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RESEARCH ARTICLE

DIGITAL INDIA- ROLE OF INDIA BPO PROMOTION SCHEME (IBPS) IN EMPLOYMENT GENERATION IN INDIA (WITH SPECIAL REFERENCE TO PROJECT EXECUTED BY SOFTWARE TECHNOLOGY PARKS OF INDIA-STPI)

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Abstract

India in the recent years has known for huge developments in the areas of Information Technology, power and software developments. Software Technology Parks of India has performed a vital role in maintaining this status. STPI has shown their excellent Infrastructure and Statutory support with an objective towards the growth of Information Technology in the country. Software Technology Parks of India (STPI), is a society set up by the Ministry of Electronics and Information Technology (MeitY), Government of India in the year 1991, with the objective to encourage, promote Software Exports from India. This paper highlights the initiative taken by Software technology Parks of India (STPI) towards the implementation of (IBPS) India Business Process Outsourcing Promotion Scheme in small towns and cities i.e. Tier-II and Tier-III cities of the country to generate employability and rapid economic growth. IBPS proposed under Digital India Programme seeks to stimulate establishment of 48,300 seats in respect of BPO/ITES operations all over the country. Seats are allocated among each State in proportion of State's population with an outlay of Rs. 493 Crore. In this study the employability ratio of men and women can be analyzed. BPO Industry is one of the fastest growing sectors around the globe. It has huge prospective regarding growth and development due to its lower overhead cost without sacrificing quality and productivity. It increases efficiency, shared risks, reduced operating cost and creates more time to focus on core competencies. These reasons make organizations convinced toward outsourcing today. IBPS BPO would encourage Smart Digital Enterprises across the country and generate employment opportunities for youth locally by promoting investments in BPO / ITES Sector. The main aim of the scheme is to provide employment to the youth of the tier-II and tier-III cities of the nation without being migrated to other cities in search of employment. This paper is completely descriptive in nature and the secondary data have been used to reach up to the outcome of the study. Objective of the paper is to depict the importance of the India BPO promotion scheme to generate employment in II Tier and III tier cities in India. Correlation analysis would be used as statistical tool in this paper.

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Introduction:-

Digital technologies always created new opportunities for business enterprises. BPO Provides full range of services like Customer support services, Technical support services, Telemarketing services, Employee IT help desk services, Insurance processing, Data conversion service etc. and is helpful to generate employment in smaller cities

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and towns of India. India certainly is the best place for BPO schemes because the country is enriched in large and skilled human resources which is the most essential requirement for the operations of BPO sectors. Indian has converted this strength in to success of Business Process Outsourcing industry and became best BPO destination in the world.

India is growing in the field of Information Technology and it is looking forward to become a superpower. Software Technology Parks of India has played a vital role to maintaining this status. Today, Software Technology Parks of India have become the world's premier infrastructure and statutory services provider with a purpose to develop the field of information technology on a global scale.

Under the Ministry of Electronics & Information Technology, Software Technology Parks of India was established and registered as an Autonomous Society under the Societies Registration Act 1860. On 5th June 1991 Government of India decided to promote IT exports from the country and implement STP Scheme, set-up and manage infrastructure facilities and provide other services like technology assessment and professional training.

The **objectives** of the Software Technology Parks of India are:

1. To promote the development and export of software and software services including Information Technology (I.T.) Enabled Services.
2. To provide statutory and other promotional services to the exporters by implementing Software Technology Park/ Electronics and Hardware Technology Park Schemes
3. To provide data communication services including value added services to IT / IT Enabled Services related industries.
4. To promote micro, small and medium entrepreneurs by creating conducive environment for entrepreneurs in the field of IT / IT Enabled Services.

