

Changing Role of Labour in Service Economy during Covid -19 Pandemic: A Case Study of Business Process Outsourcing Industry in India

By

Avdhesh Kumarⁱ

Jawaharlal Nehru University
New Delhi

Email: avdheshkumarab33@gmail.com

Submitted to the

International e-Conference on Microeconomic Impacts of COVID-19 Pandemic

October 2-3, 2021

Organized by

Center for Academic & Professional Career Development and Research (CAPCDR)

CAPCDR

Abstract

The outbreak of the Covid -19 pandemic led to revolutionary transitions in the different sectors of the service economy. Those service sectors which were technology-driven were operating efficiently. The Business Processing (BPOs) industry has shown tremendous growth in terms of investment and providing jobs to the youth in India. The potential of this industry has shown a promising path for economic growth, especially for developing nations. Though outsourcing is not a new practice that countries are doing pandemic has changed its meaning. The modern economy has shown that employing technology for efficient management through surveillance of labour is a normal phenomenon. Ironically, these changes have been projected positively as the symbol of progress in the service industry. Consequently, most of the jobs in different sectors are under the process of automation. The present economy is inclined towards work that is either technology-driven or technology-mediated. The pandemic has indicated that technology-driven works were less vulnerable in comparison with nontechnology driven works in terms of the security of jobs. Though being seen as favourable for stabilizing the service economy, resulted unfavourably for the employees as they deal with the changes in the workload, workplace and work time. The pandemic has redefined the meaning of work, labour and workplace in a neo-liberal economy. Therefore, this paper would be analyzing the meaning of labour, technology and the workplace in the era of the Covid-19 pandemic. This study adopts an ethnographic method. The interviews have been conducted by telephone with the employees working in different parts of Delhi, India.

Keywords: labour, technology, Covid-19 pandemic, control, outsourcing, BPOs.

Introduction

Indeed, technology has changed the human life and their livelihood. Now the concern is whether it has impacted all sections of society equally? Among those changes who has gained and who has at the losing position? So, it is necessary to look at this with have and have not. Though, this debate is in the public and academic world for a long time. From the Marxist perspectives earlier, the oppressor can be seen and questioned whereas in contemporary situations the visuals are not that extant contrastingly clear. The initial stage undoubtedly provided a different form of jobs to the large sections of society. Later on, a gloomy state turns up for the labour class probably in all developed states. Carl Benedikt Frey (2019) argues that it was the twentieth century that has raised the demands of skilled workers and consequently it displaced unskilled workers gradually from the market. In other words, hand jobs were replaced with machines. Economists and historians (Frey, 2019; Mckenna, 2006) also think that "routinised" "taylorised" and the principle of scientific management has further paved the way "control

form of the economy". The present paper would be further analysing claims which twentieth-century economists have made as mentioned in some of them mentioned above.

The covid-19 pandemic has been proven catastrophe for the entire world. Even, economically strong states were failed to provide adequate medical facilities to their citizens. Due to longer lockdown in the respective countries economies have performed badly especially in developing nations. Somehow certain kinds of professions have survived due to their certain characteristics of jobs such as running by technology and the internet. The present paper is trying to understanding the relationship between technology, labour, and workspace. For that, the study has an interview with people who are working in call centres in different parts of the Delhi region. The interviews were conducted telephonically due to present lockdown restrictions in January-August 2021. Most of them, coming from lower-middle-class families background and their parents are either engaged in either small businesses or manual labour. Most of the workers fall in the age group

between 18-26 and most of them are holding Bachelor Degree in Humanities. Every worker is having on average nine months of experience with different companies within the same industry. The interview has been conducted in the period January-August 2021. But certain findings of this research cannot be ignored from the emerging labour point of view. Broadly, present research focusing on *Work, Workload and Workplace (3W)*. The research findings will be elaborated in narrative forms in different sections of the research.

