Economic Empowerment of Women through Business Process Outsourcing in Karnataka

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Abstract

An attempt is made in this paper is to analyze the economic empowerment of women through Business Process Outsourcing India and Karnataka. In India with its skilled English-speaking workforce and salaries up to 80 per cent lower than those in developed countries, has captured a dominant share of the international outsourcing market. It is a primary outsourcing centre for software contracts. The ITES-BPO market remains a high-growth segment for the Indian software and services industry. Business process outsourcing (BPO) is the outsourcing of an entire business process-such as treasury, back office or transaction services. Business process outsourcing (BPO) is a business practice in which an organization contracts with an external service provider to perform an essential business function or task. An organization typically contracts with another business for such services after it has identified a process that, although necessary for its operations, is not part of its core value proposition. This step requires a good understanding of the processes within the organization and strong business process management. Many organizations consider processes that are performed the same or similarly from company to company, such as payroll and accounting, good candidates for BPO. Because these commodity processes do not generally differentiate one organization from another, enterprise executives often determine there is little value in having their own staff performs them. Companies calculate that outsourcing these processes to a provider that specializes in them could deliver better results.

Keywords: BPO industry, Information Technology and Women Empowerment.

Introduction

The Indian IT- BPO industry has always been an equal opportunity employer and is strongly focused on hiring women. Currently (February, 2022) women constitute 34% of the IT-BPO workforce (i.e., over 1.3 million women employees) an increase of around 1.8 times since FY2009. Nearly 10% of these women are in senior management roles. Further, around 28% of the women employees in the sector are primary breadwinners, thereby indicating the changing trend of women's employment and inclusion in the sector.

In compare to other traditional job profiles, for example-teaching, nursing; BPO job was considered as a less respectable profession for women in India caused by the call center's night shift, western culture and lifestyle and an image of young workforce. BPO work profile was viewed as less dignified job profile for Indian women. Few years back, BPO employment put question not only to the reputation of the women but also impacted her family's image in a negative way. In other words, call centre's employment has created a wide–ranging social division within family and outside. Though slowly but notably, with the changing time, the attitude of society towards BPO industry is changing and women are not seen with suspicious eyes as before.

Women are now liberated and are more successfully leading and balancing a peaceful family life and contributing to its economic aspect as well. BPO employment no longer leads to social and mental isolation of female workers from their family and social network. It has been found during the survey that, with the popularity of BPO jobs and specially the remarkable attention given by the government and the industry towards women employee's safety, security and as a whole to empowerment, the negative image of the industry is transforming.

Women as well as the educated society have started accepting it as a decent career option. Beyond that, in recent times, BPO sector is even considered as an agent of empowering women by making them financially independent at an young age, providing them an opportunity to utilize their potential and introducing them to a bigger world. As a whole, the industry is gradually becoming an attractive and preferred career goal for Indian women.

Though, gradually BPO sector is becoming more and more women-centric, the existence of gender biasness in the sector cannot be underestimated. In order to analyze gender diversity in the industry, first we have to examine the proportion of women participation in the industry and their ratio of representation at various career levels of an organization. The career levels at BPO sector can be defined as Entry Level, Manager Level, Director Level and Top Level. Graduate employee without a supervisory role belongs to the entry level. This career stream ranges from entry level through to technical or subject matter experts in the IT space.

Women in Information Technology

Women have entered high skilled occupations in IT sectors in developing nations. This has happened particularly in countries where national policies have promoted knowledge and skill education and where young women entered these fields. The information technology sector in India has produced employment chances in areas for instance mass communications, banking sectors, shipping, education, health oriented sectors and industry.

The top level institutions carry out software goods, research and development and strategic technological coalition. The specialized in employment in this part are manufacturing graduates, generally doctor of philosophy and postgraduates with scientific multi-skilling. The center level institutions take on growth of software items, offshore services, and coalition for selling access. This group of occupation stress manufacturing graduates who are physically transportable and hold administrative ability.

The export level institutions agree to onsite services, preservation and achievement, coalition with labour supplier, etc. The home level occupation wants merely documentation possessor with pure mechanical, cipher and preservation ability. The information technology facilitates and home end institutions take on low skillful and custom occupation. The employees in this group of institutions have to effort in back office. The nature of job includes data entry and continuous partnership with clients. The existing development in employ of women in information and communication know-how employment arena is with a gender ratio varying from a best level of one to three to the least level of one to seven in major institution, with exceptions, up to one to nine per cent in few organizations.