India BPO Promotion Scheme:

The India BPO Promotion Scheme (IBPS), is a Digital India Programme, to enable BPO/ITES operations across the country excluding the state of North East Region for which a separate North East BPO Promotion Scheme is put in place with an objective to create employment opportunities for demography of the region as well as growth of IT/ITES industries. Software technology Parks of India (STPI) implemented (IBPS) India Business Process Outsourcing Promotion Scheme in small towns and cities i.e. Tier-II and Tier-III cities of the country to generate employability and rapid economic growth. With the implementation of the scheme there is a visible growth of direct employment at pan India level. Apart from this indirect employment viz. food marts, tea vendors etc. has also been perceived to be increased in the regions where the scheme has been implemented.

IBPS started initially with 48,300 seats in respect of BPO/ITES operations distributed proportionally in each state according to the proportion of State's population. Financial implication for such scheme was up to 1 Lakh per seat in the form of Viability Gap Funding (VGF), with an outlay of Rs. 493 crore up to 31.03.2019. Seats allotted in the states are 51297 till the date. STPI is able to leverage its impressive credentials and expertise towards successful implementation of this scheme and help to achieve the vision "to transform India into a digitally empowered society and knowledge economy" of Digital India Initiative. Total operational seats are 47734. Reportedly 36480 persons are employed in which 62.2% men and 37.8% women got employability through this IBPS scheme in India. Seats allotted and distributed in the states across the country is as under:

