

Nature of work, Quality of Employment and Working Condition in ICT sector: A Case of India

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Introduction

Information and Technology Services have emerged as a major contributor to India's national economy:

- i) makes up 6.2 % of the national economy (GDP); 1/5 of the total export earnings
- ii) provides employment to over 2.1 million people (NASSCOM, 2009)

However, various reports and studies suggest that the nature and quality of employment and working conditions of the workers in the ICT sector are rather different (difficult).

Objective

Examine the nature and quality of employment in the ICT sector in India and its implication for future employment policy.

Data and Methodology

Conducted primary surveys in National Capital Region (NCR: Delhi, Gurgaon, Noida, Faridabad, and Ghaziabad). Interviewed 300 employees of ICT sector (from IT & ITeS) from Jul to Nov 2009.

Findings

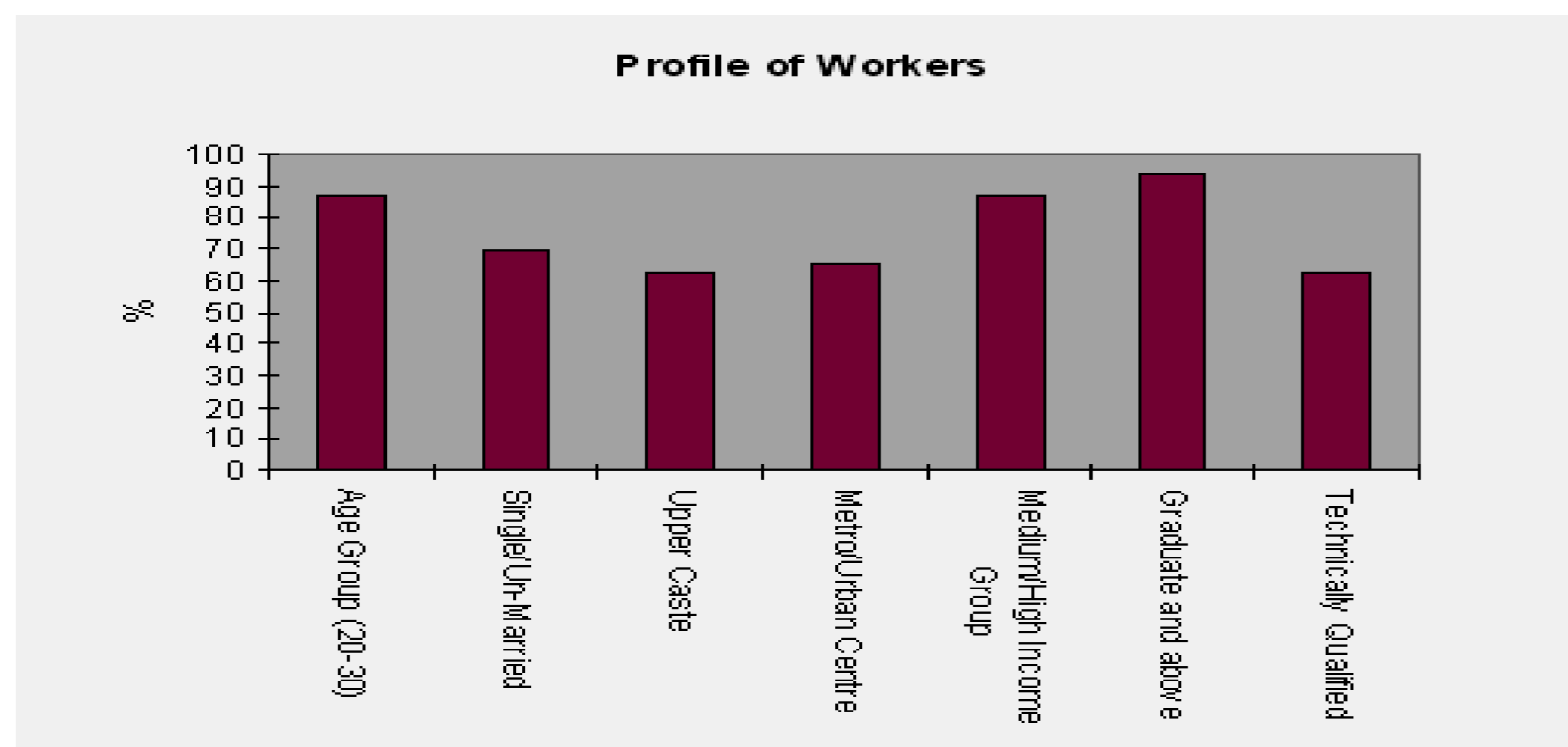
1. Profile of workers

Majority of workers in the ICT sector were:

- i) from metropolitan cities
- ii) between the ages 20-30
- iii) fluent in English
- iv) belonged mostly to upper castes & upper to middle income groups
- v) women (mostly from urban areas) made up 36% of the total number of workers. Few were from the rural areas.

