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Assessing the Social Development Potential of Impact Sourcing

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6.1 Introduction

This chapter investigates the social development impact of impact sourcing, an emerging sub-field of global Information Technology (IT) and Business Process Outsourcing (BPO). Proponents of impact sourcing claim that it can create outsourcing employment opportunities through Information Communications Technology (ICT) for marginalized people living in areas of poor employment opportunities (Monitor 2011). Impact sourcing is a relatively new field with intense research potential and limited research literature. Most of the global outsourcing academic literature is focused on various dimensions of the management of commercial outsourcing (for a comprehensive review see Lacity et al. [2010] and Lacity et al. [2011]).

There is a nascent literature on social development through IT and BPO initiatives in commercial outsourcing relationships (Babin and Nicholson 2009; Carmel et al. 2014; Madon and Sharanappa 2013) and public-sector-driven social development projects (Heeks and Arun 2010). However, there is a paucity of literature that focuses on social development impact in ITO/BPO. This study identifies social development impact as the potential and achieved capabilities of marginalized outsourcing employees.

This chapter contributes to the IT/BPO social development literature and specifically focuses on the social development impact of commercial and for profit-IT and BPO. The overarching research question guiding our inquiry is:

How are social development benefits realized in a for-profit commercial IT / BPO Impact Sourcing arrangement?

The empirical research concerns a case study of outsourcing employees and assesses the impact on their lives where “impact” is defined as “positive and negative, primary and secondary long- term effects produced by a development

intervention, directly or indirectly, intended or unintended” (OECD-DAC 2002: 24). To assess the social development impact we use Sen’s Capability approach as an analytical tool (Sen 1999).

The chapter is organized as follows: the literature review is in the next section followed by the conceptual framework. Research methodology is presented in Section 4. We present the research findings in Section 5 and the final section focuses on the research contribution.

6.2 Literature review

Outsourcing is a process of sending work to an external organization (the service provider) that was previously undertaken within the client’s organization (Beaumont and Sohal 2004; Lacity et al. 2008). The main justification for ITO and BPO is to focus on core capabilities and obtain high-quality services at low cost from outsourcing service providers (Lacity et al. 2010, 2011). Impact sourcing combines this commercial focus with a development agenda. Carmel et al. (2013) define impact sourcing as: “a practice of hiring and training marginalized individuals to provide information technology, business process, or other digitally enabled services who normally would have few opportunities for good employment” (p. 5).

Monitor (2011) defines impact sourcing as an outsourcing practice which focuses on creating employment for people who live at the Bottom of Pyramid (BoP) which is the largest socio-economic marginalized group of 4 billion people who live on less than two dollars per day (Prahalad 2009). Accenture (2012) broadens the definition from BoP to “marginalized individuals” in low employment areas. Their definition of “marginalized” is not restricted to income; people may be marginalized because of race, religion, gender, sexual orientation, disability, location, or any other criteria (Carmel et al. 2014).

Complex IT outsourcing jobs, for example software design, development, and testing can be performed through impact sourcing (Accenture 2012). Recent studies show that most of the work tends to be labor intensive and the least technical of ICT-related outsourcing tasks which can be learned relatively easily. Examples include call center, support help desk, data entry, voice and data transcription, data conversion, and online sales (Accenture 2012; Heeks and Arun 2010; Madon and Sharanappa 2013).

Practitioner industry reports (Monitor 2011; Avasant 2012; Accenture 2012) claim impact sourcing offers a “win-win strategy” (Falck and Heblich 2007) for the outsourcing service providers and clients in terms of offering lower costs outsourcing services to clients. Additionally, the outsourcing service providers can obtain the cost-saving advantage of employing marginalized individuals with relatively low operational cost and employee attrition rate. Many of the major centers for ITO/BPO in India (Bangalore,

Mumbai, Delhi) have very high rates of staff attrition. The claim of proponents of impact sourcing is that marginalized people (people with limited education, no work experience, or belonging to the communities of low employment opportunities) may be trained to perform outsourced tasks which can improve their income and skills (Accenture 2013; Monitor 2011). However, there is a gap in the literature as the evidence from practitioner reports tends to focus more on the first “win” by capturing the benefit to outsourcing service providers. The claimed second “win” has yet to be fully explored by assessing the social development impact for marginalized outsourcing employees.

