



## A STUDY ON SOCIO ECONOMIC BACKGROUND OF SOFTWARE PROFESSIONALS IN CNENNAI CITY- AN ANALYSIS

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### ABSTRACT

India has emerged a prodigious growth in the field of Information Technology. It has not only generated employment opportunity but also bestowed the social and cultural transfiguration in the economy, but the changes have occurred only in the urban area. The talents in the rural area has not esteemed and get an opportunity to entering in to the IT sector because poor economic background. This study is aimed to examine the socio-economic background of Information Technology professionals in Chennai city and the main objective is to find out which status of people are entering in to the IT sector and also recommend some suggestions that can be implement by the Government to change the rural talents in to IT professionals.

**KEYWORDS :** Information Technology industries, professionals, socio-economic background.

### INTRODUCTION

The India's software industries have achieved a tremendous growth during the last 5 decades. It is an important element in the information Technology and has brought a tremendous growth of the emerging economy. IT sector has been playing dominant role in Indian economy both in terms of contribution to GDP and its employment generation capability. The IT sector industry considered to be an employment generator to the young people, thus providing direct employment to about 3.86 million in 2016 -2017, and indirectly employing 12 million people.

India is one of the advanced developing countries which would maintain its demographic advantage of having young work force capable of supplying labour to rest of the economies provided it is able to take up skill development programmes of its young people suiting the emerging needs of global economy (M.M.K Sardana 2012). Generally being dominant player in the global out sourcing sector. Indian IT sector has emerged to be a key development strategy.

### SIGNIFICANT OF THE STUDY

India had been placing overbearing emphasis on the grooming of home grown technical manpower as a pillar of development strategy for economic and technical self-reliance since independence. Hence, India became second largest reservoir of scientific and technical manpower in the world. (Vikram Chandha et.al 2015). But entering in to the IT sector is the biggest challenge for the people who come from rural area and poor family background because of low quality of teaching. Even though the talents in rural area have not honored and proving opportunities in IT sector because of penurious economic situation and poor government policy people in rural area do not get an opportunity to study in Engineering colleges because of poor economic background. The management of IT sector will play a pivotal role not only improving the growth of the organization but also the welfare of the employees at all levels. Against this background an attempt is made to determine the socio-economic background of software professionals. This study aims to assist the government to frame a suitable policy for the motivation of poor and rural education.

### REVIEW OF LITERATURE

**C.J.Fuller and Haripriya Narsimhan(2007)** focuses on Information Technology professionals and the New rich middle class in Chennai. The professional staff in the new Information Technology (IT) companies provides the indispensable, material basis for the informational global economy. In this study the author discussed that sociologists of the west usually distinguish between the 'old' middle class-the property-owning and the 'new' middle class of educated and qualified, professional and technical, white -collar staff, which has grown steadily. It estimates that the number of knowledge professionals in the industry was 5, 22,000 in 2001-02, crossed one million in 2004-05 and continued rapid growth and roughly one third of this work force was in the export-oriented soft ware sector. It also analysed that the majority of staff, were qualified or trained in software engineering, and they normally have a particular specialist expertise. Some of them came to Indian computer services from other IT companies, but most were directly recruited from engineering

colleges, and approximately one-fifth of new recruits were women, and there was severe market competition for good staff and moving between software companies was fairly easy. The annual Income of the IT professionals over well-paid and certainly belong to the country's new rich. It concluded that the employees in IT companies in Chennai was said to be dominated by the high-status 'forward castes, especially Tamil Brahmins.

