

MODELLING KNOWLEDGE AND HUMAN DEVELOPMENT THROUGH KPOS IN INDIA

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Abstract

KPOs have created a lot of interest in developed and developing countries. KPOs transform data into information that is useful for people in different countries. Truly, they are “crossing frontiers”. The objective of this study is to enquire into the employment potential in the KPOs linked with human development. This new area of employment is both an opportunity and challenge for the youth. The employment potential is high but has it brought about human development? What are the socio economic changes in India through human development? Is there discrimination between male and female workers? This study is primarily meant to look into the various aspects of employees at three levels such as data analysts, team leaders and managers in the KPOs. The study sample consists of 200 respondents (100 male and 100 female). It gives employee’s personal & social background where it discusses employee job profile, education and remuneration. It also provides inputs about the employee’s family background, status at work, motivation and promotions to higher levels. It presents the socio economic position and changes portrayed through migration from one city to another, contribution to family income, decision making and cultural adaptation.

Keywords : KPOs, Job, Profile, Development, Socio-Economic

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Background

Knowledge Processing Outsourcing (KPO) is an organization that does research on various issues such as investments, taxation, insurance, law, teaching, media the list being endless. It transforms data that it has researched on, into information which is useful for people in different countries. There are three categories of organizations that process information through outsourcing. These are call centres, business processing outsourcing (BPO) and KPOs. All three are in processing data business and have their value in providing human development through employment. While call centres and BPOs are engaged in low end data, KPOs are high end organizations requiring expertise and knowledge. KPOs attract chartered accountants, lawyers, management graduates, engineers for their jobs as their data involves intelligent processing. The outsourcing firms are based in advanced countries like USA, UK and European countries and Australia. The outsourced firms are in Asian countries and India has lot of business and is further trying to develop itself as one of the top Asian countries for getting more KPOs. However, it has lot of competition from countries like Philippines, China, Poland, Russia and Hungary.

According to the ASSOCHAM data, the KPO firm market in India was \$ 5.7 billion in 2010. In 2011, the market range was \$ 8 billion and 10 billion in 2012¹

KPOs have been a boon in India as it is a partnership with developed countries. It has been a revenue earning service industry. It has also brought about human development through creation of jobs for the youth who have just completed their graduation. It has also encouraged entrepreneurship. Another significance of this industry is that a large number of women have come into the work force and have been given an equal status with their male counterparts.

A large number of multinationals like G.E. Capital, McKinsey & Company, American Express, British Airways, Wipro and Deloitte have established themselves as KPOs in India. A large number of KPOs are in cities like Delhi and its adjoining areas (National Capital Region-NCR's comprising of Noida & Gurgaon), Hyderabad, Kochi, Bangalore, Ahmedabad, Chennai, Kolkata, Mumbai, Pune Jaipur, Lucknow and Chandigarh. The speed of growth shows that KPOs are playing a vital role in the development and transformation of the Indian economy. The KPOs show socio economic changes in India.

¹ Association of India Associated Chambers of Commerce and Industry of India (ASSOCHAM, Press release Dec 2010)

Objectives of this Study

This is an empirical study and establishes a link between KPOs in India and how it has brought about human development. It is a study of 200 employees to find out their job profiles at entry level and their development within the organizations. It attempts to find out the motivational factors and problems while working and attempts to make some suggestions on the basis of the finding of this study.

The study is divided into four sections. Section I pertains to employees personal and social background. Section II discusses the respondent's job profiles and their promotional aspects and the position of male and female employees. Section III considers human development and socio-economic changes in India as a result of this new field of employment. Section IV presents the conclusions.

Methodology

This study is based on primary data. It has been collected from 200 employees working in KPOs. To make it equal information was collected from an equal number of male and female employees. The respondents belong to three job levels: entry level, team leaders and managers. A questionnaire was prepared and the filling in procedure of questionnaires was supported by personal interviews of all the respondents. The study covers a cross section of employees working in different KPOs. A simple exploratory study has been made to find out some of these issues.