Another related concept of impact sourcing is social outsourcing or social IT outsourcing (Heeks and Arun 2010) where social outsourcing is defined as “contracting out the provision of goods or services to a social enterprise” (ibid.: 442). Heeks and Arun (2010) studied Kudumbashree, a social outsourcing project of an Indian state government. The initiative supports poor rural Indian women in Kerala to establish social ICT enterprises with the help of government grants and bank loans, with government acting as an intermediary to provide public sector outsourcing projects for these ICT social enterprises (Heeks and Arun 2010). Madon and Sharanappa (2013) explored social IT outsourcing, identifying the balance between market orientation and social development, thus embracing social enterprise concepts in outsourcing. In a case study of the IT outsourcing activity of KGVK, a nonprofit arm of KGVK Rural Enterprises, they considered the development objectives of the IT outsourcing enterprise with respect to the local community needs.

But how do we assess social development impact? Carmel et al. (2014) highlight that a major focus of research in this area to date is on impact sourcing service providers and their clients, rather than their employees, and suggest that analysis and assessment of the social development impact may be best explored with the help of development literature. In this chapter we respond to this research gap and evaluate the social development impact of a for-profit commercial outsourcing service provider by using Amartya Sen’s Capability Approach (Sen 1999, 1988, 2009).

6.3 Conceptual framework

Sen’s Capability Approach offers a set of conceptual tools to assess change in society in terms of individual well-being and social development (Sen 1999; Robeyns 2005). The Capability framework is focused on the achievement of individual capabilities. Sen has argued for developing policies and projects that improve individual capabilities so that people have freedom to live the lives they value (Sen 1999). Scholars have proposed different approaches to operationalize the Capability Approach (Nussbaum 2011; Robeyns 2005; Alkire

2005). In this chapter we use Robeyns's (2005) interpretation as the guiding framework for this research due to its wide empirical application and clarity.

Focusing on the key development impact of being employed by the impact sourcing organization, this study takes into account three salient elements of Sen's Capability Approach: conversion factors, resources (capabilities input), and capabilities.

- Capabilities include a set of potential and achieved functionings that the impact sourcing initiative may have enabled in marginalized outsourcing employees.
- Conversion factors include all elements which may enable or restrict an individual from being employed, for example, lack of skills, lack of resources, cultural constraints, family support, and so forth.
- Resources include all tangible or intangible resources which act as capability inputs and opportunities provided by the outsourcing service provider to extend capabilities or to minimize the effect of restrictive conversion factors. For example, provision of training, a conducive work environment, provision of Internet and computers, and so forth.

6.4 Methodology

This study is based on an interpretive case study to explore the phenomenon in its natural setting (Walsham 2006; Benbasat et al. 1987). Qualitative research methods were used to collect and analyze data. Primary data was collected through semi-structured interviews with company employees in the Harva outsourcing center located in Tikli village, near district Gurgaon in Haryana State, India. Due to practical constraints, interviews were conducted through Skype and telephone. Robeyns's (2005) operationalization of the Capability Approach was used as a guiding framework to structure interview questions but the semi-structured interviews were exploratory in nature and allowed interviewees to deviate from the topics without constraint. We asked questions to gain employee perceptions around the topics of outsourcing job experience, usability of ICT, enabling and restricting factors of doing IT/BP outsourcing jobs, availability of tangible and intangible resources to support employment, and changes in capabilities (both negative or positive) as a result of their engagement with Harva. Altogether ten interviews of varying length, 30 minutes to 75 minutes, were undertaken with company employees belonging to different levels: high-level management, middle-level management, outsourcing employees and trainees. Secondary data was also collected through the company's website, press releases, and other reports.¹

The research employed purposive sampling techniques to establish a good connection between research questions and data collection (Cassell and Symon 2004). The respondent sample was diverse in terms of working experience,

ranging from the most senior employees with three years of experience since the company's inception. The most junior trainees had joined Harva in the last two months. Since Harva is a women-based outsourcing service provider, the interviewees were all women aged 18 to 32 years who did not attend university and had an average educational level of 12th grade.