Mystical lives of BPO Workers in India: Understanding Impact of Pandemic on Work, Workplace, and the Economy

Pandemic has impacted everyone differently. Most of the IT and IT-driven works are run by computers and the internet. For that, we can find sophisticated and complex systems in corporate offices. Corporate offices or workplaces are not just meant for work but it is also a place where people exchange ideas and thoughts. Those thoughts and ideas can either be negative or positive. The workplaces are also a place for *identity* and *selfhood* formation. Pandemic has created a condition where physical interaction and dialogue are proscribed to maintain physical distancing. Physical distancing is moving away from humans from social life which has become a 'new normal'. However, social distancing is not a new phenomenon. It was used differently by different states back then in history (Mishra & Mazumdar, 2020; Moore & Collins, 2020). There is an inevitable and strong relationship between work and identity. In this formation, the workplace has an immense role play in it. Kimberly D. Elsbach (2003) has elaborated the idea of the workplace identity of the workers. She argues it makes ones distinguish and unique due to a person's workplace identity (job profile). There is a power relation between the being and workplace identity. She argues it is the workplace identity that makes to recognise their work and existence of worker. Therefore the recognition of someone's work is the recognition of the being also which stimulate good and hard work. As a result, it is good for the firm and workers also. The pandemic has ruined this form of social recognition. On the positive side of

covid-19 is that the larger section of unemployed people has got the job in the BPO sector too. But there is the contrary side of it also which respondents have experienced differently. One of the respondents Trishy, a young girl in her early twenties says she was working in a company named Cars24. Which deals with buying and selling. She says “*corona ke time bahut log berojgaar ho gaye the jiske karan vo log call centre me apply kar rahe the. Aur eska fayda company ne khoob uthaya. Company ne customers ke hisab se paise diye naki salary di. Ek customer par 100 rupay. Iske karan logon se apni salary ka aadha hissa bhi nahi kamaya corona ke samay me*” (Because of corona virus so many people have lost their jobs. And those people were applying for jobs in the call centres. Company (Cars24) has taken advantage of it. They paid according to the dealings as per customer for 100 rupees in a day, not by salary based. Instead of giving salary, they pay according to the dealings with the customer and each customer 100 rupees. Following this, people were not even able to earn half of their actual salary during covid).

The BPO industry has faced a bleak future at the beginning of Covid-19. Some revolutionary changes took place within the industry. According to Deloitte private multinational professional services company survey conducted in 2020 finds that 32 per cent of clients expressed a shortage of outsourcing even after the pandemic going to end. It would be a result of new normal and the steps which most of the companies have taken such as strict rules and regulations and security of data. Despite the grim status of the world economy, website Ameyo.com has projected sluggish growth by \$76.90 billion in the year 2020-24. Some of the news agency and online websites has shown some sectors were able to not just survive but earned profit handsomely. According to Ps-bpo.com in the energy, communication and technology sectors have been profited. Pandemic has predicted that certain kinds of jobs can be survived due to their adaptability to quick change and its digital nature. Therefore, it can be said that the BPO sector has survived even in odd times. Similarly, most of the respondents have said they were able to get the job due to the industry having digital characteristics.

For instance Purak, a 23 old man got a job in the international company called Concentrix for the Tata Sky process. He said *"mai apne aapko bahut lucky manta hu ki mujhe job mil gai corona ke samay me. Jabki mujhe nahi lag raha tha ki mai interview clear kar paunga. Mera sab kuch online hi hua tha selection letter, training, sab kuch"* (I feel lucky myself that I have got the job despite corona time. I was thinking that I would not be able to clear the interview. Everything was done online such as selection letter, training and everything else).

However, whatever the prediction and concerns have been projected by the government or industrialists were limited to the welfare of capital and business growth. Concerns such as labour and their welfare were being sidelined. These matters of concern would be addressed in the further part of the paper.