Graph-1:-

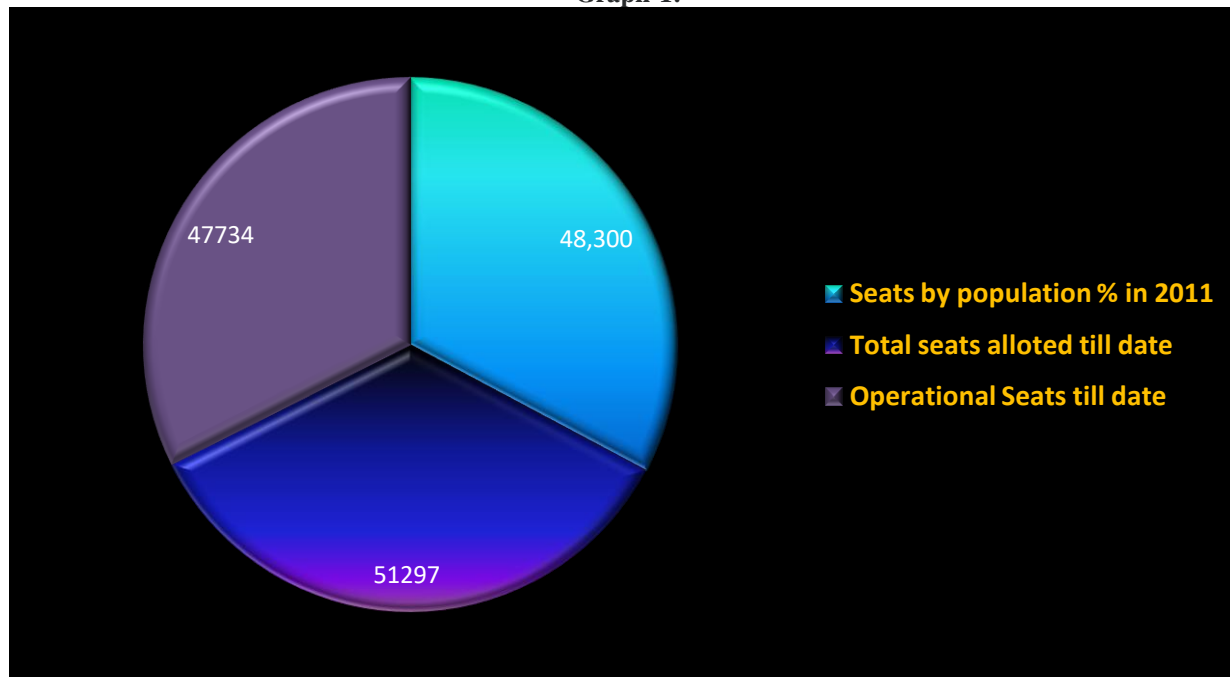


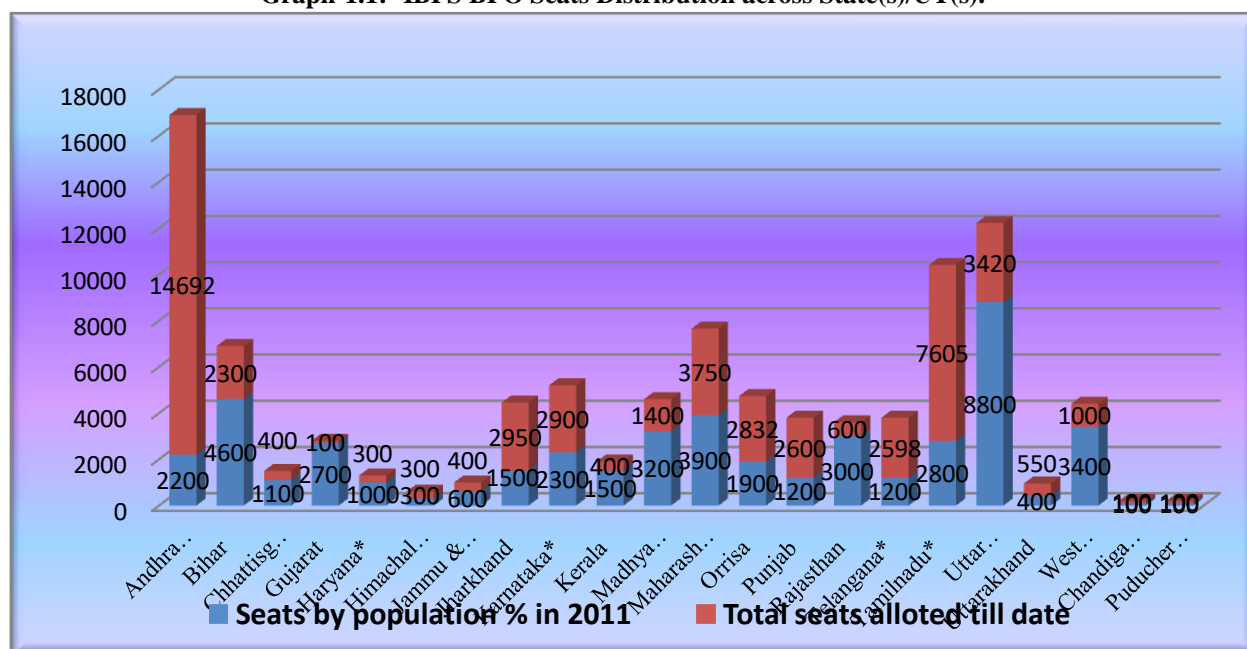
Table-1.1:- IBPS BPO Seats Distribution across State(s)/UT(s).

S.No.	State/UT	Seats allotted initially in 2011	Total seats revised and allotted till date 2020
1	Andhra Pradesh	2200	14692
2	Bihar	4600	2300
3	Chhattisgarh	1100	400
4	Goa	100	0
5	Gujarat	2700	100
6	Haryana*	1000	300
7	Himachal Pradesh	300	300
8	Jammu & Kashmir	600	400
9	Jharkhand	1500	2950
10	Karnataka*	2300	2900
11	Kerala	1500	400
12	Madhya Pradesh	3200	1400
13	Maharashtra*	3900	3750
14	Orrisa	1900	2832
15	Punjab	1200	2600
16	Rajasthan	3000	600
17	Telangana*	1200	2598
18	Tamilnadu*	2800	7605
19	Uttar Pradesh*	8800	3420
20	Uttarakhand	400	550

21	West Bengal*	3400	1000
22	Andaman & Nicobar Island	100	0
23	Chandigarh(U.T)	100	100
24	Dadra & Nagar Haveli	100	0
25	Daman & Diu	100	0
26	Lakshadweep	100	0
27	Puducherry (U.T)	100	100
	Total	48,300	51297

Source: <https://meity.gov.in/ibps>

Graph-1.1:- IBPS BPO Seats Distribution across State(s)/UT(s).