Section I : Employee's Personal & Social Background

This section discusses the personal background of employees with reference to their age, education, marital status, family background, family income and pattern of living status.

Job Profile & Age

The KPOs industry is known as the 'young' industry. It requires lot of commitment in terms of time. The age at entry level is that of a young graduate of 21 years of age. It is an industry which has brought about a revolutionary change in the Indian scenario for employing people who have no experience in industrial work and this speaks volumes for human development in the country. This industry can truly be said to be modelling knowledge for human development. This study showed that out of 200 respondents there were 72 men and 81 women of the age group between 21 to 25 years. These respondents were Data Analyst and were starting their careers. Team

Leaders were between the age of 26-30 years and the number was 22 men and 15 women and amongst the managers, there were 6 men and 4 women. Table I shows the age group and job profile of male and female employees working in KPOs.

Table I: Job Profile and Age group of Employees working in KPOs

Job Profile	Age	No of Men	No. of Women
Data Analysts (Entry Level)	21 – 25	72	81
Team Leaders	26 – 30	22	15
Managers	31 – 40	6	4
	Total	100	100

Remuneration and Education

The remuneration at entry level was decided by the education of a KPO employee. Most data analyst at entry level who were graduates received a good remuneration but if they were post graduates and had specialized knowledge and were MBAs, chartered accountants, lawyers, engineers and doctors, they were able to get a higher remuneration. However, at the level of team leaders and managers the work efficiency was important because they were able to get on the job training.

Although graduates and specialized knowledge people were able to get good jobs with KPOs, there was a limitation to these jobs. Generally, the youth were able to get jobs from urban areas and people from rural and semi urban areas did not easily find a job in KPOs even if they were highly qualified. The reason attributed to this was that most of the in KPOs were done in English and that was important for communication in international dealings. Some of the people who could not secure jobs in KPOs were highly technically qualified. At the entry level, the KPOs look at the candidate for voice process and it is only after training them that the technical process begins.

The average level jobs as graduates at data entry level could be between 2.40 - 3.60 Lakhs and for MBAs and other specialized employees these starting level was between 3.00 - 5.00 Lakhs. It was however, not unusual to find some graduates getting an offer upto 6 Lakhs but they had to be exceptionally bright.

Most of the people at entry level were selected directly from their college through placement officers. The people from remote areas could not get these jobs due to problems in communication and lack of placement facilities.

Table II: Education and Remuneration at Entry Level (per annum)

Education	Graduate	Professional
Remuneration	2.40 - 3.00	3.00 - 5.00

Marital Status of Employees

Table III shows the marital status of women and men employees working in KPOs. Most of the employees were unmarried whether they were men or women. An interview taken with those employees showed that when the respondents were ready to get married they began to look for jobs in other sectors and increased their academic and educational skills to be able to find jobs which were different to the jobs in KPOs. The married employees found it difficult to work in KPOs due to long hours of work in processes tied to international transactions of different countries. Some of the employees had to work in night shifts depending on their projects and duties and time adjustment sometimes created problems. In families, where such adjustments were possible, the employees continued to work. Women left their jobs either due to marriage or at the child rearing stage of their life. However, many employees did continue to work even after marriage or after a break of certain years came back to work in KPOs.

Table III : Marital Status Of employees

Marital Status	Men	Women
Married	11	8
Unmarried	89	92
Total	100	100

Family Background

The data in Table IV shows the family background of employees. The data shows that employees in KPOs were highest from family backgrounds where parents were in service. However, there were a large number of employees from business and professional background. This is a change in the Indian scenario as business families earlier were not inclined to separate from their

children and they worked with them after the age of maturity. Children from business families were not expected to work away from home and women particularly were not given the freedom of working². From this data we find that more women are now engaged in jobs away from house duties. In the course of interview, it was stated that most employees were not in the same profession and business as their parents. They were keen to try new areas of employment.