Whether pandemic is the only reason which is making work and identity relations weak and vulnerable? The answer is true no. There are other factors as well. Among those factors, automation is considered to be the biggest cause that makes the futuristic picture more vulnerable for the labour class especially those jobs which are repetitive, monotonous, and nonjudgmental. Patrick Beer and Regina H. Mulder (2020) have interpreted what sociologists have to say about technology. The sociologists have argued that technology impacts every aspect of labour such as freedom, power, and privacy which decides employee identity at work and the degree of alienation they experience at their work.

In the present, "the phenomenon of speed" got normalized in almost all aspects of human beings. As Beer and Mulder (2020) have argued that technology minimizes the possibility of mistakes and increases the degree of competitiveness among organizations. The feeling of competitiveness in the IT-driven world is further indoctrinated by these organizations amongst the workers. The work structure itself makes sure that people cannot exchange their views with each other. Everyone is limited to either their immediate senior or computer or app algorithms. Their issues are not the issues of

the organization rather limited to his/her immediate senior. The mechanism itself created a process where a worker cannot realize its alienation from the work and organization discriminatory system. Rather, the firm/organization creates the feeling or gesture that (S) he does not get success due to their lack of efforts and organization does not involve in it anyhow. And, the neo-liberal economy has done this successfully. On this point, most of the respondents have said a quite similar point of view. Every respondent iterated the same thing: "if you work harder then you will be successful." Does it raise other questions as to why they did not get success despite their hard work? Are they aware of the algorithm which works for their activities control? Most of them said computers or certain app control them but whether that mechanism can be manipulatable? On that point, most of them were not sure. But collectively mostly respondents were agreeing that their targets cannot be achieved always despite their best efforts. Respondent has said every second or third day of the week their team leader (TL) keep shouting by saying that "guys we are not achieving targets". David Peetz (2019) has argued that the more complex algorithm means difficult to analyze the process of discrimination. Further, he argues organization or individual is using AI technology for making themselves stronger. Rather, rights or welfare of the employee.

The larger section of economists has argued that the nature of work of today's jobs is itself monotonous and boring. Since every day is the same day for them same work same people and same approach. Therefore, the larger sections leave their jobs after the completion of one job within a year or six months. The attrition rate always remains high. One of the respondents was an Ex-employee of Concentrix BPO in his mid-twenties have said by doing the same kind of job people usually gets bored. There is no personal growth. They provide meagre salaries to the workers. He was not able to maintain his expenses within that salary, hence left the job." In the present economy, the phenomenon of the collectivity of the workers is gradually losing its essence. Since, most white-collar workers think that there is no need for labour Unions in the call

centre industry (Sandhu, 2006; Ramesh, 2004). Most of the respondents have said they did not find any kind of labour union in the BPO premises. If someone is having any problem then the person can approach the team leader (TL) or manager.

David Peetz (2019) has pointed out four changes at workplaces; demographic changes; technological changes; globalization and climate change. In the demographic changes, he highlights gender gap, age discrimination and occupational changes in organizations. He argues that due to age people are being denied jobs, whereas women labour is utilized at minimal rates. In the technological development, he argues new jobs are not for all due to their 'skills and necessary location for it.' As a result of it, a different form of unemployment is taking place which he calls "structural unemployment." On globalization, he talked about the global value chain within that the phenomenon of outsourcing has been discussed. Developed nations have exploited the labour of developing nations at cheap rates. Climate and its resources are the victims of capitalism argued Peetz. Apart from these findings, he has also talked about 'technology of management.' which is highly used in app-based works. Now, the physical management of the firms is getting replaced by these algorithm-based management technologies.

Workplace identity is not a static phenomenon, rather it is formed and shaped in a context. M.B Thatcher and Xiumei Zhu (2006) argue about workplace identities and how does it form. They argue that information technology has changed the social context of work and its relation to identity. The differences between traditional work and telecommunicating work arrangements have been elaborated by three dimensions; location of work; time spent in telecommuting; and the voluntary nature of the telecommunicating decisions. Location of work is a compilation of the social and physical environment of work activity. In the time spent telecommuting, Thatcher and Zhu (2006) argue that those who work at home constantly gets affected by ways such as job security, the strength of group identification and the outcome of telecommuting. In the third section, scholars argue

that for identity-making and organization growth feedback and coordination is necessary. Therefore, scholars have argued that identity is a constant and continuous process.