**Charles M.Beach and Roe E. Finnie (1998)** estimates of family background effects on earnings of working-age men on the basis of a Canadian micro data file. They included five endogenous variables such as educational attainment, occupational status of current job, current earnings and also occupational status of first full time job and years of work experience. In direct effect of family background variables, the educational attainment has an important role in matching people with initial occupation and providing entrance to certain occupations, it is positive related and highly significant effect. Father's occupation and education and mother's time spent working appear with persistent positive effects, while in indirect and total effect of family background variable shows decreasing direct affects across the endogenous variables of the model there appears to be greater reduction in the direct influence of mother's and sibling background variables over the son's carrier. Mother's direct influence is initially higher, then it reducing faster; while father's direct influence declines but continues to remain significant. They found that (i) the direct family background effect appear to be concentrated more in the education variable than any other.(ii) the indirect family background effect concentrated more in occupation and work experience through to earnings.

**Anirudh Krishna and Vijay Brihmadeseam (2006)** were concerned about economic background of newly recruited software professionals. They found out that none of the respondents comes from a background of extreme poverty. The new recruiters of IT sector had come from middle or lower middle economic background and those parents were both quite educated. The income of the most of the respondents was economically sound from their families. IT work force has been assigned with any definitive and purposeful role at play in socio-economic progress; when compared to male employee the female employee are fewer in the IT sector Nanjamari.K(2013). It also identified that the high degree of rural on any one of family and economic background does not significantly hinder one's access to better paying job. Only few respondents in the sample were entirely rural with educational and family background.

### OBJECTIVES

The objectives of the study are as follows:

- 1) To trace the growth and development of Information Technology industries in India
- 2) To identify the socio-economic background of software professionals in Chennai city and
- 3) To suggest suitable policy measures for inclusiveness in IT sector.

**METHODOLOGY**

The study has been analysed with the help of both primary and secondary data. The secondary data required for the study are collected from various journals, research articles, seminar reports, study report of expert committees, records maintained in the companies of IT sector in Chennai and other published and non-published sources.

The primary data has been collected from 380 sample respondents by using simple random sampling method with the help of structured questionnaire. The study was conducted in 15 software companies in Chennai city with the population size (Employees) of the organization has minimum 350 was considered for the study. The objectives of the study are analysed using appropriate statistical tools.

**GROWTH AND DEVELOPMENT OF INFORMATION TECHNOLOGY INDUSTRIES IN INDIA**

Information technology (IT) has transformed India from an agriculture-based economy to knowledge based economy. Today, India is a large, and the fastest growing economies in the world. As a result of impressive growth of the economy, increasing per capita income and the expenditure leads to other economic development. The Information Technology & Information Technology Enabled Services (IT-ITeS) sector is a field which is undergoing rapid evolution and is changing the shape of Indian business standards. The IT sector is one of the top two industries in the country today. This sector includes software development, consultancies, software management, online services and business process outsourcing (BPO).

Government of India and the State Governments have put up efforts like, liberalization of external trade, elimination of duties on imports of information technology products, relaxation of controls on both inward and outward investments and foreign exchange, setting up of Export Oriented Units (EOU), Software Technology Parks (STP), and Special Economic Zones (SEZ), which helped IT industry to gain dominant position in world's IT scenario. Over the past decade, the IT / ITeS industry in India has been a story of unparalleled growth. The compounded annual growth rate (CAGR) of the industry has been over 25 percentages in the last 5 years. Most of the Indian firms, across all other sectors, largely depend on the IT & ITeS service providers to make their business processes efficient and streamlined. The Indian manufacturing sector has the highest IT spending followed by automotive, chemicals and consumer products industries. (International Data Corporation-IDC's Manufacturing Insight Report 2012)

The share of information technology industry in Gross Domestic Product during the period 2006-2016 has shown in the table.

**Table No: 1 Size of IT Industry in India as a Share of India's GDP from 2006-2016.**

Year	Percentage share of India's G.D.P
2006-2007	4.3
2007-2008	5.2
2008-2009	5.8
2009-2010	6.1
2010-2011	6.4
2011-2012	7.5
2012-2013	8.
2013-2014	8.1
2014-2015	9.5
2015-2016	9.3

Source: Satista, 2017

The contribution of India's IT industry to economic progress has been quite significant. It has increased from 4.3 percent in 2006 to 7.5 percent in 2011. It further rises from 8 percent in 2012-2013 to 9.3 percent in the year 2016.