Respondents were given complete freedom of expression to speak in a language in which they felt comfortable, as the interviewer and first author (a female Pakistani national) can converse in Hindi and in English. All interviews were recorded, transcribed, and translated into English by the interviewer. Secondary data (reports, website, and press releases) were already in English and did not require translation. Thematic data analysis techniques were used to analyze the data, drawing on Robeyn's (2005) operationalization of Sen's Capability Approach. NVivo 9 software was used to organize and manage data (Bazeley and Jackson 2013). The initial process of coding was to generate some basic codes relevant to the research questions and objectives (Miles and Huberman 1994; Silverman 2006). The three main elements of Sen's Capability Approach, "Conversion Factors," "Resources," and "Capabilities" were defined as parent codes in the software. These three parent codes acted as a basic structure for data analysis. Interviews were analyzed on an individual basis with each transcript analyzed thoroughly for identification of further codes under these three themes. Sub-categories were also defined by grouping similar codes. The process was iterative in nature and new codes and sub-codes were added, deleted or merged in each iteration. A total of 63 codes were identified after all interviews had been analyzed, under 12 key categories. Although the coding process was carefully focused on the research problem and questions, it was completely open to emerging concepts and new themes related to the research (Lincoln and Guba 1985).

6.4.1 Case description

Harva is an Indian for-profit commercial outsourcing service provider that was established in 2010 and opened its first rural outsourcing center in the Indian village of Tikli in Haryana. Tikli is an agrarian village 42.6 kilometers north of India's capital, New Delhi, with a population of about 15,034 persons living in around 1,390 households. Located in this farming community are employees of a rural BPO run by Harva as a start-up. Along with typical business objectives, for example, profitability, Harva also has development objectives as part of its corporate social responsibility (CSR): to create an ICT-producer market across India by tapping the rural outsourcing talent. This differs from most social and technological inclusion initiatives that cover rural and remote areas to tap their large ICT-consumer market (for example, expansion of ICT services, mobile networks, micro finance) (Bhattacharya et al. 2009). Under its slogan "Harnessing the Value" Harva provides free basic ICT and outsourcing job training to rural women. ICT training includes basic computer-operating

skills, Microsoft Office, and Internet. English language training and basic outsourcing job training such as data entry are also provided. After initial training, women are offered jobs in the center located closely to their village. To date, Harva has opened its outsourcing centers in 14 states of India and has employed over 400 rural women.

6.5 Findings

Research findings are presented in three broad categories representing the three components of the conceptual framework: conversion factors, resources, and capabilities.

6.5.1 Conversion factors

Conversion factors include all those elements that may enable/restrict individual opportunities or choices (capabilities) of working as an outsourcing employee. They are divided into individual conversion factors, social conversion factors, environmental conversion factors, and technology conversion factors. The summary of all conversion factors is presented in Table 6.1.

Table 6.1 Conversion factors

Category	Subcategory	Code
Individual conversion factor	Enabling individual conversion factors	Personal will to financially support family Motivation for learning Self-belief
	Restrictive individual conversion factors	Lack of confidence Technical incompetency Language incompetency
Social conversion factors	Enabling social conversion factors	Awareness about importance of ICT (technology image) Family support and encouragement
	Restrictive social conversion factors	Culture and norms Gender inequity Family opposition Poor social standing
Environmental conversion factor	Restrictive environment conversation factors	Distance and travel issues Power shortage
Technology conversion factors	Enabling technology conversion factors	Awareness about the importance of ICT
	Restrictive technology conversion factors	Fear of technology Unavailability of computers Unavailability of Internet Expensive smartphones

6.5.2 Individual conversion factor

The respondents identified both enabling and restrictive individual conversion factors during interviews. We categorize enabling factors as “self-belief,” “motivation for learning,” and “personal will to financially support their families.” Self-belief was a major individual factor which helped employees to realize that if they try they can learn and get a white-collar job. They wanted to learn and increase their ICT and professional skills. The inner drive, motivation for learning, and self-motivation are primary individual factors which help them to embrace the existing ICT training and outsourcing employment opportunities. They were willing to come to the outsourcing center for training and work. If they didn’t have self-motivation and willingness then it would be impossible to bring them to the learning and earning opportunities provided by Harva. One outsourcing employee stated:

I had believed in myself that I could do something and I will learn this all.
(Respondent 5)

Financial conditions of rural women were not very good (Fan et al. 2000). These women wanted to support their families by contributing financially for their well-being. They realized that if they can get some decent earning opportunities then their family’s financial condition could become better. Their inner will to contribute financially is another individual enabling factor which encouraged them to join Harva. One respondent commented:

They announced free computer training for women leading to the outsourcing work opportunity. I came to know that less-educated women of ten- to twelfth-grade educational level, who are staying at home spending time in house chores and dung cleaning, could also get jobs. Then I thought, let’s go out and earn money to support my family. (Respondent 3)