Though, people are talking online. But, online dialogue has certain limitations. Thatcher and Zhu (2006) argue that technology-mediated communication has some suspicion occurred. The worker activity always remains suspicious by the workplace management. Therefore, the relationship of the organization with its workers becomes vulnerable. Some of the recent news reports have said companies are worried about data security. Since people are working from their homes and management cannot see their entire work process. However, respondents have said they have enjoyed working without management control. Monu, a 24 old working in a Multi-industry Company said:

"It is nice to be working by own. However, system control is there. But, at least we can get rid of the team leader's (TL) unnecessary jibberish. Despite working from home, they try to control us in different ways. For instance, they make a call and behaves like customers ask some technical questions and if a worker fails to satisfy them then financial repercussion has to face. Further, he argues that the company thinks that workers are not serious about their job. But the harsh truth is home is not meant to be the workplace. Even my best effort cannot make the home a workplace since my locality falls in a semi-slum area. The company cares about its business only not us. Workers just face negative repercussions".

Thatcher and Zhu (2006) argue that home does not have an office like vibes. Home-based work means a person has to prepare for his/her identity enactment. Since, his/her life physically, socially and psychologically got influenced. Verification of one's selfhood by others opinions is necessary. The opinion of others is very important in the process of identity-making. It gives satisfaction and recognition. If it is not taking place then the person gets depressed. In other words, identity formation is dependent upon someone else opinion and thoughts.

Though, people have got jobs during the pandemic. But in the name of the revival of the economy, companies have got the authority to manage the workforce according to their own will. According to a recent report of the Government of India (2021), the BPO industry has been promoted by further liberalization. The government has recognized 'work from home' is without consideration of labour concerns. Ironically, labour concern is in the hands of organizations. In their entire report, the government did not use even the word labour. Now the issue is who is going to address the labour concern of the BPO industry in India?

Future of Labour in BPO Industry: Concerns and Possibilities

The impact of a pandemic would not cease even after the situation gets normalized. It is inevitable that in the name of new normal exceptional efforts would become part of organizational routines. As we can see, during pandemic universities have taken online teaching as a short time activity? But, later on, universities have converted short time activity into full-time activity. As a result that, most of the universities have introduced full-time courses through online mode. The state of exceptions is becoming norms now (Agamben, 2005). These states of exception driven rules & regulations would be harsh for the labour section in the BPO industry.

Pandemic has promoted skilled and digitalized forms of works in the economy. According to the cnbc.com website post-pandemic, our work culture going to change. The website has predicted work culture and work going to change in thirteen ways. Among those ways, two changes deserve to discuss thoroughly; that is automation would be increased and the demands for minimization of the digital divide. Broadly, these two concerns not just explaining the future of the labour industry in the future but minimizing the possibility of labour union in the BPO industry as well.

Three things Digitalization, skill-based work and changing pattern of the workplace is an inevitable outcome of Covid-19. However, automation and

skill-based labour have been part of the contemporary debate in the political economy. Now the question is whether digitalization and skill-based work is the solitary answer for the problems. Whether acquiring a specific form of knowledge and skills is enough for the long run? Whether specific technology and skill work everywhere in the same way? These are questions that make the process of digitalization and automation drastic for the future of labour in a different industry. Since most of the countries and certain families cannot be part of the process. Colin Crouch, David Finegold, and Mari Sako (2004) have argued that skills are often individualized firm demand. And even if the standard of education increased in specific places situation might not be changed altogether. The reason is given by the scholars is if the education standard is going to up then inevitably increase the labour standard in the industry as well. On the other side, jobs would not be created at the same speed. Consequently, unemployment will be amongst the highly educated section in the society for example U.S, Italy, Spain and France during the 1970s. Further, they argued a particular form of work and industry gets popularity in that situation. Ironically, people get attracted by the sector and they learned the skill of that particular sector. After a certain point of time that particular profession and industry get overpopulated. As a result, wages in that industry get lower.

