
IT Enabled Services and Preference of Youth: An Exploratory Study

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Abstract

Information Technology (IT) has invaded all the sectors of our life, whether it is personal or professional. People consider that after the big bang theory, this is the biggest revolution in the world that has changed the way things are done. No industry is excluded from the embrace of IT application. There are various places where IT is applied for processes. ITeS (IT enabled services) is one of them. ITES is referred to as outsourcing of the processes that can be enabled with the application of IT and covers various areas like telecom, finance, administration, manufacturing etc. In a state like Madhya Pradesh, the youth has many career aspirations; some of them are inclined towards IT enabled services as well. However, this trend or inclination is lesser as compared to the metropolitan cities. The research has been conducted on 150 youth in Indore city to explore the preference pattern of youth aspirants towards ITeS as a sector of employment. The data were analyzed and interpreted by analysis of variance and significant results were obtained.

Keywords: *IT Enabled Services, Youth, Aspirants, Preference and Career.*

Introduction: ITeS is outsourcing of the processes that can be enabled with the application of IT. The gamut of ITeS covers various areas like telecom, finance, administration, manufacturing etc. The scope of ITeS is more than what it is at present. There are new areas which have been covered by ITeS. The main approach of ITeS is about handing functions like: customer relationship, payroll, accounting or other management activities to a third party service provider. Outsourcing is essentially a basic redefinition of the corporation around core competencies and long-term relationships (Pati and Desai, 2005).

There are various reasons for outsourcing of processes and activities through ITeS: to free the resources and concentrate on core strategy, to improve processes and save money, to increase core capabilities, flexibility in operations, to gain competitive advantage. In an organization, IT enabled services helps to enhance the flexibility of the processes in different ways. This facilitates the organization in becoming more flexible by the means of conversion of fixed costs into variable costs. This variable cost structure facilitates the organization towards responding to the changes in the required capacity. Besides, it does not need an organization to invest its capital in various assets, thereby making it more flexible and adaptive. Scale and scope of sourcing of business services from across firm and national boundaries is increasing (Sharma and Loh, 2009). A significant characteristic of ITeS is its capability to free the executives from some of their day-to-day routine management activities. In India, the ITeS activities range from Customer Relationship Management to Customer

Care, Human Resource Management, Banking and Finance, Administration, Technical Services and Knowledge Services (transcription).

India and BPO: In terms of the estimates made by NASSCOM (the apex organisation in IT), by the year 2022, the size of the Indian IT and ITeS sector would reach higher. The domestic part of IT & ITeS would grow more than five times and would reach from 40 billion US Dollars to 219 billion. Similarly, the exports would also grow more than five times from 12 billion US Dollars to 62 billion. The figure shows the projections keeping in mind compounded annual growth returns of 12.8 percent. This shows that the future is bright for ITeS in India.

Indian Youth and Career Planning: Youth represents zeal with high ambitions and tremendous energy. The Indian youth wants to live a materialistic life surpassing their parents' salary. To fulfill these aspirations, they take admission in schools and colleges. At the end of their formal studies, they enter their chosen field of employment. This field is chosen after years of planning from parents, friends, relatives, and teachers other reference groups and self. Each individual characteristic associated with career motivation corresponds to a situational characteristic and a career decision (London, 1983).

When we have a look at past career trends in India, there were limited fields like: engineering, medical, management, civil services etc. After opening of Indian economy, many new career avenues have emerged which are more promising and rewarding like IT, aviation, animation, designing, event management, advertising &

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public relations. Due to one of the most rewarding career options, many of the youth aspirants in India are now turning towards IT industry. Though it has suffered due to recession, yet it has been the lucrative option among the youth.

Literature Review: A brief review of the existing research in this field is presented in following section:

Preston and Biddle (1994) in their research found that a small percentage of individuals consciously plan their career path; rest are dependent on others. Most career programs use static processes rather than dynamic action learning process. Drier (2000) delved into career planning with reference to comprehensive guidance programs. Parents, employers and teachers enhance the career planning process by expanding student options, encouragement, and motivation, mentoring, and providing career life experiences. Dhesi (2001) studied relation between expectations and post-school choice in Indian youth. The incentive structure significantly influences expectations of Indian youths in shaping their career plans.

Wolfgang, Johannes and Schiffinger (2005) studied the relationship between career aspirations and individual characteristics on Austrian students. People tend to move into *career* fields that are congruent with their personal qualities. Mehta and Irani (2006) explored challenges and opportunities in Indian BPO. The major themes emerged from primary content analysis were: career & business prospects, HR issues, motivation & stress, work environment, customer relations, competition, costs and quality in BPO. Agarwal (2008) explored the influence of various factors on career choice of management students in India. Skills, competencies and abilities were important factors influencing the career choice of Indian students. The predominant cultural value was collectivism, although the students demonstrated individualist tendencies in some contexts. According to Panda (2012), the IT and ITeS industry in India has been leveraging its brand with outsourcing the non-niche activities to most of the companies in the sectors like-banking and finance, insurance, telecom etc.