Table IV: Family background of employees

Family Background	Employees
Business	52
Service	110
Profession	38
Total	200

Family Income

The family income of respondents before they got jobs in KPOs is given in Table V. This shows that a large number of employees could improve their status of living after they got jobs in KPOs. The employees are generally from middle income families. Knowledge has thus brought about human development through highest status and better income after the respondents have been employed by KPOs. The table shows that a large number of employees had a family income of less than Rs. 50,000 per month. The employment in KPO would to a large measure improve the family income after the employee would receive their first salary.

Table V Family Income

Family Income (Rs. per month)	Employee
Below 50,000	50
50000-100000	103
100000 - 500000	47
Total	100

The next section will discuss the employee and the work environment. It will also consider the position and status of male and female employees working in the organization.

² Read Ramu (1989) 'women work and marriage in urban India'

Section II: Job Profiles and Promotions

With this social and personal background of the respondents the study looked into their job profiles and promotions. The study as already stated is based on three levels of employees that is, Data Analysts, Team Leaders and Managers. The data analysts are the starting point in the career of a KPO. There are many intermediate steps before a person becomes a team leader. The employee becomes a Senior Data Analyst Level 1. Then he becomes Senior Data Analyst Level 2. At each of these points the employee gets more remuneration. He gets rewarded for the work he does typically after 18 months of joining the KPO. The employee also gets a bonus. The KPO in this way begins to reward each employee for all the hard work he does. He then becomes Team Leader after 5 years of hard work. The study finds the similarity and differences in the men and women pattern of employment. Table 6 shows At all the three levels there were an equal number of men and women employees. After working as team leaders they become Assistant Manager and this also has two or three levels till the person becomes a Manager. The respondents stated that in fact the managerial position after team leader is even more difficult and only advancement of education and experience brings about promotion to managerial positions.

There was no difference between the earnings of men and women respondents. KPOs can be called the engines of changes as they have brought about human development for women in particular. There is no discrimination between male and female employees. Women got an equal chance to get promotions. Those who stayed on in a job after they got married continued to get promotions.

The number of women as team leaders or managers becomes less only because they left the job after a certain number of years. There is therefore no difference between the earnings of men and women respondents. Incentives were based on personal efficiency.

Table VI: Job Level of Employees

Job Level	Men	Women
Manager	15	11
Team Leader	23	20
Data Analyst	62	69
Total	100	100

The study revealed that the employees enjoyed the work environment and the attractive

emoluments in KPOs. India is a conservative country where we find clear demarcation between the behavior of men and women both in the household as well as in working sector. The work environment in KPOs has a very different approach. KPOs are very modern in their approach. The women are as confident and efficient as their men counterparts. In a previous research women were primarily viewed as women rather than professionals³. A woman boss was acceptable in KPOs. Both men and women employees in KPOs felt that it was important to be considerate and patient as leaders and managers. It was immaterial whether the boss was a male or female.

Psychological Factors

Men and women respondents were motivated with good salaries and perks. Further women were treated equally and the work environment was very friendly. These were the motivational factors at work. The family income of the respondents also received a boost.

However, one of the problems faced by employees was long hours of work leading to health problem. Only 20% employees did not have any health problem. The rest 80% of the respondents complained of some health problem which was due to the work structure in the KPO. The night shifts and long hours of working in one posture (sitting) and meetings for several hours at a stretch led to multiple health problems such as sleep disorders, backache, earache, leg cramps and indigestion. A person had all three problems like headache, backache and sleep disorder. Another person had leg cramps and eye strain. (Therefore, the number in the table does not add up to 100. It is showing more than 100.) A detailed health problem is given in Table VII.

Table VII Health Hazard

Problems	Men	Women
Backache	75	74
Leg Cramps	20	11
Sleep disorder	50	50
Eye strain & headache	08	10
No health problem	25	15

³ Kokila Parthasathy (1994) found that many women felt that men have not accepted them in professional roles because they did not like the excuses that women made about not being able to travel or about staying late at work or putting family before work and because they are non assertive.

Section III : Human Development through Socio-economic Changes in India

This section discusses changes which have taken place in India, which are reflected through this study on KPOs. There has been a change in society's outlook towards working women. The KPO work environment facilitates women working in night shifts and in equal positions with men. "Differences in occupational gender are influenced by social and personal factors"⁴.