**THE SOCIO-ECONOMIC BACKGROUND OF THE RESPONDENTS EDUCATIONAL STATUS OF PARENTS**

**Table No: 2 Frequency Distribution of Educational Status of the Respondent's Fathers**

Educational Status	Frequency	Percent	Cumulative Percent
Illiterate	8	2.1	2.1
Primary School	27	7.1	9.2
Middle School	119	31.3	40.5
High School	142	37.4	77.9
Higher Secondary	57	15	92.9
Graduate	21	5.5	98.4
Post graduate	6	1.6	100.0
Total	380	100.0	

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Source: Field survey

It is revealed that majority of the respondent's fathers have attained education up to high school level. They account for 37.4 percent. The respondent's fathers who got education up to middle school level form 31.3 percent followed by education up to higher secondary level constitutes 15 percent; graduates are 5.5 percent and postgraduates are 1.6 percent. It is to be noted that 7.1 percent of the respondent's father have education only up to primary school level and 2.1 are illiterates.

**Table No: 3 Frequency distribution of Educational status of the Respondent's Mothers**

Education	Frequency	Percent	Cumulative Percent
Illiterate	9	2.4	2.4
Primary school	71	18.7	21.1
Middle school	154	40.5	61.6
High School	94	24.7	86.3
Higher Secondary	33	8.7	95.0
Graduate	16	4.2	99.2
Post Graduate	3	.8	100.0
Total	380	100.0	

Source: Field survey

It is observed that the major portion (40.5) percentage of the respondents' mothers have completed middle school level. Respondents' mothers who have got education up to high school level form 24.7 percent and 8.7 percent have attained education up to higher secondary level; 18.7 percent of them have completed up to primary school and 4.2 percent are graduates and .8 percent are post graduates

**OCCUPATION OF THE PARENTS**

Occupation of the father is considered the predominant variable of the respondents to identified which type of occupation of the father have influenced their children set foot in to the IT sector.

**Table No: 4 Frequency distribution of occupation of the Respondents' Fathers**

Occupation	Frequency	Percent	Cumulative Percent
Agriculture	21	5.5	5.5
Daily Wages	20	5.3	10.8
Government Employee	158	41.6	52.4
Private	143	37.6	90.0
Own Business	38	10	100.0
Total	380	100	

Source: Field survey

It is observed that out of 380 respondents, a little more than four-fifth of the respondents' fathers is government employees; respondents' fathers working in private sector accounts for 37.6 per cent and one-tenth of them are businessmen. Respondents' fathers who are engaged in agricultural sector constitute 5.5 per cent.

**Table No: 5 Frequency distribution of occupation of the Respondents' Mothers**

Occupation	Frequency	Percent	Cumulative Percent
Agriculture	18	4.7	4.7
Daily wages	17	4.5	9.2
Government Employee	54	14.2	23.4
Own Business	33	8.7	32.1
House wife	258	67.9	100.0
Total	380	100.0	

Source: Field survey

It is observed that out of 380 respondents more than half of the respondent's mothers are house wife; one fourth of them is working in government sector; the respondents' mothers who were doing business constitute 8.7 per cent and 4.7 per cent are engaged in agricultural sector.

**INCOME OF THE RESPONDENTS' PARENTS**

**Table No: 6 Frequency distribution of Income of the Respondents' Fathers**

Income	Frequency	Percent	Cumulative Percent
Below 20000	66	17.4	17.4
20001-40000	185	48.7	66.1
40001-60000	102	26.8	92.9
60001-80000	20	5.3	98.2
Above 80001	7	1.8	100.0
Total	380	100.0	

**Source: Field survey**

The monthly income of 66 (17.4) percentage of the respondent's father is less than Rs 20,000. Respondents' fathers who earn between Rs.20,000 and Rs.40,000 accounts for 48.7 per cent and 26.8 per cent earn between Rs.40000 and Rs.60,000. The respondents' fathers who earn more than Rs.80,000 constitute about 7 per cent.