Objectives of Scheme:-

1. This scheme would be helpful to create right eco-system required for the growth of smaller towns and bring prosperity in India.
2. Creation of employment opportunities for the youth, by promoting the IT/ITES Industry particularly by setting up the BPO/ITES operations in tier II and Tier III cities of states across the India. h
3. Promotion of investment in IT/ITES Sector in order to expand the base of IT Industry and secure balanced region.

Salient Features:

1. Financial Support: Up to 50% of expenditure incurred on BPO/ITES operations towards capital expenditure (CAPEX) and/or operational expenditure (OPEX) on admissible items, subject to an upper ceiling of Rs. 1 Lakh/Seat.
2. Special incentives toward employment of women & specially enabled persons.
3. Incentive for generating employment beyond target & wider dispersal within state including rural areas.
4. Encouragement for local entrepreneurs.

Research Methodology:-

Justification of research:

Correlation analysis is a research tool which depicts the relationship between two variables i.e., total seats allotted in India's tier II and Tier III cities and till date and total operational seats in India's Tier II and Tier III cities till date. As it is clear that seats allotted for employment generation through India BPO promotion scheme (IBPS) and operational seats in which companies are doing their business through this scheme is related but with the help of correlation analysis we can easily find out the degree of correlation whether two variables are high degree correlated, medium degree correlated or low degree correlated. So it will be helpful to the organization to know the actual position and of their scheme that whether they are towards the progress to accomplish their objective for employment generation through IBPS. It will be helpful to predict the future and making further policies and planning for the success of the Indian BPO promotion scheme. Overall study will be helpful to understand the true picture towards the growth of the IBPS across all over the country.

Review of Literature:-

1. Dr K. Prabhakar, Professor, Velammal Engineering College (2011), in their paper titled "Comparative Situational Analysis of Business Process Outsourcing Industry In India with focus on Human Resources Issues Considering Occupational Therapists Suggestions." That explains the growth of BPO'S in India with focus on human resources issues and challenges. In spite of higher salary the higher attrition rate is one of the main challenges for the BPO industries. This paper is helpful to understand the basic nature and work culture in BPO industries and Job satisfaction and dissatisfaction reasons of the employees.
2. "Business Process Outsourcing and India" By Sumitro Mukherjee Baroda, Gujarat, India (2007). The paper is basically depicts the meaning, Concept as well factors of BPO industries. With the help of this paper it is easy to clear the reasons of an employee to join and not to join the Job in BPO. It distinguishes the global and Indian market scenario of Business process outsourcing.
3. Biswajit Nag," Business Process Outsourcing: Impact and Implications" (2004). The study concludes the rapid development of cross-border trade in services, especially in ITES. The basic driving forces of BPO Providers are cheaper labor cost, higher efficiency and better quality. The paper helps to analyze the changing nature and scope of BPO industries in India.
4. Prof. Vijay Kumbhar, Abasaheb Marathe College, Rajapur (Maharashtra),(2009).In this paper researcher analyzes the revenue generation from BPO industries in India and Top BPOs in India. Training and future of BPO in India can easily understand with this paper. The paper emphasized that "The business of BPO in India will be booming in the future."
5. Madhavi Challa Ushodaya Business school, Hyderabad, Telanganan, Quality of Working Life of BPO employees: Literature Review, (2014). The paper reviewed the problems and challenges of the employees related to BPO. This paper depicts thoughts of many researchers regarding regulations, guidance specific to this industry.
6. Economic Time, NEW DELHI (2016), Published an article on BPO promotions schemes aimed at creating thousands of jobs and create employability in smaller cities this news had received a tepid response from the industry with bids coming in only for one-fourth of the total capacity on offer.
7. Pawan S. Budhwar, Harsh K. Luthar & Jyotsana Bhatnagar, titled The dynamics of HRM system in Indian BPO Firms,(2006). The paper emphasized on the concept that which business process outsourcing (BPO) has rapidly grown in India and the Paper has critically analyzed the dynamics of human resource management (HRM) practices and systems in this sector. By using indepth interviews and self-completing questionnaires, the study is helpful to analyze the nature of HRM systems in BPO firms operating in India. The study is based on 51 BPO firms near Delhi.