Migration of Employees

There was wide scale migration as employees have come from various parts of India to work in KPOs. This is a new service industry requiring a lot of employment. A large number of young people from other states of India came to Delhi to take up jobs. Students from Delhi found jobs in Hyderabad and Bangalore. There were women from Kerala, Calcutta, Gujarat and North Eastern States of India. Table VIII supports this view as large number of both men and women respondents (almost 50%) are living in rented accommodation and also living as paying guests. Migration of both male and female employees from one State to another State in India has brought about a cultural mingling of people from different states of India. This has brought about learning of cultural pattern and changes in food habits of people. This has a good effect on the youth of India.

Table VIII Accommodation of the employees

Accommodation	Men	Women
Own house	52	55
Rented house	24	20
Paying Guest	24	25
Total	100	100

Acceptance of Female Employees

The study did not find any gender discrimination in job levels of employees working in a KPO. Being a modern and westernized environment there is a lot of acceptability of both men and women working in this industry. Even women bosses are well accepted. Both men and women find it comfortable to work under a woman boss.

⁴ Read Linda Brannon (1999) Gender Psychological perspectives Allyn & Bacon, United States of America.

Contribution to Family Income

Changes can also be seen through the contributions of both men and women to family income and in their decision making process at home. In India women were not accepted as bread winners and consequently their income was never used as part of family contribution. Economic independence for women was regarded as disruptive of family life and for married women it was considered as one of the factors, which made them unsuitable for marriage⁵ However now the scenario has changed in India. Women are now working and also contributing to the family income.

Decision Making

The study also looked at the decision making process of the respondents within the family. It was found that earlier girls had no role in decision making. Table VIII depicts that both men and women respondents are now taking decisions mutually as well as independently. This is in sharp contrast to an earlier phase in India where women were not regarded as part of family decision makers. The table also shows that in mutual decision making the respondents predominantly took the advice of their father rather than their mother.

Table VIII Decision Making

Decision maker	Men	Women
Self	13	11
Father	42	43
Mother	04	05
Mutual	41	41
Total	100	100

The study shows that with the socio-economic changes in India the family is more tolerant towards women. Men and women share equal responsibilities in decision making process and financial responsibilities within the family system. KPOs in India are a new area of employment. Rapid job expansion and the need for both men & women employees provide a new experience in India. The next section draws the conclusions.

⁵ For an indepth study on the social norms relating to status of women read Medha Dubashi Vinze (1987) "Women Entrepreneurs in India-a socio economic study of Delhi"

Section IV : Conclusions

KPOs are an employment generating industry. It has opened up job opportunities for people. Since the environment is pleasant parents do not have any objection to women applying for jobs in this sector. Women who had not stepped out of the house are also able to venture in this employment avenue because of the decent office environment.

KPOs present a very western outlook where there is no gender discrimination. The study consisted of three job levels. In every level there were equal representation of both women and men employees. In terms of income, both men and women earned the same amount at all levels. There was an acceptability of women bosses by both men and women respondents. The acceptance or rejection of boss was due to personal traits and styles of communications rather than their gender. It was also found that women are now contributing to family income as men do and their contribution is the same as the men. Even in decision making it was found that women have become more independent. They either took their own decisions or took the advice of their parents and amongst their parents they predominantly took the advice of their father than their mother. Women in the past did not play such an active role in decision making as they do now in the present condition.

The study found that the employees were from amongst business, service and professional families. Earlier in India families were conservative in allowing their children and particularly women from seeking employment outside their family house but the study reflects that now there is migration and women are ready to live alone and it is acceptable by their families. Thus the Indian society is showing a socio-economic change towards women. A very relevant aspect of the study was that there has been high degree of migration of employees from different parts of the country. Most of them are living in rented and paying guest accommodations.

One major problem is that the work structure is physically taxing. Most of the employees are suffering with health related problems. This problem is due to the continuous working.

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