Position of Women in the IT Sector in India

The IT sector in India has created employment opportunities in areas such as telecommunications, banking, shopping, education, health and business. In addition, the internet has also generated new jobs in areas like the design, maintenance and management of sites on the World Wide Web. There are real possibilities that women may be able to access

opportunities they never had before. According to a prediction by National Association of Software and Services Companies (NASSCOM), by 2008 there will be one-and-a-half million jobs in the IT Enabled services. If 50 per cent to 70 per cent of these jobs were to go to women, the impact will be tremendous. There is going to be such a shortage of skills that women will have to be included.

The scorecard affirms that India's IT sectors is employing and preserving additional women and conveying those more leadership roles. Nasscom estimates that nearly 60 percent of Indian IT firms have 20 percent women at the CSuite level. Companies reported a 4.5 percent higher proportion of young women aged between 30 and 35 in C-Suite roles than men in the same age group. The global expansion of software and IT enabled services has opened up new vistas for women. The major resource required by the software and services outsourcing in India is a steady supply of educated technical labour or 'knowledge workers'.

The industry is considered to provide a good avenue for the employment of women, who have conventionally not opted for technical occupations, but have the essential knowledge base and flexibility to adjust themselves to the outsourcing industry. As UNCTAD Report (2002) demonstrated, software and IT-enabled services has broadened job prospects for women, who can now work from home (assuming adequate infrastructure and bandwidth are available) or in a data centre or tele-centre close to home As per Nasscom estimates, women comprise 20 – 25% of total number of science and engineering graduates in the country. The number of software professionals has been rising continuously over the years. The number of software professionals increased from 6800 in 1985 to 650,000 in 2003-2004 (Nasscom, 2004).

Women are joining the IT sector and their numbers are fast increasing. In 1993, only 10% of workforce was women. In 1998, 18% of IT workforce was women which were higher than the national average of 12%. In 2003, the proportion increased to 21%. The participation of women in IT is rapidly growing and is expected to go up to 35% in 2005. Hence, women are now occupying a prominent position in the labour force. According to Nasscom, the focus on women by the IT-BPO industry is in part an acknowledgment of their growing role in India's economy. The Indian IT-BPO industry, in fact, has become synonymous with some truly pioneering work related to women employees, and the sector, more than other industries in India, has been launching initiatives designed to promote the interests of women in their workplace.

The 11th Five Years Plan (2007-2012) has viewed that ICT can play a meaningful role in bridging gender disparities by directly benefiting the women who use technology as well as by improving the delivery of services to women. This is also reflected in the relatively higher proportion of women employees in the Indian IT-BPO sector – as compared to other sectors of the economy. The influence on gender equality is not restricted to the urban cities alone. There are also examples where ICT is being used to strengthen earning opportunities for women and to build productive skills among disadvantaged women as well as offer knowledge-based services that help improve the productivity of women's enterprises in smaller towns and cities.

Communications technology offers possibilities to women to engage in e-commerce, distance education, and e-government, thereby overcoming barriers to women's can find a route to the economy through the virtual marketplaces and workplaces that an electronics infrastructure may provide through e-commerce sites and virtual, hosted call-centres and the like. Thus, the gender perceptivity in Business Process Outsourcing industry is an important point of study.

What is Business Process Outsourcing (BPO)?

Business process outsourcing (BPO) is a type of outsourcing wherein a third-party service provider is employed to carry out one or more business functions in a company. The third party is responsible for carrying out all operations related to the business function. BPO is also known as subcontracting or externalization. It was originally used in the manufacturing industry but is now used for numerous business processes.

BPO offers several benefits, such as lower costs, global expansion, and higher efficiency, while some of the drawbacks include security issues, hidden costs, and overdependence. BPO is an organization contract with a 3rd party or an independent service provider with regard to its workflow activities and obligations. It is a cost-saving process that allows enterprises to outsource their non-core functions.

The outsourcing of repetitive or secondary business operations is in vogue. Currently, a large number of multinational corporations are outsourcing their maintenance by offering technical support, customer care services, human resources, communications, etc. BPO has gained considerable significance over this period.