Objectives of Research Study:-

1. To depict the role of India BPO promotion scheme (IBPS) in the employment generation in the states type II and Tier III cities across the country.
2. To analyze the coefficient of correlation (r) between the seats allotted to create employment and total operational seats in IBPS scheme.

Methodology:-

1. Digital India- Role of India BPO Promotion Scheme (IBPS) in Employment Generation in India (With Special Reference to project executed by Software Technology Parks of India (STPI)) To depict the role of

Indian BPO promotion scheme in the employment generation in the states tier II and tier III cities across the country and to analyze the coefficient of correlation (r) between the seats allotted to create employment under IBPS and operational seats through this scheme. The study would be descriptive in nature and it is purely based on secondary data. The data has been collected by readily available sources and other published data available on India BPO promotion scheme at STPI official website. Secondary data will also be gathered from ministry of Electronics and Telecommunication website, Journals, Magazines and published research papers as and when required. The data pertaining from the year of initiation of the India BPO promotion scheme to the data till date i.e 2020 would be analyzed to attain the said objective. The basic statistical tool would be correlation analysis.

Limitations of Research Study:

1. This study is based on secondary data.
2. This study has covered only limited time period and data is not available year wise.
3. The reliability of data is totally depended on the company.

Expected outcome of the Research:

In this research study, Correlation analysis has been done to know the degree of correlation of the Seats allotted for operational for employment generation in the tier II and Tier II cities all over the country. Through this IBPS it is easy to understand the progress and growth of India BPO promotion scheme (IBPS) in the states all over the country. It is expected that with the completion of the research paper it would be easier to depict the role of India BPO promotion scheme (IBPS) in employment generation executed by STPI in tier II and Tier III cities of the states across the India..

This study is not only useful for STPI to know the soundness of their performance regarding the IBPS scheme but it is also useful for other similar companies or those companies which are engaged in the BPO industries to develop the business of IT. Further, this study will also be helpful for management, employees, stake holders of the company, Government, creditors, debenture holders, public to understand the trend of the performance growth in the area of Information technology through IBPS to create employment for youth in all the states of India.

Correlation Analysis:

Correlation Analysis is used to find out the relationship between two variables. Correlation coefficient is helpful to determine the level of correlation between the allotted seats under IBPS scheme and the operated seats under IBPS scheme for the employment generation for youth in the states across the country. The correlation coefficient is used as statistical measures the strength of the relationship between the relative movements of two variables. The correlation coefficient is designated by the letter 'r' and it is also called as Karl Pearson's Coefficient of Correlation which is calculated by the following formula:

$$r_{xy} = \frac{\sum dx \cdot dy}{\sqrt{\sum dx^2 \cdot \sum dy^2}} \quad \text{or} \quad \frac{\sum dx \cdot dy}{n \cdot \delta x \cdot \delta y}$$

where

$dx = x_1 - \bar{x}$ [deviation of x variable]

$dy = y_1 - \bar{y}$ [deviation of y variable]

$\delta x = \text{S.D. of x variable}$

$\delta y = \text{S.D. of y variable.}$

$n = \text{total no. of observation.}$

The values range of r lies between -1 to 1. If a calculated number lies beyond the limit of 1.0 or less than -1.0 that shows there was an error in the correlation measurement. A correlation of -1 represents a perfect negative correlation, while a correlation of 1 shows a perfect positive correlation. A correlation of 0 expresses no linear relationship between two variables. Two variables of the study are Total seats allotted till date and total operational seats till date in the states under India BPO Promotion Scheme (IBPS) all over the country.