However, there were restrictive factors as well. First, the majority of the outsourcing employees had not seen a computer before in their lives, and they interpreted their lack of skills to operate computers as their inappropriateness for work:

Initially I had a fear that I could not do the job because I didn’t know computers. (Respondent 6)

Another individual restrictive conversion factor was English-language incompetency. They thought that as they could not speak and understand English properly, it would be almost impossible for them to learn computers and get an

office job. Computers and the notion of women working in offices were both quite unusual for them. Those rural women had never worked in offices before Harva opened its outsourcing center in the village. It was difficult for them to be confident enough to go out from their houses to work. An outsourcing employee talked about her lack of confidence:

I was worried about my English and confidence, but here all my seniors have helped me and supported me a lot. (Respondent 4)

6.5.3 Social conversion factors

Social norms and cultural factors had significant influence on the rural women's decision to work in the Harva center. India is regarded by many scholars as a patriarchal society (Chakravarti 1993). Patriarchy is a social system and culture of male dominance (Walby 1989). Generally, village cultural norms dictated that women do not work in offices. However, some respondents were obtaining ICT training and working as outsourcing employees because of family encouragement and support. These women and their family members are well aware of the importance of ICT (Cecchini and Scott 2003). One trainee commented:

My family wanted me to learn computers so that I could be employable. Then I thought, OK. Let's learn computers and come in this field. (Respondent 10)

At the same time, other respondents faced opposition from their families before joining the outsourcing organization. One respondent shared a bad experience of her friend who joined the office along with her but had to leave the job because of adverse social and family pressure:

The husband of a woman who had joined for computer training with me forbade her to learn and work in the office. But she wanted to learn ICT and work here so she continued coming here. Then he became abusive because he could not tolerate that she earns. He insisted that he would earn himself. She could not solve her domestic issues and left during training. It was an exceptional case; the majority of women here are supported by their family. (Respondent 3)

Employees commented that working in an office and being employed for a white-collar job was something new in that culture:

I did not face serious challenges, only my mother-in-law had some objections that "what will you do by doing a job? There is lots of work at home and in the fields, how could it be managed?" But my husband supported me and I started working, now everyone is happy." (Respondent 3)

We could not find any particular reason behind this contradictory finding; all respondents belonged to the same area, sharing the same culture, traditions, and social values. Initial findings reflected that the difference could be explained by marital status; the unmarried outsourcing employees faced less social pressure and obtained permission to work from their parents more easily. Married women by contrast were expected to manage the home and children. After more interviews with married outsourcing employees, married women expressed a greater level of commitment to their jobs. For some, their husbands and in-laws supported them by looking after the children in their absence because they were perceived as working for the betterment of their family.

I told my husband that I want to do the job. He said it is fine for me. If you feel this job is good for you then go ahead. (Respondent 4)

Another explanation is that some families in the village are quicker in accepting positive change whereas the process of social acceptance was slow in other families.

6.5.4 Environmental conversion factors

Restrictive conversion factors imposed by the commutation to distant areas are a major challenge which rural women face (Madon and Sharanappa 2013). It was very difficult for the rural women to travel to the nearby city for ICT training due to slow and unreliable public transportation from the village. Additionally, social norms restricting women traveling alone on buses was another restricting factor:

If I would have to go outside the village for a job and I will ask my parents for permission then they will refuse my request completely. (Respondent 9)

Clearly, distance and travel issues are considerable environmental conversion factors which have restricted women's ICT training and outsourcing employability.

Power outage was another environmental conversion factor which comes out during investigation as restricting ICT capabilities. Most of the time there was no electricity in the village or the power was too low to operate electronic devices. Many respondents had never seen a computer before joining Harva because they did not have it at their home or neighborhood. Access to capital and power constraints had discouraged the availability of electronic devices and thus their usage.

6.5.5 Technology conversion factors

During this study a new conversion factor adding to Robeyn's (2005) frame emerged from the data. Interviewees identified technology as a separate

category under conversion factors with both enabler and restrictive features. The parents of some respondents had realized that their daughters should learn computing along with basic education to improve their employability.