Indian BPO Sector: Key Trends

The Indian ITES-BPO industry was a key driver of the overall Indian IT software and services sector during 2003/04, recording revenues of US$ 3.6 billion in that period. The key trends of the industry are as follows:

➢ Increasing maturity: The industry is rapidly gaining maturity and consolidation, following a large number of mergers and acquisitions during 2002/03. The trend towards maturity has been escalated by the entry of traditional IT services players, which have added the ITES-BPO portfolio to their existing offerings in order to provide customers with a complete umbrella of end-to-end services. The idea is to leverage the synergies between their ITES-BPO operations and the IT services offerings.

➢ Growth in multiple vendor and BOT contracts: The Indian ITES-BPO industry is witnessing an increase in multi-vendor and build-operate-transfer contracts, which offer customers advantages such as low risks, scalability and competitive pricing.

➢ Expansion of the services footprint: Indian ITES-BPO vendors are expanding the spectrum of their service offering in client locations and even setting up facilities in other low-cost ITES-BPO destinations such as China and the Philippines, in order to tap these markets.

➢ Higher value added offerings: A number of Indian ITES-BPO vendors are moving up the value chain to offer high-end services such as equity research and analytics, insurance, and technology support and development.

➢ Vendor polarization: Growth within the ITES-BPO segment is becoming centered around the larger players that can offer clients benefits such as scalability, delivery capability, track record, customer referrals, etc., Industry observers believe that by 2005 the Indian BPO industry will have 8 to 10 US$ 100 million third-party BPO companies. This will give companies a critical mass to compete against multinationals such as EDS, Computer Sciences Corporation and Accenture. Further, it gives prospective clients enough confidence to trust them with larger contracts.

➢ Expanding capacity: The Indian ITES-BPO industry, including MNC, and third-party service providers has been expanding their capacities during 2002-2004. The number of seats has increased from 140,000 at the end of March 2003 to around 210,000 in March 2004. Captive units account for almost 65-70 per cent of the existing capacity.

BPO Policies and Initiatives:

Schedules have been administered to BPO officials, especially Human Resource Managers, to understand the organization's stand regarding women employees. Most of the organizations have reflected a 'women-friendly' approach and expressed support and concern over the welfare of women employees of the organization. They have pointed at a five-fold policy initiative as is shown below for the female employees. It is to be mentioned herein that in both the regions the answers have been quite similar with majority of BPOs agreeing to have facilities separate for women like relaxation zones, washroom, routine check up or doctor on call, psychological counseling and security arrangements especially for women in night shifts. They have also highlighted the provision of cab facilities for women with pick up from home and drop down provisions.

Very few companies in Bangalore have noted that they preferably do not place women in night shifts to avoid any untoward incidents. As regards redressed mechanisms, most of the companies expressed zero tolerance attitudes towards any incident of discrimination and harassment and pointed out at the existence of effective bodies where grievances or disputes can be resolved. BPOs also stressed on the existence of effective dialogue processes and communication system with women employees in order to comprehend and resolve internal problems.

Important steps taken by different BPOs

To underline the important steps taken by different BPOs in Bangalore City:

- ❖ Flexi-Time Schedule
- ❖ Work from Home Opportunity
- ❖ Avoidance of Women in Night Shifts
- ❖ Separate Relaxation Zone/Rest Room
- ❖ Separate Washroom
- ❖ Health Care Centres for Regular Health Checkup Facilities
- ❖ Doctor on Call in Emergency Situations
- ❖ Psychological Counseling to deal with stress or other related problems
- ❖ 24*7 Security at Office Premises
- ❖ Cab Facilities(limited) during Night Shifts
- ❖ Security in Cab(Limited)
- ❖ Pick up and Drop Down from and at Door Step
- ❖ 24 Hours Help line for Women in distress
- ❖ Open Discussion Forum for dispute resolution
- ❖ All Women Councils to deal with harassment/discrimination issues

It may be mentioned that all these initiatives have been entirely at the organizational levels, with no comprehensive step taken on the part of the entire sector to formalize and implement the policies uniformly. The range of answers make it evident that efforts are fragmented and except few big BPOs employing near about 1000 or more women, all others

are merely employing women without even the least facility such as a separate toilet for them.

Table – 1

Participating BPO companies in Karnataka

Sl. No	Participating ITES/ BPO	No. of Companies
01	Fortune 1000	5
02	Fortune 500	6
03	Forbes India	3
04	Big Companies	14
05	Medium & Small Companies	132

Source: Reports of IT – BT Department, GOK, Bangalore.

