industries was 45.90%.It indicated that the Job satisfaction of the employees in the BPO industries was average. The CV indicated that the score was not stable as the value was more than 20%.

In order to test the sample information that was observed exists in the population or to verify that the Job satisfaction of the employees in BPO industries was average or not, the following hypothesis was formulated on the basis of the Mean % score value of the Job Satisfaction upon the case where $\mu < \mu_0$.

H₀: The Job satisfaction of the employees in the BPO industries was medium

H₁: The Job satisfaction of the employees in the BPO industries was average

To test the above hypothesis one sample Z test was used and the result was exhibited in Table 67. Since it was a case where $\mu < \mu_0$. The Z < -1.645 said that the test was significant and hence reject H₀. From the table it was found that the calculated value of Z was -10.193 which was less than the table value of -1.645 indicated that the test was significant. So reject the H₀ that the Job Satisfaction of the employees in the BPO industries was medium and accepted the H₁ that the Job Satisfaction of the employees in the BPO industries was average. It was concluded that the level of Job Satisfaction of the employees in the BPO industries was average.

Findings

- There were only five factors relevant to the Job Satisfaction of the BPO employees in Kochi. They were Co- workers, Operating procedures, Communication, Pay and Contingent rewards. The analysis of the data showed that the factors of the Job Satisfaction relevant for the BPO employees in Kochi were Co-workers (0.86), Operating procedures (0.78), Communication (0.75), Pay (0.74) and Contingent rewards (0.70). The factors like Promotion, Supervision and Nature of the work were found to be insignificant along with the fringe benefits.

- The Job Satisfaction level of the BPO employees in the Kochi city was average. While assessing the level of the Job Satisfaction among the respondents the calculated value of the Z was -10.193, which was less than the table value of -1.645, meaning that the null hypothesis was rejected and the alternate hypothesis was accepted that the job Satisfaction level of the employees of the BPO organizations was average. This means that the BPO employees' Job Satisfaction level is falling within the range 35% to 50%.So it means that the Job Satisfaction was not in the positive as far as the Kochi city area.

Conclusion

The factors of the Job Satisfaction of the BPO employees in Kochi city were Co- workers, Operating procedures, Communication, Pay and Contingent rewards and the level of the Job Satisfaction was on the lower level rather than the upper side. The study concurs with Sonia, J. (2010) [27]. In the sense that the Communication, Pay and Contingent rewards were considered as the important aspect of the Job Satisfaction. They showed only moderate levels of the job satisfaction. Contingent rewards revealed as one of the significant factors of the Job Satisfaction has a negative impact on it Oudejans, R. (2007). From the findings the respondents' the Job Satisfaction was not dependent on the factors like Promotion, Fringe benefits, Supervision and Nature of the work. It may be due to the reason that the Fringe benefits has become so attached to the BPO Jobs, or that it has come to be considered as a matter of right for doing the BPO job. With regard to the Nature of the work the employees have already a pre - disposition about the type of the work in the BPO industry unlike other industries. Regarding the promotion they may have dissatisfaction, but accept the jobs which have less promotional opportunities. BPO jobs are highly client oriented and confidential in nature so supervision is accepted and welcomed by the employees, still it should be ignored as a factor influencing Job Satisfaction. The conclusions given above are in some ways

similar to the findings by Gupta, S. S. (2011), Sree Rekha, K.R., & Kamalanabhan, T.J. (2013, February). Since Job Satisfaction is an important determinant in an employee performance, attrition and other positive organizational behaviors, the level of Job Satisfaction among the BPO employees in Kochi city is only average. So it is necessary that the BPO sector takes-up measures to increase the level of Job Satisfaction of their employees.

Suggestions

Individual Organizations should be able to showcase an established career path for their employees, and make them view the BPO as a long term career option. Job Satisfaction of the employee's would be enhanced by having a dynamic career path, and in turn it helps to retain outstanding and highly performing talents. (Monis, H., & Sreedhara, T. N. 2011). Even though the study do not point out supervision as one of the factors contributing to Job Satisfaction, a proactive role from the supervisors towards their subordinates will ultimately lead to improving their Job Satisfaction. (Ru Hsu, Y. 2011). The organization also can work on creating right Job Satisfaction for its employees by (Batra, M 2013) ensuring a person fit for the right job can also improve Job Satisfaction (Mulky, A. 2011) ^[19]. Providing organizational support and organizational justice can enhance employee commitment, thereby it increases Job Satisfaction and performance even in the presence of other jobs. (Sree Rekha, K. R., & Kamalanabhan, T. J. 2013, February). The study can be replicated at state and national level using appropriate sampling method. Further, studies can check the influence of demographic factors upon Job Satisfaction, also different types of BPO's and their differences can be analyzed. At the same time the reasons for lesser Job Satisfaction levels can be analyzed.