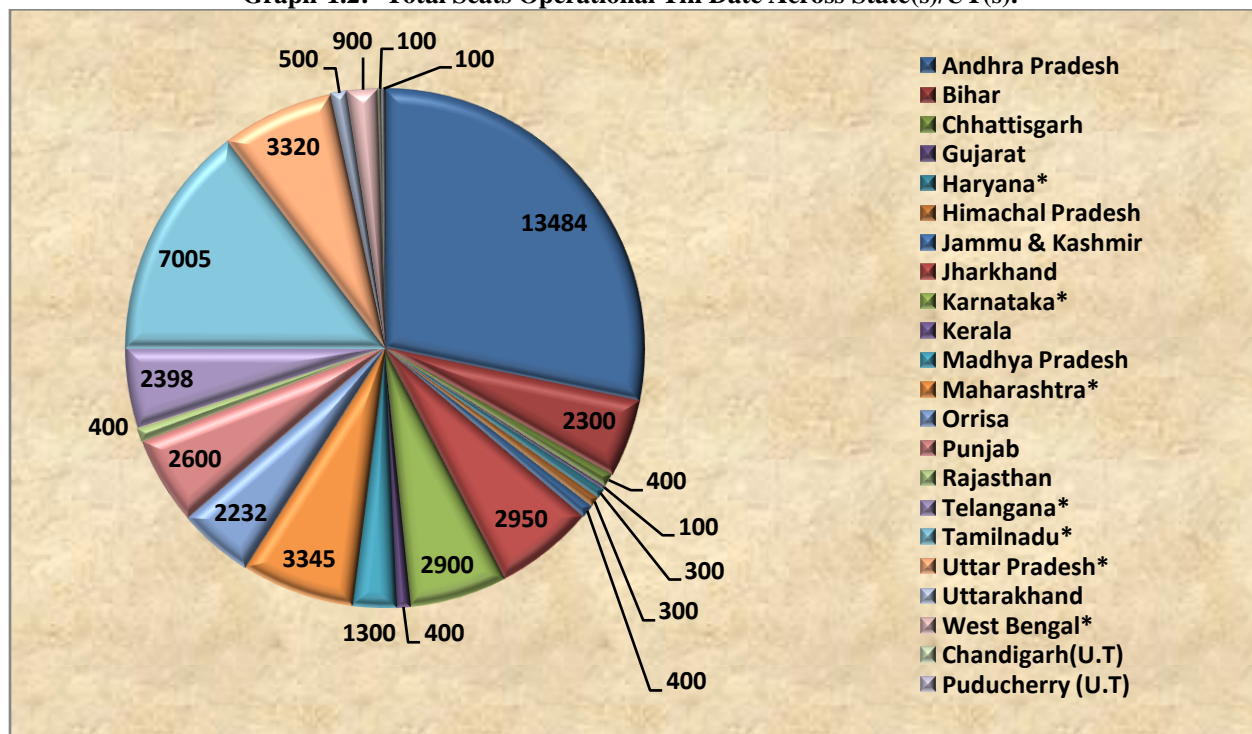
Table-1.2:- Depiction Of Ibps Total Seats Allotted And Total Seats Operational

No.	State/UT	Total seats allotted till date(x)	Operational Seats till date(y)
1	Andhra Pradesh	14692	13484
2	Bihar	2300	2300
3	Chhattisgarh	400	400
5	Gujarat	100	100
6	Haryana*	300	300
7	Himachal Pradesh	300	300
8	Jammu & Kashmir	400	400
9	Jharkhand	2950	2950
10	Karnataka*	2900	2900
11	Kerala	400	400
12	Madhya Pradesh	1400	1300
13	Maharashtra*	3750	3345
14	Orrisa	2832	2232
15	Punjab	2600	2600
16	Rajasthan	600	400
17	Telangana*	2598	2398
18	Tamilnadu*	7605	7005
19	Uttar Pradesh*	3420	3320
20	Uttarakhand	550	500
21	West Bengal*	1000	900
23	Chandigarh(U.T)	100	100
27	Pondicherry (U.T)	100	100
	Total	51297	47734