My father wanted me to study and my mother insisted that I have to learn computers so that I can start my professional life in parallel. (Respondent 10)

Generally, women outsourcing employees and their families had good awareness about the importance of ICT – a major enabling factor to encourage women for ICT training and outsourcing employment. They perceived that computer-operating skills are necessary to obtain white-collar employment. One trainee shared her view:

Computer is a need of this world and I had realized it. I knew that I have to learn it to be competitive. When we will apply for any job, people will ask: “do you know computer?” (Respondent 7)

However, fear of using technology and the lack of availability of computers, Internet and smartphones at home emerged as a restrictive technology conversion factor. One outsourcing employee commented:

I did not know how to use Internet and computers. I did use mobile just for receiving and making calls but did not know anything about its other functionality. (Respondent 8)

Some respondents had never seen computers in their life before; some had never used the Internet, as one trainee expressed:

I did not know anything; I did not know there is something called Internet. Now, my knowledge has increased. (Respondent 9)

Mobile phones, however, were common and all respondents had used them even if they did not have their personal mobile phone. Almost all employees use mobile phones to communicate with their family and they considered it a necessity rather than a luxury. However, the majority of them still do not have access to a computer and Internet at their homes and they use them in the outsourcing center only. Internet facilities were not available in the village which restricts the use of the Internet. The CEO of Harva mentioned the ICT resource challenges:

Basic challenges are power and internet. These challenges are primary. (Respondent 1)

Very few respondents, which included higher- and middle-level management and most senior outsourcing employees, were using Internet on their mobile due to the extra cost of mobile Internet and smartphones. Respondents shared their initial experience of learning technology. They were scared of using computers and the fear of breaking the computer or keyboard was a major problem which made them reluctant initially to touch them:

The problem I faced initially was a real fear to operate the computer. As I did not operate it before so I was scared that something would go wrong or maybe I would break it. What if the window malfunctions? (Respondent 4)

As this technology was not available in the domestic context, employees had no initial familiarity.

6.5.6 Resources (capabilities input)

In this section, we discuss what kind of resources the impact sourcing organization has provided to their employees. We will also discuss the impact of these resources on conversion factors, particularly the effect on restrictive conversion factors. These resources are categorized into tangible and intangible resources and taken as capability inputs. The summary of resources from our findings is summarized in Table 6.2.

Table 6.2 Resources

Category	Subcategory	Codes
Tangible resources	Office facilities	Closely located office building Office furniture Continuous power supply through generator
	Provision of ICT equipment	Good Internet connection Computers Smartphones
Intangible resources	Colleagues' support	Peer encouragement Professional help and support
	Learning and working environment	Flexible learning and working hours Cultural acceptance Allowed to retain their traditional attire and norms
	Provision of training	Basic ICT training English-language training BPO skills training ITO skills training Soft skills and professional training

6.5.7 Tangible resources

Physical working resources and ICT equipment are tangible resources which have been provided by Harva. We have discussed under environmental conversion factors that travel to distant areas for learning and earning was a major hurdle for rural women. Harva has opened its outsourcing center very close to the villages where women can walk to the workplace. One 19-year-old trainee commented about the importance of this proximity for family approval:

This is the first time I go out of the house for work. My parents and grandparents are very satisfied now because the center is nearby to my house and I am working with local and known people. They think I am quite young and immature and it is safe to come here. I arrive here walking with friends. (Respondent 9)

The outsourcing center was using a generator for maintaining a continuous supply of electricity because of power outages. Outsourcing employees were provided with individual computers and high-speed Internet during training and after training to perform their outsourcing tasks. In their free time these women could use these facilities for personal matters, for example, social media or Internet browsing or entertainment. One outsourcing employee told us that:

I don't have Internet and computer at home but I use Internet at center daily when I get free time. (Respondent 4)

The outsourcing center also had some smartphones which were given to the employees for mobile applications testing. These phones were not given for personal use but so that employees would get some hands-on experience in using the latest mobile phones and gain knowledge about Android technology. Here we see examples of resources provision enabling the women to build social capital for their own development (Heeks and Arun 2010).

6.5.8 Intangible resources

Colleagues' support, comfortable learning and working environment, and provision of training are the intangible resources which were provided by the center. Rural women were obtaining continuous encouragement and support from their peers and higher-level management. During their training phase they received continuous support if they started losing confidence. One outsourcing employee shared her experience:

I discussed my concerns with my trainer that I don't think I could learn English but he said, "No, have trust and confidence on yourself; you can learn it." (Respondent 3)

When they started jobs after training, everyone in the center tried to help one another out in doing work. The company management gave extra attention to those employees who could not perform well. Instead of discouraging them, collective efforts from colleagues were used to bring those employees to the required level of quality and throughput.