Fortunately, BPO sector employees responded that in the BPO sector basic knowledge of computers and good command of the language is enough. But some of the respondents have said now the companies are asking whether the candidate has good typing speed in the WhatsApp Messenger application? However, there is only one respondent Furkan talks about this specific skill while working for a Google LLC American multinational technology company at Gurugram, Haryana. It might be a new trend in International companies. Since nine out of ten respondents are working for domestic BPOs. It means certain mechanisms of BPOs are going through automation.

The biggest concern of this industry is the scope of labour unions is even further sidelined. It means

labour concerns would be dwindling even further. Most of the respondents have said they have not found a labour union in their workplaces. All the respondents have said they can only approach their immediate seniors such as team leader (TL), and manager. However, three respondents who are working for an American firm called Concentrix have said there is a specific committee addressing worker concerns not fully but at least functioning.

Work in a BPO is considered to be isolated. People do not share their work and amenities with their colleagues said almost all the respondents during the interview. Workers have been told by the firm that it is against the organization rule and regulations. However, some of the respondents have said for the motivation of the worker's team leader usually takes person's name those who become an employee of the month. On the contrary, some of them have said it creates stress and workload on the people. This is a trick which most companies use to get the maximum work out of their employees. Pandemic has decreased the work pressure to some extent. But on the negative side, covid-19 has gradually diminishing workplace identity.

Conclusion

Indeed, most of the sectors have been hit hard during covid-19. But, some of the sectors especially service sectors survived despite workplace and other constraints. Among those service sectors, business process outsourcing (BPO) is one of them. Respondents have said despite the pandemic they were able to get a job in the BPO sector. It was become possible due to the quick adaptability of the work approach. As a result, the BPO sector has gone through some changes such as digitalization, mobility of the workplace and further liberalization of policies by the Indian government. Apart from the positive side of it, the gloomy side also needs to be discussed for the overall impact of covid-19 in the economy.

Pandemic has further dwindled the already under-represented identity question in the BPO industry. Identity formation is a constant process and work

and the workplace plays a critical role in it. A workplace is a place where social identities exchange thoughts and ideas about each other. By knowing someone else's opinion about him/her is the stimulation to work upon the 'oneself'. It is a process of recognition of self. That is how workplace identity or social identity comes into existence. The recognition of 'selfhood' is also associated with one's bargaining power. Pandemic has weakened this form of power. Since employees working from their homes and they do not exchange their words with each other. However, in the pre-covid-19 time dialogues between colleagues was not that much strong but people inevitable used to engage with each other due to their similar caste, class, language and gender.

In the name of business and economic growth, labour concerns have been put under the carpet. Labour unions were trying to get their place in the industry despite non-recognition by the industry. As Sandhu (2006), Ramesh (2004), Premilla D ' Cruz and Ernesto Noronha (2013) have argued that due to the white-collar status of BPO jobs, work timing, and people thought that the presence of labour union will hamper the growth of industry and workers are the main hindrances which stop the stronghold of labour union in the BPOs industry. Now, the pandemic has further bleakened the future of labour unions as well as labour concerns in the BPO industry.

References

- Agamben, Giorgio. *States of Exception*. THE UNIVERSITY OF CHICAGO PRESS, 2005.
- Beer, Patrick, and Regina H. Mulder. "The Effects of Technological Developments on Work and Their Implications for Continuous Vocational Education and Training: A Systematic Review." *frontiers*, 8 May 2020, www.frontiersin.org/articles/10.3389/fpsyg.2020.00918/full. Accessed Sept. 2021.
- Bhatia, Mansi. "Transformation of BPO Industry: The COVID Era." *ameyo.com*, AMEYO, Mar. 2021,