References

- 1 Batra M. Right job attitude leads to Job satisfaction, RIJS, 2013; 2(10)1-13.
- 2 Carsten JM, Spector PE. Unemployment, job satisfaction, and employee turnover: A meta-analytic test of the Muchinsky model. *Journal of Applied psychology*. 1987; 72(3):374.
- 3 Cabrita J, Perista H. Measuring job satisfaction in surveys-comparative analytical report, 2007. European Foundation for the Improvement of Living and Working Condition, available at: <http://www.eurofound.europa.eu/ewco/reports/TN0608TR01/TN0608TR01.Pdf>.
- 4 Cotton JL, Tuttle JM. Employee turnover: A meta-analysis and review with implications for research. *Academy of management Review*, 1986; 11(1):55-70.
- 5 Echchakoui S, Naji A. Job satisfaction in call centers: An empirical study in Canada. *International Journal of Management*. 2013; 30(2):576
- 6 Gignac GE. Self-reported emotional intelligence and life satisfaction: Testing incremental predictive validity hypotheses via structural equation modeling (SEM) in a small sample. *Personality and Individual Differences*, 2006; 40(8):1569-1577
- 7 Gupta SS. Employee Attrition and Retention: Exploring the Dimensions in the urban centric BPO Industry (Doctoral dissertation, JAYPEE INSTITUTE OF INFORMATION TECHNOLOGY, NOIDA, 2011.
- 8 Holman D, Batt R, Holtgrewe U. The global call center report: International perspectives on management and employment, 2007.
- 9 James MJ, Faisal U. Empirical study on addressing high employee attrition in BPO industry focusing on employee salary and other factors in Karnataka and Kerala states of India. *Research Journal Management Science*. 2013; 2(9):7-11.
- 10 Judge TA, Klinger R. Job satisfaction: Subjective well-being at work. *The science of subjective well-being*, 2008, 393-413.
- 11 Kanwar YPS, Singh AK, Kodwani AD. A study of job satisfaction, organizational commitment and turnover intent among the IT and ITES sector employees. *Vision: The Journal of Business Perspective*. 2012; 16(1):27-35.
- 12 Loyd BH, Abidin RR. Revision of the parenting stress index. *Journal of Pediatric Psychology*. 1985; 10(2):169-177.
- 13 Lu H, While AE, Barriball KL. Job satisfaction and its related factors: A questionnaire survey of hospital nurses in Mainland China. *International journal of nursing studies*. 2007; 44(4):574-588.
- 14 Lumley EJ, Coetzee M, Tladinyane R, Ferreira N. Exploring the job satisfaction and organisational commitment of employees in the information technology environment. *Southern African Business Review*, 2011; 15(1).
- 15 Mary CSA. A Study on the Job Satisfaction of Women Employees In BPO Industry With Reference To Selected Units In Chennai City, 2014.
- 16 Mehta A, Armenakis A, Mehta N, Irani F. Challenges and opportunities of business process outsourcing in India. *Journal of Labor Research*, 2006; 27(3):323-338.
- 17 Monis H, Sreedhara TN. Employee satisfaction with career development Practices: a comparative study of indian and Foreign MNC BPO firms. *Researchers World*, 2011; 2(1):110.
- 18 Mowday RT, Porter LW, Richard M. Steers. 1982. Employee-organization linkages: The psychology of commitment, absenteeism, and turnover, 1982; 224-247
- 19 Mulky A. An exploration of salesperson job satisfaction in India using PE fit constructs. IIM Bangalore Research Paper, 2011, 343.
- 20 Naem M. Enhancing Employee Satisfaction In Outsourcing Firms: An Emergent Case Scenario Of Future Expectations Sajal Kabiraj. *Asian Journal of Technology & Management Research [ISSN: 2249-0892]*, 2011; 1(01).
- 21 Oudejans R. Linking extrinsic and intrinsic motivation to job satisfaction and to motivational theories: a comparison between the public sector (nurses) and the private sector (call centre agents) (Top Thesis), 2007.
- 22 Parent-Thirion A. Fourth European working conditions survey. European Foundation for the Improvement of Living and Working Conditions, 2007.
- 23 Randolph DS, Johnson SP. Predicting the effect of extrinsic and intrinsic job satisfaction factors on recruitment and retention of rehabilitation

- professionals. *Journal of Healthcare management*. 2005; 50(1):49.
- 24 Rao PG, Mallaiah TY. Evaluation of the level of employee job satisfaction at SDM College of Dental Sciences and Hospital (Hospital, College and Library staff) at Dharwad, Karnataka. *International Journal of Library and Information Science*. 2012; 4(7):137-148.
 - 25 Ru Hsu Y. Work-family conflict and job satisfaction in stressful working environments: The moderating roles of perceived supervisor support and internal locus of control. *International journal of manpower*. 2011; 32(2):233-248.
 - 26 Sarin S, Saini VP. To Study the Factors affecting Job Satisfaction Level in the Selected BPO Companies in NCR Region. *CHIEF PATRON CHIEF PATRON*, 2011; 19(002):008.
 - 27 Sonia J. Organizational commitment and job satisfaction: a study of employees in the information technology industry in Bangalore, India (Doctoral dissertation, Christ University), 2010.
 - 28 Spector PE. Measurement of human service staff satisfaction: Development of the Job Satisfaction Survey. *American journal of community psychology*, 1985; 13(6):693-713.
 - 29 Sree Rekha KR, Kamalanabhan TJ. A Study on the Employee Turnover Intention in ITES/BPO sector. In *Proceedings of the International Conference-Frontiers of Management-Encore*. 2013, 1-10.
 - 30 Udechukwu II. The influence of intrinsic and extrinsic satisfaction on organizational exit (voluntary turnover): Evidence from a correctional setting. *Journal of Applied Management and Entrepreneurship*. 2007; 12(1):127.
 - 31 Waskiewicz SP. Variables That Contribute to Job Satisfaction in Secondary School Assistant Principals, 1999.