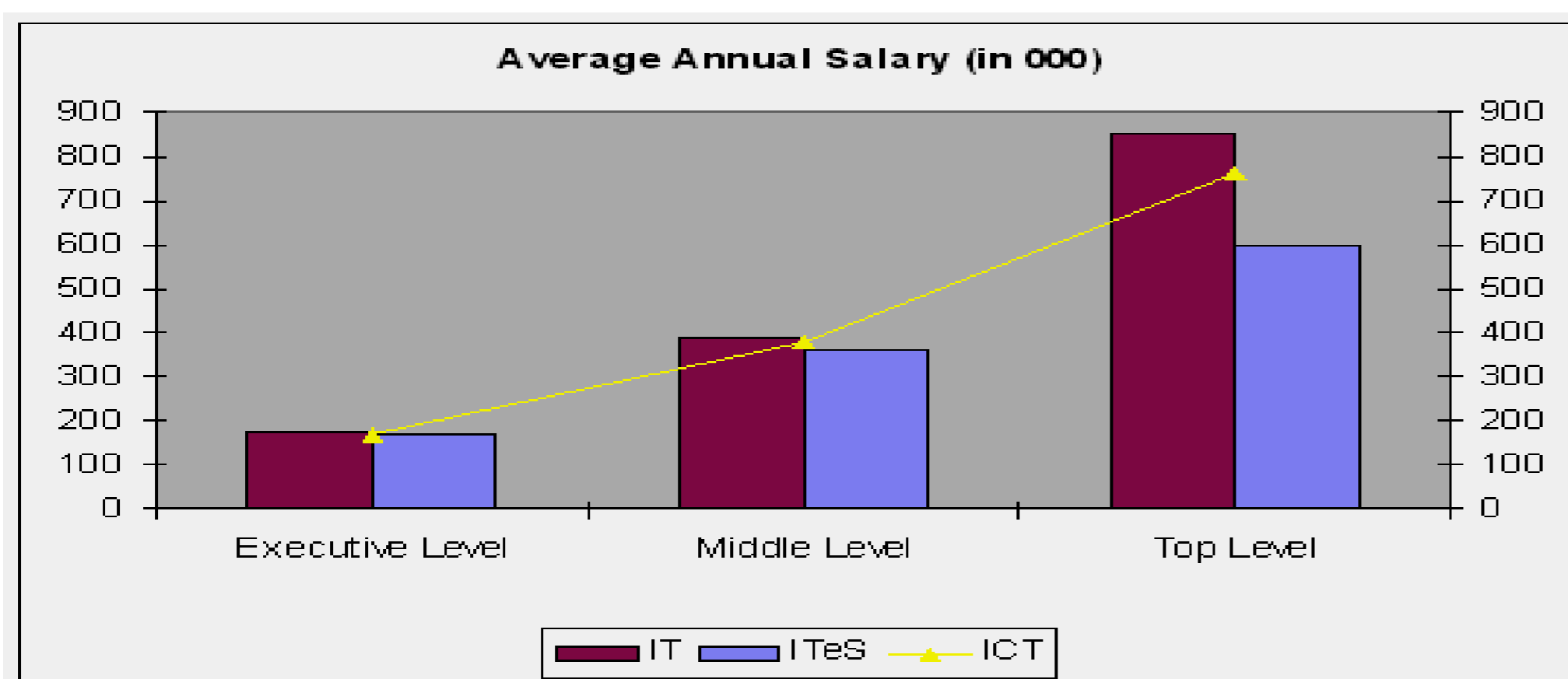
2. Recruitment Process

Most of the companies recruit workers either through public advertisement or campus interviews in institutions of technical education. Some companies took up the services of placement agencies. The selection process is rigorous. Multiple interviews and written/aptitude test formed part of the selection process.