- www.ameyo.com/blog/impact-of-covid-on-bpo-industry. Accessed Sept. 2021.
- Connley, Courtney, et al. "13 ways the coronavirus pandemic could forever change the way we work." *cnbc.com*, CNBC LLC, 29 Apr. 2020, www.cnbc.com/2020/04/29/how-the-coronavirus-pandemic-will-impact-the-future-of-work.html. Accessed Sept. 2021.
- Crouch, Colin, et al. *Are Skills the Answer?: The Political Economy of Skill Creation in Advanced Industrial Countries*. Oxford Scholarship Online, 2004.
- Deloitte. *COVID-19: A wake-up call for the BPO industry Part 2 of Impacts of COVID-19*. 2020.
- Elsbach, Kimberly D. "Relating Physical Environment to Self-Categorizations: Identity Threat and Affirmation in a Non-Territorial Office Space." *Sage Publications*, vol. 48, no. 4, 2003, pp. 622-654.
- Frey, Carl B. *The Technology Trap: Capital, Labor, and Power in the Age of Automation*. 1st ed., Princeton University Press, 2019.
- Government of India. *Revised Guidelines for Other Service Providers*. Government Of India, 2021. dot.gov.in/sites/default/files/Revised%20OSP%20Guidelines.pdf. Accessed Sept. 2021.
- Mckenna, Christopher D. *The World's Newest Profession: Management Consulting in the Twentieth Century*. 1st ed., Cambridge University Press, 2006.
- Mishra, Manasee, and Piyusha Majumdar. "Social Distancing During COVID-19: Will it Change the Indian Society?" *Journal of Health Management*, vol. 22, no. 2, 2020, pp. 224-235.
- Peetz, David. *The Realities and Futures of Work*. 1st ed., ANU Press, 2019.
- Process Solution. "THE IMPACT OF THE CORONAVIRUS PANDEMIC ON THE BUSINESS SERVICES MARKET – LESSONS LEARNED AND OPPORTUNITIES." *ps-bpo.com*, Hungary, 27 Feb. 2021, www.ps-bpo.com/blog/impact-of-coronavirus-pandemic-on-business-services-market/. Accessed Sept. 2021.
- Ramesh, Babu P. "'Cyber Coolies' in BPO Insecurities and Vulnerabilities of Non-Standard Work." *Economic & Political Weekly*, vol. 39, no. 5, 31 Jan. 2004, pp. 492-497.
- Sandhu, Amandeep. "Why Unions Fail in Organising India's BPO-ITES Industry." *Economic & Political Weekly*, vol. 41, no. 41, 14 Oct. 2006, pp. 4319-4322.
- Thatcher, M. B. "Changing Identities in a Changing Workplace: Identification, Identity Enactment, Self-Verification, and Telecommuting." *Academy of Management*, vol. 31, no. 4, Oct. 2006, pp. 1076-1088.

ⁱ Ph.D Research Scholar

Center for Comparative Politics and Political Theory,
School of International Studies, Jawaharlal Nehru University, Delhi, India

- Perusing Doctor of Philosophy (Ph.D) from Center for Comparative Politics and Political Theory, School of International Studies, Jawaharlal Nehru University, Delhi.

- Completed Master of Philosophy on paper titled “Dalit Among the Muslims :A Study of New Movement in North India” from Center for Comparative Politics and Political Theory, School of International Studies, Jawaharlal Nehru University, Delhi.

Paper Presentation and Publication

- Presented a research paper on “Minority within Minority: Exploring the Politics of Pasmada Muslims in Uttar Pradesh” at the National Seminar on “Politics of Inclusion: Empowering Minorities in India” Department of Political Science, University of Hyderabad held on 5th-6th September,2017
- Presented a research paper on “Sacred Past and Impure Blood:Unravelling Reticence Marginality in Menstruation” co-presented with P. Arun at the International Conference on “Marginality(ies), Minor(ity) Cultures and Identities” organized by Centre for the Study of Discrimination and Exclusion School of Social Sciences, Jawaharlal Nehru University held on 16th-17th January, 2017

Date : 9th September 2021

(Avdhesh Kumar)