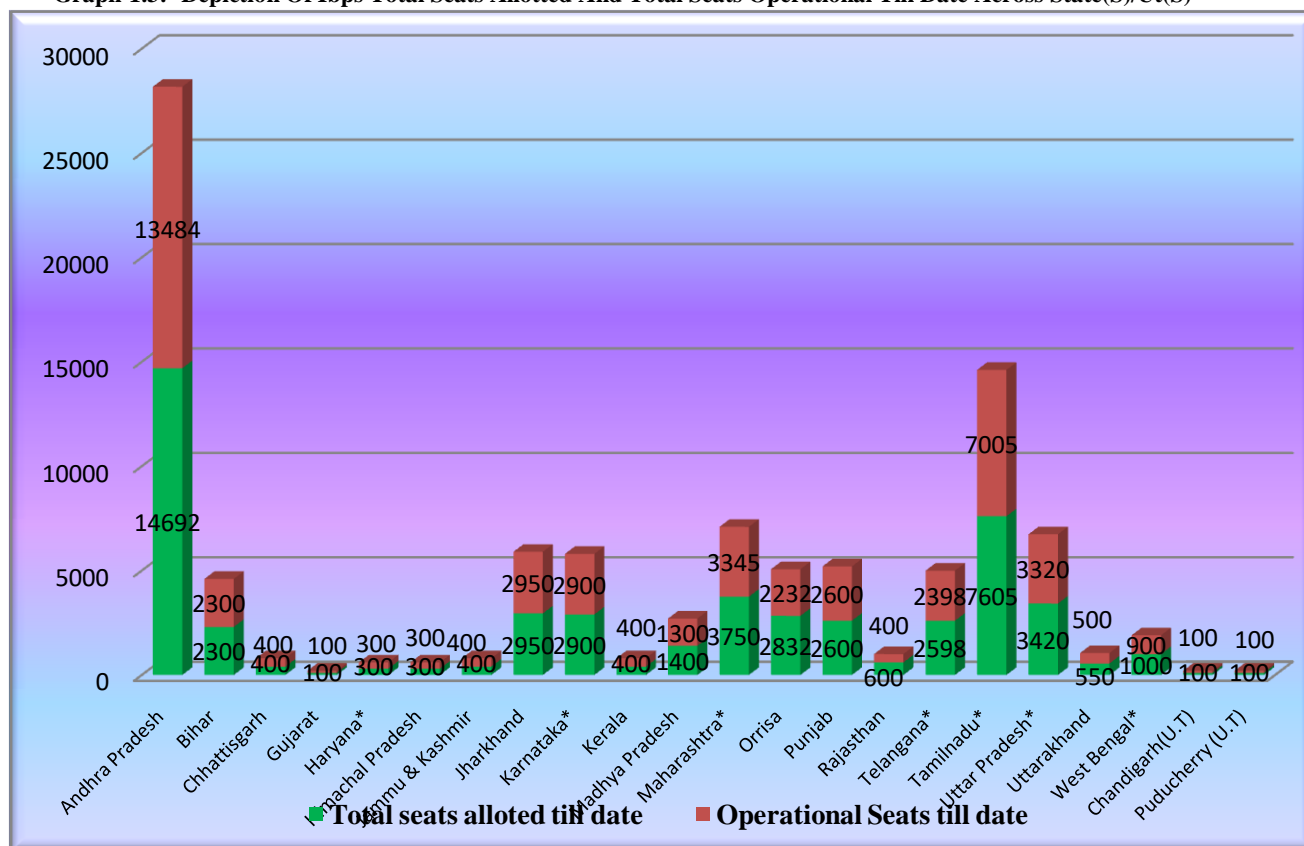
Till Date Across State(S) /Ut(S) .

Source:- <https://ibps.stpi.in/>

Graph-1.2:- Total Seats Operational Till Date Across State(s)/UT(s).