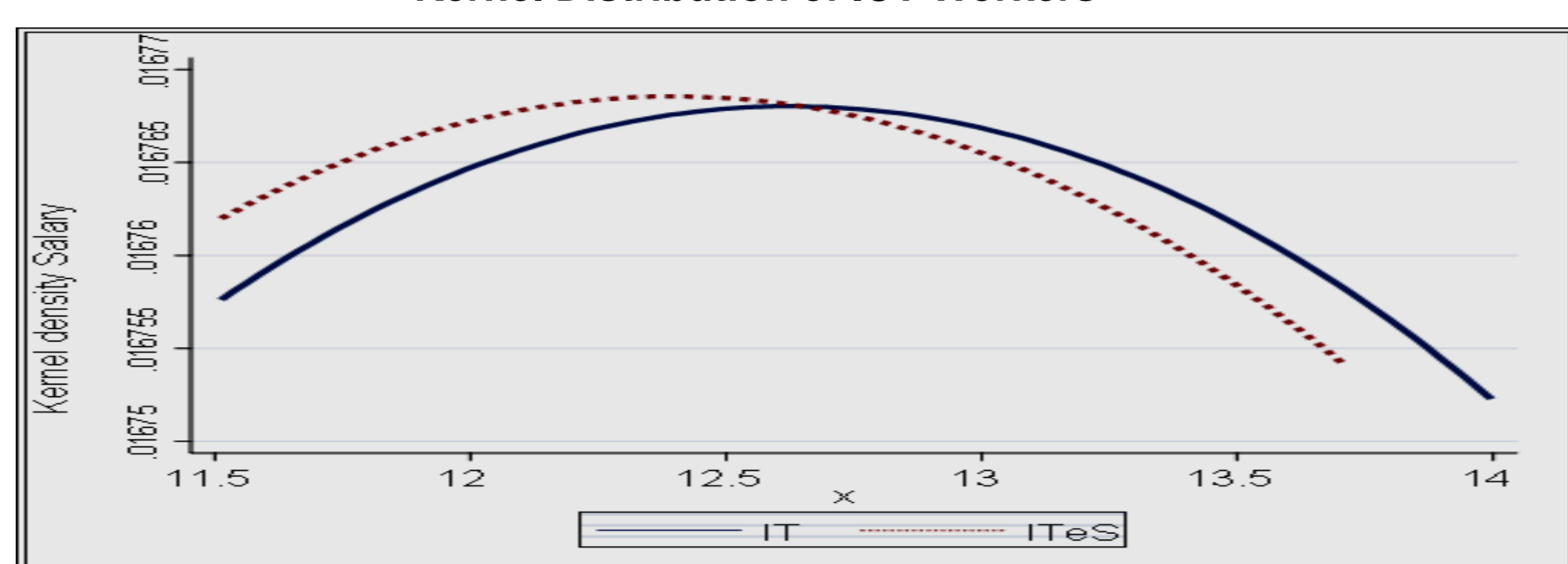


3. Quality of Employment

Even though the average productivity of a worker was quite high in comparison to the traditional manufacturing and service sectors, the average salary of a worker in the ICT sector was not that high at entry level. However, workers at the middle and higher levels were paid handsomely, creating a huge gap in the income of the workers at the top & middle levels and entry level.