Research Objectives: The major objective of the research was to study the preference pattern of Indian college goers towards IT industry. The role of friends & family members on joining IT has been covered in this study. Response from young aspirants was collected and data was interpreted using various statistical techniques. In a nutshell, perception of young aspirants towards IT sector has been explored.

Methodology:

Sampling: It was a research to study the preference of young aspirants towards IT industry in India. There were

150 respondents chosen from Indore, the commercial capital of MP. The respondents included students studying in class 12th from reputed schools in Indore. Many of them have planned or were planning their career in certain directions. Some of them have not planned for IT industry, but knew well about it. This was a simple, non-probability sampling. There was no age and gender criterion for selecting the respondents.

Tools for Data Collection and Analysis: Secondary data were collected from various sources like- journals, books, Internet, newspapers, business magazines etc. For primary data collection, a questionnaire containing 16 statements was used based on Likert five point scales. The statements were related to growth opportunities in ITeS, work environment, rewards, influence of family and friends, performance factors etc. The collected data was tabulated in Excel sheet and analyzed by using SPSS (Statistical Package for Social Sciences) and analysis of variance (ANOVA). Item to total correlation was applied before factor analysis to check the significance of items in the questionnaire.

Hypotheses: The null hypotheses were as follows:

H₀₁ – There is no significant difference in youth aspirants' preference towards IT jobs in Indore city.

H₀₂ – There is no significant impact of friends and family members on joining IT sector.

The above hypotheses were tested and results were drawn.

Results and Discussions: Item to total correlation was applied to check the significance of items in the questionnaire. There were 17 items (statements) in the primary data collection instrument (questionnaire). By applying the formula, correlation value for each item of the questionnaire was observed to be higher than the critical value of the Pearson correlation coefficient (.195) at .05 level of significance. Therefore, all the statements in the questionnaire were included for factor analysis. Principal component analysis was applied by using iterations and sorting was done by size. Factor analysis identified five factors that represented preference of youth aspirants towards IT sector in India. These factors are mentioned in table 1. Description of factors is as follows:

Factor 1: IT advantage: This factor constituted of enhanced growth opportunities and progression (factor load of 0.718), rewarding field for youth (factor load 0.647), challenging work environment (factor load 0.505), relevant skills (factor load 0.462), flexible working time (factor load 0.279) and the total factor load was 2.611 with 9.67 percent of variance. This factor highlights the inherent advantages of ITeS industry for

youth. The ITeS has risen to the forefront of discussions about job quality because of the rapid growth of new forms of work organization over the past decades (Hannif, Burgess and Connell, 2008).

Factor 2: Career influencers: This factor constituted of influence of people (factor load 0.748), friends' influence (factor load 0.485), family factor (factor load 0.347), other reference groups (factor load 0.305), and the total factor load was 1.885 with 7.24 percent of variance. The career decision of youth is influenced by the family members, friends and other groups. Family contexts defined by social status have associations with youth *aspirations* and small significant associations with occupational *aspirations* (Kevin, 2002).

Factor 3: Financial aspects: This factor constituted of lucrative pay package (factor load 0.791), financial conditions (factor load 0.867), lavish life (factor load 0.642), disposable income (factor load 0.124), and the total factor load was 1.633 with 6.07 percent of variance. ITeS is seen as a tool for generating revenue and for helping quantify the value of each customer to the company. With higher start at entry level, many youths aspire for this field.

Factor 4: Performance factor: This factor constituted of working with quality factor (factor load 0.485) and performance level (factor load 0.379) and the total factor load was 0.864 with 5.73 percent of variance. In ITeS sector, high standards of performance are expected from incumbents. Anybody not complying with such standards will not sustain in this sector.

Factor 5: Work culture: This factor constituted of challenging work environment (factor load 0.576) and working style (factor load 0.364) and the total factor load was 0.944 with 4.45 percent of variance. The work culture of IT sector has always attracted youth. Young workforce has much to get influence from the working culture (Taylor, 2005). When they see the campuses of IT companies, they are highly influence by it.

Results of ANOVA: After factor analysis, ANOVA was used to analyze the variance to which a response is subject into its various components corresponding to various sources of variation. To test the null hypotheses and draw the results about whether the samples have been drawn from population having the same mean, ANOVA was used. Representative statements from the questionnaire were selected in a group of three for analysis of variance.