Graph-1.3:- Depiction Of Ibps Total Seats Allotted And Total Seats Operational Till Date Across State(S)/Ut(S)



Analysis:

Variables	Value of “r”	Degree of Correlation
Total seats allotted till date(x) Operational Seats till date(y)	0.99	Very High degree positive Correlation

Interpretation:

In the calculation of Correlation Coefficient, the value of “r” is 0.99 which depicts the very high degree positive correlation between the variables, that means there is high degree positive relationship between seats allotted in the states for employment generation point of view and the operational seats which are started by companies to start their business and generating employment are increasing simultaneously except few cities under India BPO Promotion Scheme than seats allotted in initial level. That means as allotted seats are increasing, operations by the companies for allotted seats are also increasing. This type of correlation where variable X is increasing variable Y is also increasing called positive correlation. The result shows the progress towards the accomplishment of the objective of BPO promotion scheme in India.

Findings:

After the analysis and interpretation of the study there are some findings of the research paper:

1. The seats initially allotted in the year 2011 and till now 2020 as per table 1.1 expresses that India BPO promotion scheme has shown its continuous growth because allotted seats has followed incremental trends till now. STPI plays a significant role in technological market especially in tier II and tier III cities in the states of India.
2. India BPO Promotion Scheme is mainly established for tier-II and tier-III cities where unemployment has been always a big issue, under this scheme people are getting employment opportunities as per their skills and caliber. This scheme is helpful for the rapid development of the information technology across the India.
3. With the help of table 1.2, the utilization of allotted seats by companies can be understood. These seats have been provided under India BPO promotion scheme to start the operations of BPO services in tier II and tier III cities of the country. It is a clear indication towards the progress of IBPS with a strong motive of employment generation in tier II and Tier III cities.
4. The important aspect of the scheme is that the seats are allotted to the interested companies through a transparent online bidding system. Moreover, the companies to whom the seats have been allotted are requested to commit the employment generation 1.5 times the total number of allotted seats.
5. There are few states which are showing not interested behavior towards India BPO promotion scheme. These states yet not started operation even not used their allotted seats which was provided in 2011 for the establishment of BPO services.
6. With the help of Correlation Analysis it is found that the coefficient of correlation(r) = 0.99, which indicates the very high degree of positive correlation. It also depicts the sound growth of India BPO promotion scheme in all over the country. It analyzes the relationship between total seats allotted and operated for BPO operations with an objective of employment generation and it is helpful to find that both are highly connected to each other because the allotted seats and operational seats have little difference numerically.

Suggestions:-

1. This scheme should be reviewed in every year at specific time by executors to get a clear picture of IBPS towards the success of employment generation in Tier II and Tier III cities across the country. It would be helpful to understand growth trend of the scheme. There should be constant increase in the number of BPO units under this scheme for the growth of IT sector in the country.
2. Each and every state should come forward and take initiatives to increase their BPO seats in consecutive years and those states which not yet started their units should try to begin their business of outsourcing under BPO promotion scheme. It will be a huge step in the growth of information technology and will be helpful to build the economy of the country strong.
3. Since, the BPO is mostly new terminology in most of the tier-II and III cities of the country, the executors should help the companies by granting the business outsourcing through State as well as Central Government. This would encourage the companies to increase the number of seats as a continuous process.

Conclusion:-

India BPO Promotion Scheme is basically implemented to create employment opportunities in Tier II and Tier III cities of the states all over the country. The data regarding the IBPS allotted and operational seats have indicated the development and growth of Information Technology through employment generation in smaller cities and towns across the country. Tier II and Tier III cities are interested to generate employment opportunities and want to expand technologies in the states. Correlation Analysis depicts the very high degree positive correlation between the variables, that means there is very sound positive relationship between seats allotted in the state's Tier II and Tier III cities for employment generation point of view and the operational seats which are utilized by companies to start their business and generating employment under India BPO Promotion Scheme. Today, Software Technology Parks of India have become the world's premier infrastructure and statutory services provider with a purpose to develop the field of information technology on a global scale.

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