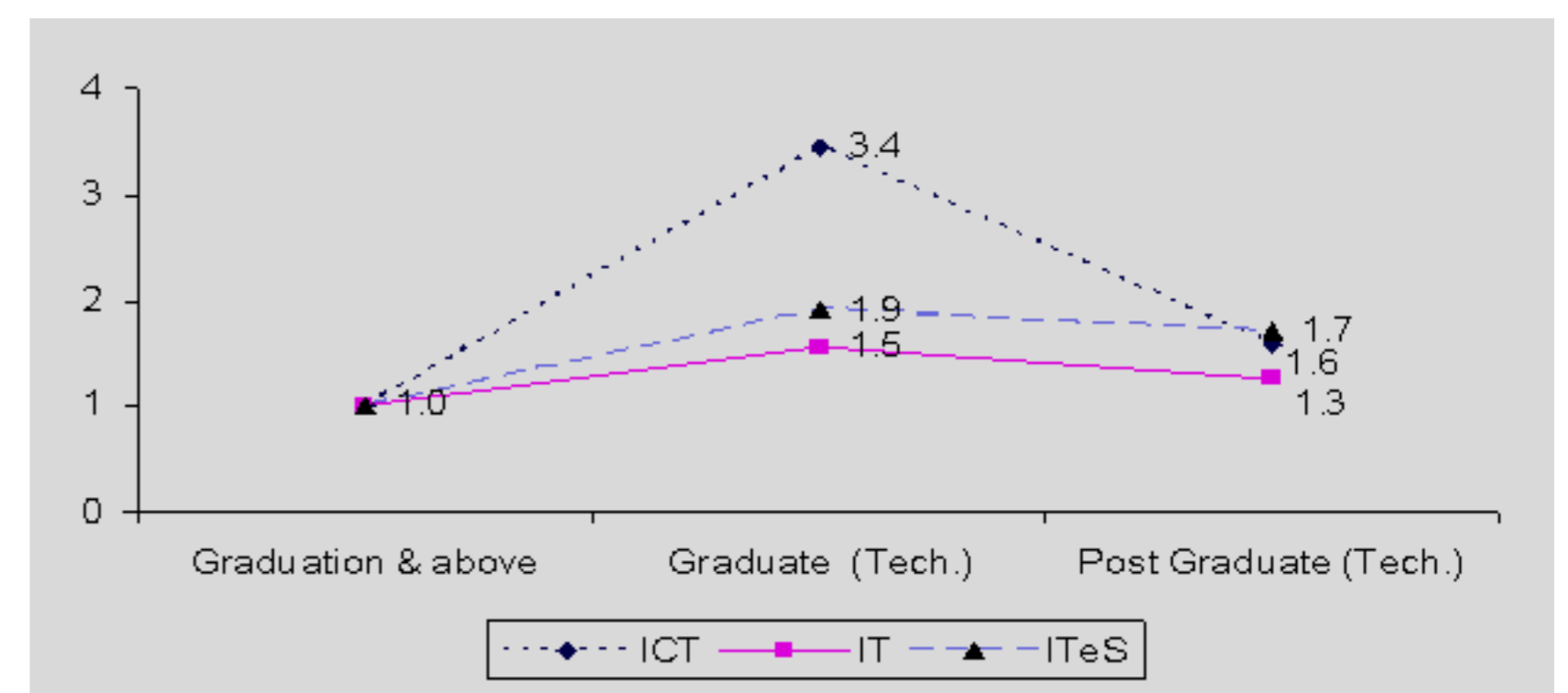


Kernel Distribution of ICT Workers



The Kernel distribution of ICT workers shows that there is a concentration of higher level of skill and salary; most skilled workers are employed at higher level and are also highly paid. (As workers in IT sub-sector are more skilled and in ITeS less skilled due to nature of job)

Return to Education



This also shows that the average return to a technical graduate is 3 times higher than that of a simple graduate.

4. Working Conditions

Most of the workers were appointed for a certain period under a contract. Interestingly, 95 % of these workers identified themselves as permanent workers.

Workers of the ICT sector worked in a very different condition: longer hours, excessive pressure; fewer days of leave and shift-based working arrangement create stress on the physical and mental health of the workers. On the other hand, these industries provide better facilities like drinking water, cleanliness, refreshment, health and club.

Women participation in ICT sector was significantly high, particularly in ITeS sub-sector. However, women found it more difficult to cope with the working conditions particularly night shifts and having long hours of work etc. Because of this, women found it difficult to continue the job after getting married and in particular, after having children.

On the positive side for women, males and females were not discriminated in terms of salary. It also provided financial security, economic power, autonomy, and increased say in the decision making process within the family to the women.

There was a complete lack of unions and associations and employers discouraged such formations. The contractual appointment also restricts formation of union and association.

5. Attrition/Job Hopping

Because of the difficult working conditions, the rate of attrition was quite high. However, rapid expansion of the sector provides suitable opportunity to hop from one job to another and job hopping is a wide phenomenon in this sector (average 3 jobs in a year). Other reasons for job hopping were quests for better salary, reputed firms, and even change in the position.

6. Challenges

The ICT sector has a preference for a particular type of worker and this excludes a vast group of low educated, low skilled and vernacular language educated youths from the rural areas.

Social security measures like pensions, medical facilities, and other benefits are not up to the mark, and leave workers vulnerable in case of loss of job, old age, etc. Also working conditions can be made more appropriate by regulating working hours, reducing stress factors, etc.

7. Policy Suggestions:

The spread of markets to diverse areas of human activities may help increase employment opportunities in this sector. The undertaking of projects with a wide variety of skill profiles, higher use of IT workers in different segments and larger participation of workers from diverse backgrounds, age and social groups, would make the employment process more inclusive in the IT sector (Basant Rakesh & Rani, 2004).

There is urgent need to develop appropriate steps to improve the overall working condition, extend social security and other job related benefits to the workers for the overall development of ICT sector in the country.