**Table No: 7 Frequency distribution of Income of the Respondents' Mothers**

Income	Frequency	Percent	Cumulative Percent
Below20000	335	88.2	88.2
20001-40000	35	9.2	97.4
40001-60000	5	1.3	98.7
60001-80000	4	1.1	99.7
Above80001	1	.3	100.0
Total	380	100.0	

**Source: Field survey**

The monthly income of 335 (88.2) percentage of the respondent's mother is less than Rs 20,000. Respondent's mothers who earn between Rs. 20,000 and RS 40,000 accounts for 9.2 percent and 1.3 percent earn between Rs.40, 000 and Rs. 60,000. The respondents' mothers who earn more than Rs.80, 000 constitute about only .3 per cent.

**OWNERSHIP OF THE HOUSE**

**Table No: 8 Frequency distribution ownership of the Respondents' Fathers**

Owner ship	Frequency	Percent	Cumulative Percent
Own house	237	62.4	62.4
Rented house	143	37.6	100.0
Total	380	100.0	

**Source: Field survey**

It is revealed that more than half (62.4) percent of the respondent's parents living in their own house and remaining others 37.6 percent of the sample hold parents living in the rented house.

It evidently proved that most of the parents of IT sector employees lives in their own house and leads a certain degree of status.

**NATURE OF FATHERS' HOUSE**

**Table No: 9 Frequency distribution of Nature of fathers' house of the Respondents**

Nature of House	Frequency	Percent	Cumulative Percent
Flat	64	16.8	16.8
Independent	316	83.2	100.0
Total	380	100.0	

**Source: Field survey**

It is observed that out of 380 respondents household more than three-fourth (83.2) per cent of their parents living in an independent house and 16.8 percent of them living in flats. It shows that who believes to lead a moderate life living in an independent house is a prestigious thing.

**LIVING SPACE**

**Table No: 10 Frequency distribution of living space of fathers' house of the Respondents**

Space	Frequency	Percent	Cumulative Percent
Less than 400	16	4.2	4.2
401-800	193	50.8	55.0
801-1200	135	35.5	90.5
Above1201	36	9.5	100.0
Total	380	100.0	

**Source: Field survey**

It is observed that half (50.8) percent of the respondents parents live in the space between 400-800 sqft of the house. The living space of the dwellings of 35.5 per cent of respondent's parents is between 801-1200 sqft. 9.5 percent of them were living space above 1201 sqft. It should be noted that out of 380 respondents, only 4.2 percent were living less than 400 sqft. This table clearly reveals that middle level status of the parent's made effort to give professional education to their children's for their engineering career.

**RESULTS**

The majority software professionals belonging to middle class group and only few of them have come from rural and poor background. The educational background of respondents' parents has attained education up to middle and high school level. In that majority of them are working in private and government sector. It is another evidence that only few have come from extremely poor family, and three fourth of them are come from economically sound families with own independent house.

**SUGGESTIONS AND CONCLUSION**

The employment generation in the IT sector is a one side way opened to the urban metropolis belonging only to middle class group and not for poor rural people. This is apparent from the parental background of the respondents. The salaries paid to the professionals in the IT sector change their class structure from poor class to middle class and middle class to rich. Hence the IT sector plays a significant role to enrich the human resources in the society. It suggested that the suitable policy measures taken by the government should improve the quality of education in rural area by teaching in English, providing free professional (Engineering) education for economically backward people and also provide scholarship and other facilities to the people in the rural areas. The colleges must provide campus interview to the college students especially to the rural colleges. The management of the organization should not receive training fee and any other security deposits for new entries.

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