

# Study documents exploitation in Indian call centres

Jake Skeers

23 November 2005

The Indian media and business elite never tire of enthusing over India's growing role as an IT and business-processing outsourcer to the world. Yet a recent study of working conditions in Indian outsourced call centres has pointed to the high levels of labour exploitation in the industry—including constant surveillance, long hours, health problems and burnouts.

The study provoked a hostile reaction from Indian business, highlighting the economic and political reliance of India's ruling elite on the success of the Business Process Outsourcing (BPO) sector. After limited reportage by some Indian newspapers, business lobbies and the media rapidly attacked its findings and the body that commissioned the study, the V.V. Giri National Labour Institute.

Typical were comments by Pramod Bhasin, the CEO of the outsourcing provider Genpact. He told the *Financial Express*: "The world is praising the Indian IT Industry... But we are bent on killing the golden goose. I am aghast at the findings of the report."

Reflecting that sensitivity, the author of the research study, Babu P. Remesh, refused to provide the *World Socialist Web Site* with a copy of the study. Remesh told the WSWS that the V.V. Giri National Labour Institute, which is funded by the Indian government's Department of Labour, was not distributing the document.

Nevertheless, one can get a flavour of the study, which was entitled "Employment and Employment Relations in IT Enabled Services and Teleworking", from a conference paper by Remesh that is available online and from the reports of the study in the press.

Call centre employees are under constant stress because of their workload, competitive pressures and surveillance. Workers are monitored for the number of calls, the average call time and time between calls. Closed circuit cameras and electronic timers monitor the time staff are away from their desk, including in the bathroom.

Yamini, a 20 year-old women working in HCL's call centre in Noida, told the *Guardian* what conditions were like: "The pressure is tough. There's such a volume of calls that we don't have a second to pause, and the customers are often irate because they have been waiting for so long. The hours are regimented. If you need to go to the loo, you have to wait until your allotted break period. My parents want me to leave because they can see how my health has suffered."

Team leaders randomly listen into calls to assess the emotions

conveyed, accent, alertness, grammar and punctuation. Mistakes lead to immediate warnings that are recorded on "warning cards". A number of warnings will lead to counseling or dismissal.

The study outlines that management often sets call rates at a level at which the employees have to "burn out" to fulfill. Workers regularly make or answer hundreds of calls per day, which the report equates to "assembly line manufacturing". The most stressful aspect of the job is on the caller operator's emotions. Workers are required to remain constantly pleasant and attentive, particularly when speaking to agitated and irate callers. According to Remesh, a considerable proportion of the Indian call centre workforce has a syndrome popularly referred to as "Burn Out and Stress Syndrome".

Adding to the stress, management creates an environment of competition by assessing staff performance against the figures of the "good performers".

The study, which surveyed 280 workers in six call centres in Noida, near New Delhi, found that the industry sought a "productively docile" workforce that had no job security or rights. The majority of call centre staff were considered "non-core" and dispensable. In some centres, Codes of Conduct discourage employees from discussing their salaries with peers and they are subject to disciplinary actions for breaching the code.

A number of states in India have exempted outsourcing companies from the Industrial Disputes Act, which provides, amongst other things, for unfair dismissal rights. West Bengal, headed by a Communist Party of India (Marxist)-led Left Front government, has stretched the work week (the number of hours after which companies are legally required to pay overtime) from 40 to 48 hours, and has changed labour laws to allow young women working at BPOs to do night shifts.

The typical employee in a call centre is university educated, aged between 18 and 30 and single. The industry attracts a large number of women, who take the jobs mainly because of the relatively good pay. Staff are paid between 8,000 and 15,000 rupees (\$US175 and \$330) a month. Although the rate is much lower than those of call centre workers in western countries, it is higher than many executive level government or engineering jobs in India.

The study found that the role of human resource staff in the call centres is that of "camouflaging work as fun" through the use of things such as popcorn booths and ping-pong tables. Management give call staff titles such as Call Centre Executive and Customer Care Executive in an attempt to portray the positions as being high

level and privileged. The report outlined, however, that the pay and hype surrounding the jobs mask the fact that there is almost no career development in the industry. The report concludes that “most of these youngsters are in fact burning out their formative years as ‘cyber coolies’.”

