

Generation O(utsource)

The impact of outsourcing on middle class Indian youth

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Posted on AutochthonousDiaspora.com
October 22 2006

BPO, outsourcing, call centers – buzz words in a globalizing world where communications and new business models are changing the way the world works and how the bottom line is calculated. We live in an era when information and communications technologies (ICTs) allow Mary in Kentucky to call Debra at Publishers Clearing House, to ask her about her latest magazine subscription – and be none the wiser for the fact that she is actually speaking to Debjani half way around the world in India. Businesses, big and small, are making the transition to lower cost labour markets at an incredible rate: outsourcing, as an industry, employed a total of about zero people in India 6 years ago. By 2008 it will employ a million people and be worth US\$25 billion.¹ Much of the research on the outsourcing industry is on the cost-benefit and efficiency of the industry. But what about the people involved and the cultural implications for India as a million of its young elite – the next generation of decision makers – come out of university and straight into a business where they are asked to leave their culture, history and accent at the door? This paper will look at the implications that outsourcing, in the form of the urban call centre, can have for urban middle class youth from a socio-cultural perspective. It will also touch on political and economic implications as it would be impossible to remove such things from an analysis such as this. Firstly, let me define both call centers and “middle class Indian youth.”

Call centres are “the factory floors of the 21st century,”² where information is the mass produced commodity, ICTs the production line and computers the tools of the trade. Or, as Papia Raj, a researcher at McGill University defines it: “A physical location where calls are placed, or received, in high volumes for the purpose of sales, marketing, telemarketing, customer service, technical support or specialized business activity.”³ Call centres involve large numbers of individuals sitting in front of

1 http://story.news.yahoo.com/news?tmpl=story&cid=5...&u=/nm/20040609/lf_nm/life_india_callcenters_dc_1;

[Call Centers Fuel Social Change in Traditional India](#), Reuters Features; Maria Abraham, Jun 9 2004

2 <http://knowledge.wharton.upenn.edu/article.cfm?articleid=540#> ; [Telephone Call Centers: The Factory Floors of the 21st Century](#), Knowledge@Wharton, April 10, 2002

3 [Changing Lifestyles among Indian Youth: A Study of Call Centre Employees in New Delhi](#); Raj, Papia; PhD

computers on “the floor” - the room in which they will spend 10 to 12 hours a day taking calls from all over the world. Each call center may handle calls for multiple contracts and while one person may be answering calls about magazine subscriptions, another might be fielding a question regarding the API interface for Macromedia's latest program while yet another is getting shouted at by a grumpy man who's credit card has been canceled. Oddly enough, in this environment it may not be the workers who make the most difference from a business standpoint, but rather the bottom line is effected more by “high quality software and hardware than...workers with better skills”⁴ meaning that the employee pool can be, potentially, very diverse and relatively unskilled. But this is not usually the case.

Call centres look primarily for young, recent graduates and current university students, with good command of English (or other major language). These employment criteria put the labour pool specifically within the educated middle class as this is the strata of society which a) learns English and b) doesn't necessarily have so much money or connections to not need a job, or get a job working for “the family business.” Specifically, I will define the middle class Indian youth as: 18-35 year olds, educated (or currently enrolled in educational programmes), urban and with parents who work in “white collar” jobs. But what is it that attracts this middle class urban educated crowd?

Mr Praful Bidwai, and author for a leading Indian newspaper, claims that call centres draw in those who “have an undergraduate degree and nowhere else to go.”⁵ Some call centre employees however see it not as a last resort job, but as a great opportunity: “The pay is absolutely fantastic'...[it's]about the same as a newly qualified doctor.”⁶ Others treat it as a way to improve their English before applying to schools or jobs in the US or UK,⁷ while others still see it as one of the few

dissertation, Unpublished

4 Knowledge@Wharton, April 10, 2002

5 http://news.bbc.co.uk/2/hi/south_asia/3292619.stm; Call centres 'bad for India'; BBC News; 11 December, 2003

6 http://news.bbc.co.uk/2/hi/uk_news/england/norfolk/3623993.stm; Call centre is 'my dream job'; BBC News; 14 April, 2004

7 Raj, Unpublished

'socially acceptable' jobs available for middle class youth, especially women. Anyway one looks at it, there are very distinct advantages to working in a call centre. But if having such a high paying job is such a good thing, then why do we see such a high turnover rate in employees?

Turnover rates in call centres can be as high as 40% in any given year and this is often put down to 'employee burnout.' This burnout is a result of many factors, such as sleeplessness, depression, stress and even ear infections.⁸ Professor Emilio Castilla from Wharton Business School puts it simply that “In a call center, certain jobs such as answering phone calls for eight [to twelve] hours can be tiring, annoying and tedious.”⁹ So while it is a well paid job, the working conditions leave a lot to be desired. But what this boils down to is that the call centre industry, while it may be employing 1 million people by 2008, has employed and thus impacted, a much larger number of people. The impact of call centres are multi-fold: social, cultural, economic and political. Let me first tackle the former of those two.