The Changing Landscape of Domestic BPO

Industries are in constant flux due to the ever-changing political situations, regulations, business needs and changing markets. The BPO or business process outsourcing industry is no exception. There are several factors responsible for the changing landscape of the BPO industry, such as the rise of the virtual workforce, the advent of AI (Artificial Intelligence), the growth of new hubs and so on.

The emergence of home-based and virtual agents

There is a high chance of technology being responsible for taking away thousands of jobs from the BPO sector in the future. However, it is making life a lot easier for the employees at BPO at present. With rapid improvements in technology infrastructure and call center software, it has become easier for employees to work from home. A number of companies have warmed up to the idea of working from home because it helps to bring down the cost of operations including rent, office space, electricity and equipment cost while increase the satisfaction of customers and employees. The National Association of Call Centers estimated in the year 2015 that about 68% of the call centers in the United States have some percentage of their workforce employed from home. The percentage has only increased with time and call centers in India are also increasingly adopting this trend.

Crowd sourcing platforms, such as Freelancer and Upwork have given further impetus to this trend. The combined market share of such platforms is approximately 12% of the BPO industry. As "gig economy" is on the rise, the market share of the platforms is also expected to increase manifold. Small and medium-scale IT projects are quite popular on these platforms and clients find it quite easy to find professionals there. However, there is a cause of concern and that is the maintenance of the quality of work that is being produced.

Increasing threat of AI or Artificial Intelligence

In the future, AI is all set to become the substitute for lower-skilled jobs. It is not really far-fetched to say that the day is not that far when AI takes over the BPO industry. The BPO employees can very well be replaced by intelligent computer answering machines.

The effect of AI is already pretty evident in customer services and chat bots have started popping up already. Do you see those pop ups at the bottom of the screen when you visit any e-commerce website? Those are chat bots and it cannot be said that they are doing a bad job!

Face book, one of the biggest and most popular social networking sites, has chat bots integrated to its Messenger application. When you compare these bots to a human representative, they are obviously much more efficient and cheap. They can even scan through multiple databases and retrieve results really quickly. Bots can also learn from previous interactions in no time at all.

As a matter of fact, sometimes bots can even surpass the skills of human representative like; they can replicate and interact with more than one customer at the same time leading to reduced manpower, office space and such other expenses.

Deloitte and Oxford had conducted a study that conclusion was that in the UK alone there is a thirty-five percent risk of jobs being replaced by automation in the future. Another survey conducted by Xerox revealed that 42% of the respondents believe that call centers are going to end by 2025. To keep with the changing times, RBS and other such banks have decided to introduce bots already so that they are able to take care of the basic customer queries, such as stolen or lost cards and forgotten PINs.

2 or Tier Cities in India are the Latest Craze

The major metropolitan Indian cities have become completely saturated with BPO companies. Thanks to the sky-rocketing electricity expenses and land prices, it is has become extremely difficult to manage a BPO business. Tier 2 and 3 cities, such as Ahmedabad, Nashik, Jaipur and Chandigarh have been cited for a very long time as a great alternative to Bangalore, Mumbai, Kolkata and Delhi.

A number of BPO companies are now coming up in small towns as the owners are driven by factors, such as low attrition rates, low office leases and lower costs of operation. Even the Indian government is playing a big role in helping the set up of BPO companies in the small towns by offering incentives and programs, such as the Pradhan Mantri Jan dhan Yojana and the offering of 50% subsidy of the total cost or a lakh per seat.

One of the major BPO service providers in India, Aegis, have set up its centers in Ajmer in Rajasthan, Karnal in Haryana and Shimoga in Karnataka. Even though problems related to lack of managerial talent and employability exists, the future seems quite bright for the cities.

Danger from the Upcoming BPO Hubs

In addition to the above-mentioned, India is also facing strife competition from east European countries, as well as, Sri Lanka, Malaysia and Philippines. The IT projects for which India used to be a hotbed is now slowly losing its position as the leader. However, call center outsourcing to India is still profitable because the cost of labor is quite economical and inexpensive than the rest of the world. A Research revealed that 36% of the worldwide market share is of India, but it is currently on the decline. Another problem is the visa regulations set by President Donald Trump because 65% of the total outsourcing share coming to India belongs to the USA.