I am giving credit to my center manager. She encourages me a lot and continuously reminding me that I can do anything and I should try my level best. (Respondent 4)

The women had options to work any shift as the center provides flexible hours. Evening shift training was provided to female students with free computer training after their school and college hours. Outsourcing employees were getting paid according to quantity of work and there is no restriction of fixed hours to retain their jobs. This flexibility encourages rural women to learn as well as to earn money.

Respondents believed that they had experienced no favoritism and that all employees were treated equally. They were more comfortable with the people they knew from the village; it was easier for them to learn from someone like them (from the same location and background). As a trainee commented:

I am belonging to the village. I could not adjust and learn in a modern high-class computer center in the city directly, I might feel some inferiority complexes. But this center is in village and most of the trainers are from us who initially learn and then transmit knowledge. We speak same language so it is in my comfort zone. The environment is very conducive and comfortable that's why I like to come here to learn things and do the job. (Respondent 9)

As Harva was the first impact sourcing organization that had established its outsourcing center in the village, company policies did not force women to change their attire. Some at Harva believe that the women's outsourcing employment had gradually gained acceptance in the community because it did not conflict with their cultural and religious norms and values. Rural women have the freedom to maintain their cultural or religious identity while working at Harva. The CEO commented:

The women in some area usually wear Ghongat (veil to cover their faces). That's why they were not allowed to step out from their homes for work. We did not ask them to change their outlook for work. (Respondent 1)

Respondents had no university degrees, professional training, or any kind of professional experience before joining Harva. The training represents resources

which the impact sourcing organization has provided to rural women to overcome their lack of language and technical competence thus overcoming individual restrictive conversion factors. All rural women were offered free computer training initially and those who were willing to learn could come to the outsourcing center in evening shifts. One woman shared her experience of joining computer training and the necessity for family approval:

I had to convince my family that I am getting computer knowledge without spending any money so they did not have any objection. (Respondent 7)

Basic English-language training was also part of the training. An outsourcing employee mentioned it:

It was very hard to do work in English and especially to learn computer which is in English. But they provided us a teacher who taught us English for one month. Then things became easier for me. (Respondent 3)

Here once again we see wider potential impact of such resource provision for building social capital.

6.5.9 Capabilities (sets of potential and achieved capabilities)

Capabilities are sets of potential and achieved functioning which outsourcing employees are able to achieve as a result of resources provided by the impact sourcing organization.

We have identified six types of capabilities from the data set: economic capabilities, educational capabilities, individual capabilities, professional capabilities, and ICT usability capabilities. These capabilities include both potential and achieved capabilities because we present the aggregated findings of all respondents. For example, capability of supporting higher education under educational capabilities is a potential capability of all outsourcing employees but few of them had chosen it as an achieved capability by continuing their higher study. Table 6.3 summarizes the findings related to employees' capabilities.

6.5.10 Economic capabilities

Working as an outsourcing employee had a major influence on respondents' economic capabilities. Respondents told us that their job supported them financially and now they can spend their earnings on different expenses. Respondents spent their earned income to meet everyday expenses, for example, to buy daily groceries, to invest in personal and children's insurance, to save in banks, to spend on personal and children's education and also on

Table 6.3 Set of potential and achieved capabilities

Category	Code
Economic capabilities	Spending on daily expenses
	Investment capabilities
	Saving capabilities
	Spending on education
	Spending on health
Empowerment	Social empowerment
	Financial empowerment
	Technology empowerment
Educational capabilities	Improved knowledge
	Supporting higher education
	ICT education
Individual capabilities	Decision-making power
	Improved communication skills
	Improved self-confidence
	Multitasking and management skills
	Perception about the world
	Personal development
Professional capabilities	Employability
	Professionalism
	Awareness of client expectations of quality management
	Punctuality
	Teamwork
ICT usability capabilities	Education and knowledge
	Knowledge of sources of information
	Performing outsourcing tasks
	Submitting tasks to head office
	Socialization and networking
	Entertainment
	Communication and keeping in touch with family

their children's health. We realized that women were not only bearing their everyday expenses but they were making saving decisions for the future. One outsourcing employee stated:

I also use (the salary) to do some savings. After household daily expense, I am able to spend it on insurance of myself and my daughter. (Respondent 3)

There were two different spending approaches between married and unmarried employees. The unmarried group tends to spend their earned income to bear their own expenses, education, and to support their families:

I spent my money to buy books; I have passed twelve grades. (Respondent 5)

The unmarried girls were also interested in saving some portion of their earned money for their wedding expense or planning to spend on higher education.