Staff in the industry reported health problems such as nervousness, chronic fatigue, body ache, insomnia, nausea, anxiety, restlessness, irritability and depression due to odd working hours and stress. Sick days are difficult to obtain. The report found that staff were required to obtain the consent of team leaders for a sick day four to six hours before a shift or else it is marked as “unscheduled”, which is possible grounds for dismissal.

Another study of 100 women entitled “Women in Call Centres” published in the *Economic and Political Weekly* found serious health problems associated with the call centre industry, particularly for those working a night shift. At least 40 percent of staff reported indigestion, backaches, eyestrain and indigestion.

The report also found that call centre work seriously impinged social life. It said “90 per cent of the respondents did not balance work and family life. The respondents had no social life or interaction with people in the family.”

In the days after Indian newspapers printed details of the findings, the *Financial Express* editorialised against the study. It accused the authors of being “divorced from reality”. With barely a mention of the contents of the study, it denounced it as “another ‘bleeding heart’ report that only those living in privileged institutes can afford to indulge in.”

It went on to say that some “minimal creature comforts” are acceptable but any “misguided attempt to push up costs” by improving working conditions would lead to the loss of BPO jobs.

An opinion piece in the *Hindustan Times* was also dismissive of the study: “Alas the ‘peripherals’ are not drugged and dragged before being ‘shackled’ in front of their work stations. They know the job description they applied for—the same way an official working at the mint knows that he’ll be bodysearched every day when he leaves the building... They are also aware that, unlike, say, government bank employees, performance-oriented appraisals apply to them.”

On the question of why no BPO employees in India had joined trade unions, the president of the National Association of Software and Service Companies (Nasscom), Kiran Karnik, said employees were free to join unions but that “in this industry, every youngster wants to be the CEO after a year or two.”

There is sensitivity to a discussion of exploitation in the BPO industry for several reasons. The industry is facing looming competition from China, Eastern Europe and the Philippines where back office operations are being established for overseas companies. It cannot afford to increase wages and conditions. In addition, there are warnings that the stock of suitable educated Indians for IT and outsourcing positions could soon be exhausted. An exposure of the real situation in call centres would only add to the problem.

Likewise, the ruling elite fear any information emerging about the industry which could cause workers to organise against exploitation in the industry. Far from workers in the BPO sector being free to organise and join unions as stated by Nasscom,

several states, including the West Bengal government, have declared the IT and IT-enabled services (ITES) sector as “public utilities”, making it much more difficult for workers to gain the legal right to strike and easier for the government to declare industrial action illegal. Buddhadeb Bhattacharjee, the chief minister of West Bengal and a Communist Party of India (Marxist) Politbureau member has promised to crack down on any strikes in the IT and ITES sector (see “Indian Stalinists pledge to stamp out further IT work disruptions”).

More importantly, the hype surrounding the growth of the outsourcing sector is seen as politically important for winning support from a section of the Indian population for the program of privatisation and the integration of India into the global economy.

The shift begun under Congress in 1991, from a policy of national regulation and import substitution to privatisation and export growth, is deeply unpopular. It has resulted in public-sector job cuts, destruction of whole industries, and cuts to food and fuel subsidies, which have been devastating to rural areas, the poor and large sections of the working class.

Political parties have therefore relied on growth in the IT and BPO sector to claim that their policies will bring the Indian people a better standard of living. Already, it is a large and profitable industry. Nasscom’s *Strategic Review Report 2005* estimated that the Indian offshore IT and BPO industry would employ around 695,000 people and produce revenues of approximately \$17.3 billion in the financial year 2004-05. By 2007-08, Nasscom estimates that this figure will increase to over 1,450,000 people and 7 per cent of India’s GDP.

The Bharatiya Janata Party’s (BJP) 2004 election campaign slogan of “India Shining”, particularly hailed the successes of the outsourcing sector, and featured the smiling faces of contented middle class Indians. In a shock result for the Indian ruling class, however, the electorate rejected the BJP and its claim that India was prospering.

This partially explains the nervousness of the political and media establishment about a discussion of the exploitation of labour in the BPO sector. The majority of the population is already hostile to the program of privatisation and opening up India as a cheap labour platform for transnational capital. The fear is that even those who are employed in the BPO sector—the alleged beneficiaries of the agenda implemented by all ruling parties since 1991—are becoming disillusioned.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**