Innovations in outsourcing: the emergence of impact sourcing

This item was submitted to Loughborough University’s Institutional Repository by the/an author.

Additional Information:

- A Doctoral Thesis. Submitted in partial fulfilment of the requirements for the award of Doctor of Philosophy of Loughborough University.

Metadata Record: https://dspace.lboro.ac.uk/2134/19596

Publisher: © Sandeep Mysore Seshadrinath

Rights: This work is made available according to the conditions of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) licence. Full details of this licence are available at: https://creativecommons.org/licenses/by-nc-nd/4.0/

Please cite the published version.
INNOVATIONS IN OUTSOURCING: THE EMERGENCE OF IMPACT SOURCING

BY

SANDEEP MYSORE SESHADRINATH

DOCTORAL THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY OF Loughborough University

NOVEMBER 2015

© BY SANDEEP MYSORE SESHADRINATH 2015
ABSTRACT

Newly emerging information technology and business process outsourcing (IT-BPO) models are not just about ‘business’. Some of these models are also guided by a strong underlying social mission to ‘do good’ and create ‘social value’. Collectively they are now being referred to as impact sourcing (ImS) models. In brief, ImS is a social innovation in outsourcing that aims to bring digitally-enabled outsourcing jobs to marginalized individuals. The ImS model of outsourcing consciously provides employment opportunities to communities and groups whose life chances are deemed poor. In this thesis we study ImS companies, i.e., IT-BPO vendor firms, which aim to create a significant ‘impact’ (hence the term ‘impact sourcing’) on the lives of hitherto disadvantaged and deprived communities by giving them gainful employment and thereby improving their material conditions. Using qualitative methods, the thesis takes multiple approaches to study the ImS model. The thesis is comprised of three empirical chapters, each exploring a different aspect of the ImS model.

Chapter 2, using a multiple case-study approach, draws on concepts from social entrepreneurship to study the triggers of ImS entrepreneurship and the process through which ImS entrepreneurs build and operate ImS companies. The chapter also looks into the institutional influences that have shaped the ImS model. Most importantly, the findings demonstrate the inherent difficulty of scaling and sustaining the ImS model, as it is the individual entrepreneurs’ intense personal experiences, not market-based considerations, which play a crucial role in launching new ImS companies.

Drawing on the initial findings of Chapter 2, Chapter 3 explores the challenges of operating ImS companies in marginalized communities. Specifically, the chapter analyzes how ImS companies ‘frame’ their ventures to the local community, drawing on frame alignment literature. The findings from this chapter suggest that local communities are not passive recipients of ImS companies’ framing work and may indeed resist ImS company
activities for reasons such as the perceived incompatibility of the ImS model with local norms and belief systems and perceptions of inequality stemming from the merit-based recruitment strategies underpinning the model. The chapter finds that deployment of progress, family, material-benefit and egalitarianism frames may help ImS companies to overcome resistance, and gain the acceptance of local communities.

While Chapters 2 and 3 focus on the ImS companies and their founders, Chapter 4 analyzes the challenges faced by marginalized individuals as they transition into the ImS workplace from their relatively traditional community spaces. The findings suggest that the distinct norms and values embodied in the community space and the ImS workplace create challenges for ImS employees. In response to these challenges, the findings show that ImS employees craft a variety of coping strategies such as integration and compartmentalization to manage work and non-work boundaries. ImS employees were also found to create ‘fictive’ kinships, experiment with ‘provisional’ selves and ‘craft’ jobs to cope with the socioculturally alien environment of ImS workplaces.

Overall, the thesis makes theoretical and practical contributions to the small but growing business and management literature on the ImS phenomenon. The thesis also makes theoretical contributions to the literatures on social entrepreneurship, frame alignment and organizational studies.
DEDICATED TO MY PARENTS
ACKNOWLEDGEMENTS

First and foremost I want to thank Prof. M.N.Ravishankar. It has been a privilege to be his Ph.D. student. His invaluable guidance and countless hours of constructive criticism helped me understand the intricacies of qualitative research. I have strived as much as I could to mirror his sincerity and commitment to the research process, of which he is an exemplar. I am also grateful to Dr. Donald Hislop, for his support throughout the Ph.D. process. His guidance and encouragement has been most valuable through the years.