The BPO landscape is forever changing with the introduction of new technologies and innovations. Even then, India continues to hold its position of being one of the best countries to outsource IT projects to. The firms in India are constantly striving to adopt latest and brand new technologies to streamline the functions and operations of the BPO.

Major Findings of the Study: The major findings of the study are as follows:

- ❖ Women constitute a significant portion of the workforce in the BPO sector especially at the entry and junior levels. They are primarily graduates or post graduates in their mid twenties.

- ❖ The salary ranges between Rs.5000 to Rs.20000, with Kolkata City being on a lower salary scale than Bangalore City. These women are primarily employed in technical or managerial sections, though quite a few women are also employed in the general and accounts section of the companies.

- ❖ The time frame of work is usually nine and a half hours per day, extending to 12 hours maximum, with tea breaks and meal break.

- ❖ The women are entitled to one or two weekly off days, though that depends on the work pressure of the organization, since many employees are required to work even on weekends. They are generally entitled to 20 days of annual leave.

- ❖ The benefits of the employees include medical entitlement, allowances, subsidized loans, gratuity, bonus and insurance benefits. However, a lot of disparity is noticed in course of the survey with regard to the disbursement of service benefits and several respondents have answered the same in the negative.

- ❖ Maternity leave is another aspect posing confusion since many women are not aware of their statutory entitlements. Findings point to a figure of 84 days given as maternity leave. Promotion is a matter of performance and management recommendation, though Bangalore City has indicated a favourable trend towards performance based approach, contrary to Kolkata City.

- ❖ Subtle discrimination in matters of promotion, increments and service benefits has been noted in the course of the study with respondents venting their displeasure at management preferences. Several women have opined that they should be taken more seriously for their capabilities and adequately rewarded for their performance. In matters of leisure, facilities at workplace and security, Bangalore City scores a point higher than Kolkata City.

- ❖ While Bangalore City generally makes provision for a more comfortable workplace for women with separate washrooms, relaxation zones, health checkup facilities, psychological counseling, gym and music to help relieve stress, Kolkata City provides for the bare minimum.

- ❖ Except for the few big BPOs in the city, most BPOs are not adequately equipped. In respect of security, all BPOs have security guards at the offices, throughout the day and night. But while Bangalore City has provisions of transportation for women especially during night shifts, BPOs in Kolkata City do not portray the same picture. While some companies do provide for cab facilities, others do not have it at all.

- ❖ As a precautionary measure, some BPOs also avoid employing women during night shifts. The respondents surveyed in course of the study have strongly reasoned in favour of improvised security systems at office and in transition both in Kolkata City and Bangalore City, in order to protect themselves from untoward incidences.

- ❖ In matters of grievance redressed mechanisms and sexual harassment cells, both Bangalore and Kolkata cities seem to have failed to make a breakthrough. Few BPOs have an informal body set up under the HR to deal with issues arising out of discrimination and harassment, but the majority while vouching in favor of 'women-friendly" policies have omitted to set up any formal mechanism in place.

❖ Nevertheless, grievances are not rare with numerous instances of annoyance voiced by women respondents before the enumerators that they are not respected; they are not adequately rewarded, etc. So far as the work culture and job is concerned, while majority has found it to be good, few have highlighted that the same is routine and stressful.

❖ The environment, on the whole, is satisfactory with supportive attitudes of employers and colleagues. The women also recommend BPO as a satisfactory workplace generally for women, though some point otherwise.

Conclusion

On the basis of the above analysis and discussion it can be concluded that the present study is a significant step in the direction of addressing gender related issues in Indian ITES/BPO industry. BPO has its roots in the manufacturing industry. Manufacturers hired third-party vendors to handle parts of their supply chains after determining that the vendors could bring more skills, speed and cost efficiencies to those processes than an in-house team could deliver. Over time, organizations in other industries adopted the practice.

Today, the use of BPO has expanded, with for-profit businesses, nonprofits and even government agencies outsourcing a range of tasks to service providers located in the U.S., throughout North America and across the world. While the sector has demonstrated an add value and created an impact in economic growth and employability, it has remained somewhat unregulated and uncontrolled. A certain level of ambivalence and ambiguity has remained in the mode of its overall functioning and employment strategy. Furthermore, organizational culture requires improvement in terms of flow of internal communication, clarity of organizational policies and objectives, defined performance standards and fair performance appraisal & reward systems, recognition & job security etc.

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