The social impact of call centres is often felt most acutely by employees working the night shift because while they are awake, the rest of India is asleep. This means that the only social connections that employees can form are with others working in the same industry, and on the same shift as them.¹⁰ For example, one trend which was observed by Ms Raj in her research was that dating habits amongst call centre staff tended to show a correlation between shift changes and relationship changes. That is to say that people would enter into relationships primarily with those on the same work shift – and thus same sleep schedule – as them and if, or when, they were re-assigned to another shift, the relationship would end and another would be entered into with someone on the new shift. Forms of socializing also change. For example, companies will often hold a large number of office parties during the year with dual motives: keep employees happy, and get them more in tune with the culture they are dealing with.

8 BBC News; 11 December, 2003

9 <http://knowledge.wharton.upenn.edu/article.cfm?articleid=742#> ; Call Centers: Using Social Networks to Spur Staff Retention and Productivity; Knowledge@Wharton ; April 09, 2003

10 Raj, Unpublished

“Most of [the employees] have no social life outside the office” so offices organize “parties that keep the place rocking and enthusiasm levels high.”¹¹ These parties attempt to be western in style – discos, 'Hawaiian nights,' drinking parties etc as yet another avenue through which employees can be acculturated to the country they work with. This type of lifestyle can be quite counter to prevailing social norms and cultural rules.

Culturally, call centre employees are often seen as rebellious and overly liberal because of the lifestyles they choose, and are encouraged, to lead. For example, with dating habits, in India it is often very unusual for boys and girls to openly date and even more unusual for them to be physical in public. However, Raj notes that the youth in call centres often find themselves not only dating more people and changing partners much more frequently, but she also found that they were much more likely to move in with each other after a very short period of time. This causes quite a few problems with parents who do not like the idea of sons and daughters adopting 'American dating habits'¹² and for whom this can be quite a social embarrassment amongst friends and relatives who see this behavior as immoral or 'un-Indian'. It has been seen to lead to fights, and along with the large amounts of disposable income that these workers are making, has led to many young workers moving into their own apartments – a break from more traditional live at home and extended family networks. Additionally, not only are call centre workers picking up habits and cultural traits from the countries they work with, but they are also specifically asked to give up their own culture. 'Cultural and accent neutralization' are key training tools used by employers in order to create a sense of illusion which callers are more comfortable with. Employees are asked to read western newspapers, TV shows, music and watch Hollywood movies as well as speak only in the language and accent of the clients they are dealing with from the minute they

11 <http://knowledge.wharton.upenn.edu/article.cfm?articleid=641> ; Call-Center Workers Straddle Two Continents and Cultures ; Knowledge@Wharton ; October 09, 2002

12 Raj, Unpublished

enter the office to when they leave¹³. In other words, they are asked to leave their own background, voice, culture and even name at the door – forget where they have come from and live only in the place they are working in. This kind of cultural assimilation often continues outside the office, rather than the employees leaving it all at work.

This assimilation can also be seen in the spending patterns of call centre employees as well. Because these workers are making a relatively large sum of money, many begin to want “nothing but the best” and look to buy the latest mobile phones, cars, liquor and brand name goods.¹⁴ This has affected the face of retail outlets in Delhi which have begun to cater much more to this rapidly emerging consumer group. Brand name department stores with AC, flashy signs and western stores are quickly replacing the more traditional store front selling Indian goods and imitation western products. From a macro-economic perspective, this small number of consumers has driven up prices for everyone in urban areas, effecting especially those who are the worst off and would never have a hope of affording a Rs4000 pair of Levi jeans – because that is what they earn in a year. Raj notes that this lifestyle and spending pattern continued even after workers left the industry.¹⁵

As was noted earlier, there is a very high turnover rate in the call centre industry. If it is true that the lifestyle picked up while working at a call centre carries on after workers leave, then there is and will be a rapid buildup of westernized and consuming urban youth with different social and cultural ideals and a different view on spending than their parents. This means that they will also have different political views and aspirations. It is not small thing that the majority of call centres and call centre staff are located in and around New Delhi, the political capital of India. As Generation O grows older and becomes politically aware, what will that mean for the political scene of the country? Will we see a push against corruption? Will we see development goals changing? Will we see economic and social

13 Raj, Unpublished

14 Reuters, June 9 2004

15 Raj, Unpublished

policies which are influenced by a western mindset rather than an Indian one? These are all questions that only time will be able to tell us.

So, as this paper has hopefully shown, outsourcing has had a dramatic social and cultural impact on Indian call centre workers and on the country as a whole. It will continue to challenge social mores and beliefs for a long time to come. This group is a very visible, but very small, portion of the society and policy makers need to be sure to look at what this will mean for domestic economics, politics and society. But, at the same time, it puts India in a special position to interact with other countries and companies in a new way. A new breed of worker has been trained that is able to understand, and interact with, a much broader range of global enterprises on their terms. This places India in a very good position to take advantage of new opportunities and linkages which are being formed and for Indian employees overseas.

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