I would like to acknowledge the support provided by the School of Business and Economics, which generously funded my Ph.D. for three years. This thesis would have been inconceivable without the generous support of my case-study organizations - I sincerely acknowledge their support. I am also thankful to the Ph.D. colleagues whose inputs have been of immense help during my doctoral training. Special thanks to Andrei Gurca, Aparna Gonibeed, Colin Gao, Gongtao Zhang, Jade Brooks, Kayode Ejodame, Mathew Salter and Michelle Richey for their encouragement and support. My time at Loughborough was also made memorable due to my friends and roommates. Thanks are in order for Damien Machuel, Harish Pesala, Hitesh Kalro, Matthew Hobbs, Alif ‘Alfie’ Ahmed, Shruthi Sabnis, Abhijeet Ghadge and Sibi Marcose.

I would like to thank my parents, Netra and Seshadrinath and sister, Neha, for their unconditional love and understanding. I would not be where I am today without their support. Lastly, I would like to thank my wife, Neha, for whose support, unconditional love and trust, I am forever indebted.

Sandeep Mysore Seshadrinath

Loughborough University

November 2015
# TABLE OF CONTENTS

ABSTRACT ................................................................................................................................. ii

ACKNOWLEDGEMENTS ............................................................................................................... v

TABLE OF CONTENTS ................................................................................................................ vi

LIST OF TABLES ........................................................................................................................... xi

LIST OF FIGURES ........................................................................................................................ xii

ABBREVIATIONS ........................................................................................................................ xiii

CHAPTER 1: INTRODUCTION ...................................................................................................... 1

1.1 Overview of IT-BPO models .................................................................................................. 2

1.1.1 Emergence of ‘socially oriented’ sourcing models ......................................................... 5

1.2 Introduction to Impact Sourcing ........................................................................................... 6

1.2.1 Impact Sourcing in India ............................................................................................... 8

1.3 Overview of the research process ......................................................................................... 14

1.3.1 Philosophical assumptions ............................................................................................ 14

1.3.2 Fieldwork ....................................................................................................................... 15

1.4 Structure and focus of the thesis ......................................................................................... 17

CHAPTER 2: SOCIAL INNOVATIONS IN OUTSOURCING: AN
EMPIRICAL INVESTIGATION OF IMPACT SOURCING COMPANIES
IN INDIA ....................................................................................................................................... 23

2.0 Introduction ......................................................................................................................... 23

2.1 Social entrepreneurship ....................................................................................................... 25
3.3.1 Origins of IVA ........................................................................................................... 76
3.3.2 Operational context of IVA ......................................................................................... 79
3.4 Research methods ........................................................................................................... 81
3.4.1 Data sources ............................................................................................................... 81
3.4.2 Data analysis ............................................................................................................... 83
3.5 Analysis.......................................................................................................................... 84
3.5.1 Frame bridging ............................................................................................................. 86
3.5.2 Frame extension ........................................................................................................... 89
3.5.3 Frame transformation .................................................................................................. 92
3.5.4 Frame amplification ..................................................................................................... 95
3.5.5 Counter-framings ......................................................................................................... 97
3.6 Discussion......................................................................................................................... 99
3.6.1 Theoretical contributions ............................................................................................ 103
3.6.2 Conceptualizing the ‘community’ in ImS research ......................................................... 106
3.6.3 Practical implications ................................................................................................... 107
3.7 Conclusions....................................................................................................................... 109

CHAPTER 4: SOCIOCULTURAL TRANSITIONS OF MARGINALIZED
INDIVIDUALS IN IMPACT SOURCING COMPANIES ......................... 111