These statements together represented the theme of subject matter. The positive response of statements was measured and tabulated to perform analysis of variance. Using one-way ANOVA with the help of coding method, the analysis was done. The sum of squares, degrees of

freedom, mean square and F-ratio was determined and arranged in ANOVA tables as shown in the appendix. The table values were compared with calculated values of F-ratio and hypotheses were tested. The result of hypothesis testing is as follows:

H₀₁ – There is no significant difference in youth aspirants' preference towards IT jobs in Indore city.

The ANOVA table has shown calculated value of $F=5.386$ which was higher than the table value of 5.14 at 5% level with degrees of freedom being $v_1=2$ and $v_2=6$. Hence the above null-hypothesis was rejected. Significant difference was found in youth aspirants' preference towards IT jobs in Indore city. Now people in tier II cities of India are becoming more employer-ready in terms of IT industry. Their level of career awareness, career priorities, information about sector, and fluency in English language is higher. They know much more than their parents know about the career options. Informational access has made them equipped with all.

H₀₂ – There is no significant impact of friends and family members on joining IT sector.

The calculated value of F from ANOVA table was 4.404 which was less than the table value of 5.14 at 5% level with degrees of freedom. Hence the above null-hypothesis was accepted. It can be inferred that while planning for career in IT sector, friends and family members do not have much influence. The youth takes career related decisions in accordance with the latest market trends and demands; though it does not ignore the role of family and friends. Dependency on family reference is getting declined in terms of career decisions of youth (Lim et al., 2008). In a city like Indore, the youth has now more autonomy to choose career path. From the respondents' viewpoint it can be inferred that friends and family members have much to influence the career path, but not in all the cases.

Conclusions and Implications: The study has determined five factors with regards to ITeS preference of youth. Out of data interpretation, it can be inferred that youth gives serious consideration to ITeS sector while career planning. They know well about the advantages of this sector in terms of rewards, challenges and other uniqueness of IT sector. There are some of them who want to launch their own IT company after getting hands-on experience in this sector.

The result also suggests that in Indore, employer readiness towards ITeS sector is more among youth aspirants. These youth aspirants include residents of Indore cities as well as other places. Their level of career awareness, career priorities, information about various sectors and fluency in English language is fairly higher as compared with others. The result indicates that there is a

tendency of people to adapt to IT culture easily. The youth aspirants have fair opinion towards IT sector when they want to work with global clients. They feel that it increases their employability and smartness of working. Similarly, performance is another factor that IT sector is known for.

This study leaves much scope for HR managers in IT sector specially in Indore, where Infosys and TCS have recently laid foundation for their campuses in this city. There are many other companies which are eyeing on Indore as potential city. Significant work can be done towards attracting the youth towards IT sector and making it a lucrative career option for them.

The study was confined to youth aspirants' response in Indore. The findings of the study should not be generalized for all other cities of India especially metropolitan cities. The results may differ in case of other cities as well as other respondent groups. Further studies can be performed on a large sample size and comparison can be done on the basis of age groups, gender and educational status of youth aspirants.

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Appendix:

Table 1: Factor analysis showing constituent factors with factor load:

S.No.	Variable No.	Factor No.	Percentage of variance	Total factor load	Factor name
1	VAR00005	Factor 1	9.67	2.611	IT advantage
	VAR00001				
	VAR00006				
	VAR00008				
	VAR00009				
2	VAR00002	Factor 2	7.24	1.885	Career influencers
	VAR00013				
	VAR00014				
	VAR00010				
3	VAR00004	Factor 3	6.07	1.633	Financial aspects
	VAR00012				
	VAR00007				
4	VAR00015	Factor 4	5.73	0.864	Performance factor
	VAR00011				
5	VAR00003	Factor 5	4.45	0.944	Work culture
	VAR00016				

Table 2: ANOVA table for H_{01}

Source of variation	SS (sum of squares)	d.f. (degrees of freedom)	MS (mean square)	F-ratio	5% F-limit (from F-table)
Between sample	1158	(3-1)= 2	1158/2 = 579	579/107.5= 5.386	F (2,6) = 5.14
Within sample	645	(9-3)= 6	645/6= 107.5		
Total	1803	(9-1)= 8			

Table 2: ANOVA table for H_{02}

Source of variation	SS (sum of squares)	d.f. (degrees of freedom)	MS (mean square)	F-ratio	5% F-limit (from F-table)
Between sample	872	(3-1)= 2	872/2 = 436	436/99= 4.404	F (2,6) = 5.14
Within sample	594	(9-3)= 6	594/6= 99		
Total	1466	(9-1)= 8			