From last three years I am saving my salary in bank. I will use it meet my wedding expense. (Respondent 7)

Married outsourcing employees are more focused towards spending their income on health and their children's future education as well as household expenditures. One respondent told us that she did not spend her money on everyday expenses and saved it for major expenses, for example, to buy some expensive household item if necessary; otherwise she was saving money to take her son to a good private school.

We are thinking about our son, as he is growing up. We are planning to take him to a good private school which will definitely cost us more. This is the reason we are saving money; we are saving for our son's bright educational future. (Respondent 4)

6.5.11 Educational capabilities

The education capabilities that respondents believed had improved after getting this employment included increased knowledge, capability for higher education, and ICT education. These outsourcing employees had acquired knowledge about technology and the job market and their perspective of life had changed after becoming outsourcing professionals. They did not know the importance of education and a professional career before, but when they started their job and socialized with colleagues, they exchanged information and gained knowledge. Their working life had caused them to realize the importance of education.

My knowledge has increased and my confidence has improved. (Respondent 9)

One respondent told us that now she was giving priority to her children's education because she had become aware about its importance for their future. Outsourcing employees and trainees were motivated to continue their education towards a more progressive professional career. Working in the outsourcing center could help them afford their own educational expenses. One trainee expressed her future wish to continue her education:

I will do job here after learning computer but I will not leave my education; I will continue it in parallel because I will be able to bear my educational expenses very soon. (Respondent 10)

The outsourcing center contributed an active part in spreading ICT education in that area:

Now I have complete confidence that I can operate computer properly. I use Microsoft Excel for data entry and Gmail for sending emails. In my free time, I check my Facebook and read news. (Respondent 5)

6.5.12 Empowerment

Empowerment is interpreted in Sen's Capability Approach as freedom to live a life a person values (Sen 1999). We found three kinds of empowerment from our data: social, financial, and technological. Women felt socially empowered after becoming outsourcing professionals. Their in-laws and husbands were more supportive now and were sharing the domestic workload so that they could manage their jobs. Their respect and value in the family had increased.

I share everything with my husband and now if he faces any problem he takes my advice. I used to guide him what to do and what not to do. He listens to my suggestions. Now the attitude of family and relatives has changed. They know I can do something. (Respondent 4)

Outsourcing employment had made them financially independent. One outsourcing employee told us:

I don't need to ask my parents for my personal expenses, now I can bear them by myself. (Respondent 7)

Apart from financial independence, they were capable enough to contribute partially to meet their family expenses:

I am getting money based on my work. I keep some money for myself and I give the remaining to my family for everyday expense. (Respondent 8)

6.5.13 Personal capabilities

Another theme that emerged from the data after analysis is personal capabilities. Our definition of personal capabilities includes all positive changes in individual characteristics after getting employment (Madon and Sharanappa 2013). One major change in personality that all outsourcing employees mentioned during interviews was improvement in their communication skills. Women could not communicate properly with new people before; they felt reluctant, shy, and sometimes scared. They told us that professional life had given them confidence and enabled them to communicate effectively.

One outsourcing employee said:

My speaking power and communication skills have improved. I felt shy, reluctant, and inferior while talking with strangers. I can see a major change in my personality, now I am talking to you confidently. (Respondent 9)

They have gained confidence to speak and communicate properly. One thing that we noticed during interviews was the different levels of self-confidence among the respondents. Senior outsourcing employees who had been working in the outsourcing center for a long time were very confident in replying to the interview questions in detail, whereas some trainees who recently had started to come to the outsourcing center for ICT training were shy and preferred nodding their heads or gave very short answers, sometimes only “Yes” and “No.” The fact that they were speaking to a stranger and also through Skype technology that was new for them, might be a reason for their attitude, as they were not confident with its use as compared to other senior employees.

Professional life had helped to develop their self-confidence and trust.

I have got trust and self-confidence that I can do anything now. (Respondent 6)

Female respondents had gained multitasking skills. Before starting their professional life they spent all of their time doing household chores. They still had been managing these very well with the job because of self-organization. They managed to complete their home responsibilities before coming to the office.

I used to manage house chores and office work together. If I don't come to office I feel tiredness and boredom because of doing nothing. I have become habitual of multitasking and distributing my time. (Respondent 4)

Along with family responsibility they were also concerned about their own appearance and personality and were also enjoying the positive changes in their personalities.