4.1 Introduction....................................................................................................................... 111
4.3 Impact sourcing and marginalized individuals ............................................................... 113
4.2 Sociocultural transitions: Synthesizing an analytical framework ................................. 115
4.4 Research methods .......................................................................................................... 118
LIST OF TABLES

Table 1.1: Service offerings of a typical ImS company..........................................................13
Table 2.1: Definitions of Social Entrepreneurship .................................................................26
Table 2.2: Summary of founders’ affects across the seven ImS companies.........................42
Table 2.3: Overview of entrepreneurial actions.....................................................................43
Table 2.4: Evidence of entrepreneurial actions across cases ..............................................51
Table 3.1: Frame alignment mechanisms ..............................................................................74
Table 3.2: Overview of fieldwork..........................................................................................82
Table 3.3: Frames, frame characteristics and frame alignment mechanisms .....................85
Table 3.4: Framing contests and altered viewpoints..............................................................100
Table 4.1: Overview of informants.......................................................................................120
Table 4.2: Characteristics of space and its influence on sociocultural transitions of IVA employees ..................................................................................................................148
Table A.1: Organizations using Impact sourcing .................................................................186
Table B.1: Illustrations of well-known impact sourcing companies .....................................187
Table C.1: Overview of the seven cases ...............................................................................188
Table D.1: Overview of informants.......................................................................................190
LIST OF FIGURES

Figure 1.1: Summary of the thesis ........................................................................................................... 19

Figure 2.1: Cross-case analysis of ImS companies .................................................................................. 52

Figure 2.2: An impact sourcing process model of individual-level triggers, organizational processes and institutional influences ........................................................................................................ 63

Figure 3.1: Overview of the community .................................................................................................. 79

Figure 3.2: Frame bridging ....................................................................................................................... 88

Figure 3.3: Frame extension ..................................................................................................................... 90

Figure 3.4: Frame transformation ........................................................................................................... 94

Figure 3.5: Frame amplification .............................................................................................................. 95

Figure 3.6: A process model of the alignment of competing frames ....................................................... 102

Figure 4.1: Pictorial representation of IVA, community and hybrid spaces ........................................... 149

Figure 5.1: The revised impact sourcing process model of individual-level triggers, organizational processes and institutional influences ................................................................................. 157
### ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDM</td>
<td>Business Development Manager</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>COO</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>CTO</td>
<td>Chief Technology Officer</td>
</tr>
<tr>
<td>IAOP</td>
<td>International Association for Outsourcing Professionals</td>
</tr>
<tr>
<td>ImS</td>
<td>Impact Sourcing</td>
</tr>
<tr>
<td>ISSP</td>
<td>Impact Sourcing Service Provider</td>
</tr>
<tr>
<td>IT-BPO</td>
<td>Information Technology and Business Process Outsourcing</td>
</tr>
<tr>
<td>IV</td>
<td>Impact Venture</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>NASSCOM</td>
<td>National Association for Software Services Companies</td>
</tr>
<tr>
<td>PRIDE</td>
<td>Poverty Reduction through Information and Digital Employment</td>
</tr>
</tbody>
</table>
CHAPTER 1: INTRODUCTION

Information Technology and Business Process Outsourcing (IT-BPO) models have evolved with shifting client requirements and vendor-side innovation. Some of the classic examples of IT-BPO models include global delivery, shared services center, offshore multi-sourcing and nearshoring. A number of factors have contributed to how these models have come into being and evolved over the years. Some of these factors include globalization (Contractor et al., 2010); global competition (Apte and Mason, 1995); deregulation in developing economies (Nilekani, 2009); and IT-enabled transformations such as improvements in telecommunication technology and bandwidth availability (Aspray et al., 2006). Substantial academic research on various aspects of these IT-BPO models has followed (see Lacity et al., 2009 and Lacity et al., 2011 for a comprehensive literature review). While traditional IT-BPO models were chiefly designed with a view to benefit the client or the business, some newly emerging IT-BPO models are striving to achieve the ‘double’ bottom line, i.e. profits and positive social impact. These models of outsourcing are now collectively labeled ‘Impact Sourcing’ (ImS). ImS is an emerging brand of social innovation in outsourcing. It is innovative in the sense that it offers a novel template for organizing outsourcing by reconfiguring the traditional IT-BPO framework. The ImS model of IT-BPO is the focus of this thesis.

