

RURAL BPO: PROBLEMS AND PROSPECTS

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ABSTRACT

The gamut of globalization is far reaching and yielding rich dividends to the business activities of developing countries like India. The impact of information and technology is clearly visible in augmenting the growth of business. The business houses are more prone to meet the deadline of their set objectives. The evolution of Business Process Outsourcing is an indication of enabling the organizations to nurture the available knowledge and utilizing the resources at the optimum level. In India, BPO as a career option is growing in leaps and bounds. It is very revealing that so far the youth of rural areas have not identifying BPO as a lucrative career option. The present paper defines only the problems and prospects of rural BPO but also define the opportunities and benefit of rural BPO in rural area.

KEYWORDS: Business Process Outsourcing (BPO), rural BPO, reverse migration,

1. INTRODUCTION

Rural BPO is not a new phenomenon anymore. In present scenario world is moving around computer (IT). Peers to their urban counterparts, rural BPOs are enjoying an added advantage of low attrition and less operational cost, we all know about BPO sector in these days. It is depend on computer and internet. Lots of company is moving to India for establish their outsource company (BPO), because India is providing services in low cost. When the BPO revolution started in India in late 90ts not many people thought that rural India which lacks basic amenities like drinking water, road connectivity, and electricity would ever be able to handle outsourced back office work. But few entrepreneurial companies such as (Doctus, Drihsti, Infosys Sai Seva and Gram IT (Satyam) etc.) are providing these services in India. Rural BPOs are increasing employment opportunities that were

hitherto unavailable for the educated rural population, creating wealth for rural societies and supporting their growth and development. In this process of transformation, these BPOs help in retaining at least a percentage of the educated workforce within that area. Normally there is migration of educated youth to tier I or tier II cities. Rural BPO provides opportunities at arm's length for the educated, especially for women who are normally restricted from moving out of their place of residence. If we provide urban opportunities in rural area it would be a win-win situation for all. It offers substantial opportunities to minimize cost and gain competitive advantage if managed properly. The vision of rural BPO is to encourage rural India's move into the knowledge economy by introducing rural youth to BPO opportunities and providing gainful employment to them in their own villages which we term "reverse migration" and main aim of rural BPO is that migration of people from the villages to cities and then to drive economic growth in the villages through reverse migration. But yet rural BPOs are fraught with several challenges that need to be addressed before they can really go to the next level. Hence, the issues that should be taken into consideration as a high priority for the betterment of BPO in the rural India are:

Infrastructure- An average rural BPO is a small set-up of 10 to 50 full-time equivalents (FTEs) employee capacity, providing low-end data entry work to domestic clients or operating as a sub-contractor to a foreign MNC client. As such this BPO works on a bare minimum infrastructure including a small office with a broadband or leased line to support connectivity. It is usually tough to get a broadband connection in Indian villages so these BPOs have to manage with low-speed dial-in connections. Long and extended power cuts from a few hours on the lower side to a few days on the extreme side are taken for granted in Indian villages. Hence, power back-up is an absolute essential to keep the business running. Such a set-up is also riskier for services that require extended hours of uninterrupted power. This often limits the gamut of services that the BPO could offer.

Access to funding - Most of the rural BPOs who have seen some success or have reached break-even by now are being nurtured by large Indian corporations or have managed to receive funding through venture capitalists based on the social impact that the business could cause. In many cases the investing party is being served by the BPO, as far as corporations are involved. A strong business case with scalability and growth prospects remains unclear.

Talent Management- Most of the workforce in rural BPOs is either college drop-out or having elementary education. The organization structure is quite flat with probably just two to three layers

till the management. At the team leaders role these BPOs try to recruit talent who are city educated but having roots in villages so that they are open to such openings and are sensitized to the village culture. They typically take up a rural BPO job because the cost of living in the city does not leave them with enough savings at the same time staying away from their families. Additionally, getting trained manpower for IT infrastructure maintenance and management requires skills that are not available in the villages. In such cases rural BPOs have to get the support from the most optimum resources in near-by cities.

Business and service scalability- An average rural BPO offers low end digitization services. With the limited resources that the BPO has, it is very difficult to scale-up this business assuming there is growth in number of similar clients or growth is work volume or both. Attracting qualified talent in numbers is a task in itself. It's only the larger rural BPOs that can afford to train and sustain fresh recruits and keep hiring.

According to NASSCOM, the 2015 projections being put out by the leading rural BPOs are about 1,000 Centre's and 150,000 employees. Although this figure is achievable statistically, given the number of rural youth having basic understanding in computers and English language required for low-end BPO work, such an enormous growth (CAGR of 100 per cent from 2010 to 2015) will call for more investments and more business flowing in. Unless there is significant back-up of funding from investing parties, be it public or private and parallel marketing initiatives to begin with, sustaining rural BPOs and transforming rural economy at a national scale remains a distant reality.

With the limited talent willing to actually work in a rural set-up, these BPOs cannot work beyond the low-end services in the coming years. Training employees to deliver more high-end services will not prove to be cost-effective and good business sense. The whole idea of cost-effectiveness for low-end work delivered through a rural BPO will be under question. Given these limitations, rural BPOs might not scale-up to offer a range of services across different verticals like their urban counterpart.

Voice based services: The major problem in Rural India is the language barrier. Problem lies in the Communication Barrier or English speaking/writing capability.

2. ADVANTAGES

- Livelihood opportunity in the villages will encourage reverse migration (villagers who works in cities).
- To helpful employment to rural youth and improving their skill sets.

- Secured income in predominantly agricultural areas.
- Creation of knowledge related job.
- Improves economic growth by providing direct and indirect jobs in rural areas.
- Corporate social responsibility towards rural development.
- Rural empowerment and self-sufficiency.
- Employment to educated housewives.
- Reduction of the brain-drain effect with development of villages.
- Improves living condition and encourage literacy among the rural youth.
- Contributes to infrastructure development.
- Rural BPO centers provide a ray of hope to villagers.
- Higher savings rate for employees, as they are not displaced from their homes.
- Helps teenage girls from falling victims to exploitation.
- Provides an option to youth to avoid getting into social problems.
- Some employed youth opportunity for higher studies or invest in education their siblings.

3. ISSUES AND PROBLEMS

- Rural youth don't have knowledge about computer and internet.
- There is no good infrastructure in rural areas like road, water, market etc.
- Rural youth have not much education.
- Rural youth have confusion about bpo's
- Night shift problem in rural areas for women is very problematic.
- Time consuming training process.
- Internet connectivity is major challenges in rural areas.
- It is essential that a steady and continuous supply of electric in rural areas.
- Lack of corporate discipline in rural youth.
- Disinclination of supervisors to move to rural area.
- Poor command over English.
- Transportation difficulties from neighboring villages.
- Lack of skills required by industry-soft skill, customer orientation etc.
- Risk overtime-there could be attraction of higher salaries in mentors for trained personnel.

- Virtual absence of computer literate staff.

4. CONCLUSION

The rural BPO program is a wonderful effort to improve the lifestyle of the rural citizens by providing them with better employment opportunities, which would provide employment to rural men and women. A number of loopholes still exist in the operational aspects of it, but these can be sorted out. The idea is a sustainable one that could possibly be one of the solutions for poverty alleviation and can add to the overall growth of the nation. The main objective is that reverse migration of rural people from cities towards their villages. It has opened up interesting prospects for the rural youth who can now aspire to compete with their urban counterparts.

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