After joining here, I can see lots of changes in myself. My style of speaking, personality, and communication with people have improved. (Respondent 5)

6.6 Discussion

This chapter has added to the limited literature on impact sourcing, where BPO business models are used to bring development benefits to marginalized communities. Whereas previous research in this arena has focused on either

the business benefits alone, or on the social development benefit within a non-profit social enterprise (Madon and Sharanappa 2013) or limited commercial environment (Heeks and Arun 2010), this research is unique in investigating potential for social development impact while operating under a for-profit commercial business model.

The main contribution of this study is highlighting the restrictive and enabling conversion factors that may influence the overall capabilities of marginalized outsourcing employees, and, secondly, how the impact sourcing organization may contribute to minimize the effect of restrictive conversion factors and enable capabilities by providing resources. Using interview data of outsourcing employees, we have identified tangible and intangible resources provided by the impact sourcing organization.

Slavova et al. (2012) discuss weaknesses of the Capability Approach for ICT intervention, arguing that there is very limited practical use of the Capability Approach for ICT-related projects. This study attempts to practically implement Sen's Capability Approach to assess the impact of impact sourcing. The Capability Approach has also been criticized for being overly focused on the individual (Gore 1997; Stewart 2005), yet Madon and Sharanappa (2013) use the framework to discuss community impact along with individual capabilities while measuring a social outsourcing initiative. In this research, although we focus particularly on individual impacts, we can see aspects of wider community impact, for example, when discussing contradictory social conversion factors, such as family support and restrictions from family. We observe the gradual community transformation of cultural acceptance of women working in offices, yet other evidence also hints at the reluctance or limitation in transformation of these gender-based norms. For instance, women are still expected to complete their household responsibilities, as well as now taking on a productive role (Moser 1993) and the choices they have (or make) regarding further career development (such as moving to a city job) may be constrained by these cultural gender-based norms. It is a glimpse of impact sourcing's impact on the community but consideration of wider level impact of impact sourcing on community or institutions is a future research agenda.

Robeyns (2005) identifies three categories of conversion factors: personal, social, and environmental when putting the Capability Approach into operation. During data analysis, we identified some novel conversion factors, for example, image and importance of ICT and fear of technology, unavailability of technology, and so forth, which could not fit appropriately in any one of these pre-defined categories. We group these factors under an independent new category of technology conversion factors. This addition of technology conversion factors in the Capability Approach is another contribution of this study towards customizing it with technology.

6.7 Limitations and future work

A number of limitations need to be acknowledged. In this study output capabilities are defined on aggregate level – not all participants have all capabilities mentioned. Hence, the capabilities set includes all possible and achieved capabilities that the particular impact sourcing organization may enable for marginalized outsourcing employees. There were two reasons to aggregate all capabilities. First, it is unfeasible here to discuss them on an individual level for each respondent; second, our research objective is to evaluate the social development impact of an outsourcing service provider overall when practicing impact sourcing. Discussion of potential capabilities and achieved capabilities separately are not a point of consideration in this chapter, but would be future research work.

This study attempts to provide initial findings which cannot be broadly generalized. There is a need for more research in different contexts to assess the social development potential of impact sourcing providers. Impact sourcing is a global phenomenon: different country contexts and types of outsourcing service provider should be researched to enrich the theoretical findings.

Until now, impact sourcing research is focused on poor communities and rural areas. As we initially have discussed, people may be marginalized because of many other factors, for example, employment opportunities, income, religion, education. Future research work is needed to explore other dimensions of marginalization in different populations to bring richer variety to the findings.

Lastly, our study findings mainly reflect positive aspects. More in-depth case studies and ethnographic research of outsourcing service providers are necessary to highlight deeper challenging impacts. Future work will focus on detailed ethnographic data collection and extended fieldwork in the outsourcing centers to add deeper insight into the impact and capabilities, to unravel further the meanings and aspects of “empowerment” and agency (Kabeer 1999) affecting achieved functionings or capabilities, and the more transformational impact that may lead to sustainable development for these communities.

Note

1. <http://www.harva.co.in/>
http://articles.economictimes.indiatimes.com/2010-08-04/news/27617594_1_rural-bpos-business-process-outsourcing-harva
<http://www.indiatogether.org/2010/may/wom-bpojjobs.htm>

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