I first learnt about the ImS phenomenon when I was pursuing post-graduate studies in Rural Management at Xavier Institute of Management, India (circa 2007-09). But it was not until mid-2011, on the suggestion of my supervisor, that I took an active interest in learning about the work of ‘rural BPOs’ - as ImS ventures were known back then. I thought the topic to be a good fit with my academic interest, which was in the matters of Indian rural economy and social entrepreneurship. Furthermore, the willingness showed by ImS ventures that I

---

1 An edited version of this chapter has been published in Professional Outsourcing.
approached with the intention of conducting fieldwork greatly influenced my decision to write my PhD proposal on the topic. And so in early 2012, I initiated the study on the ImS phenomenon, focusing on the work of ImS organizations operating in India.

The introductory section of the thesis begins with a discussion of IT-BPO models, covering some of the classical models that have shaped the outsourcing industry. After this the emergence of socially oriented sourcing models is discussed, following which, an overview of ImS is presented, paying particular attention to ImS in the Indian context - the focus of this thesis. The research process is then discussed where the philosophical underpinnings and methodological approaches of the study are outlined. Finally, the structure of the thesis, briefly summarizing each of the three empirical chapters, is presented.

1.1 Overview of IT-BPO models
In almost every organization there are certain service activities that are viewed by its stakeholders as core to the organization. Here, the service activities are performed by internal departments within the boundaries of the firm. However, when there remains no value to continue this practice of ‘insourcing’ – either due to cost concerns or due to a failure of meeting internal stakeholders’ non-cost expectations, a firm may choose to consider the outsourcing option (King and Malhotra, 2000). Extending the cost arbitrage by both clients as well as vendors has been cited as one of the prime antecedents of the emergence of new IT-BPO models, although more recently clients and vendors are beginning to view outsourcing as a tool to achieve strategic innovation (Weeks and Feeny, 2008). In this section we briefly discuss some of the classical IT-BPO models, highlighting their key aspects.

Vendor firms located in close proximity to the client firm, but in offshore locations, are termed ‘nearshore’ vendors. The model of outsourcing work to nearshore vendors is known as ‘nearshoring’ (Carmel and Abbott, 2007). Typically claimed benefits of nearshoring include - easier coordination of distributed work, reduced cultural differences,
and most importantly reduced cost (Carmel and Abbott, 2007). For example, Jamaica has matured into a nearshore destination for companies in the USA who are keen to outsource business processes such as customer care and claims handling. Their close proximity to the US mainland, shared time zone, availability of skilled labor, and familiarity with American culture has made Jamaica an ideal nearshore destination. In recent times, vendors in traditional offshore destinations such as India have also strategically established centers in nearshore locations catering to clients in the US mainland and Europe (e.g. Infosys, the well-known Indian IT services firm’s Global Delivery Model).

Domestic outsourcing (or onshore outsourcing) is the practice of outsourcing work to vendor firms located within the client’s home country (Porter, 2013). Here too the primary motivation to outsource is to extend the cost arbitrage. Vendor firms specialize in non-core activities which client firms are willing to outsource to gain a cost advantage. Moreover, this model is used when the business processes being outsourced deal with sensitive data. For example, government agencies in some countries such as USA and UK which deal with sensitive data are required by law to source work from vendors within the country. Client firms, typically in the ‘global north’, have also tended to adopt the domestic outsourcing model in response to the public’s discontent with outsourcing models, such as offshore-outsourcing, which by design move jobs to offshore locations.

Jahns et al. (2006) defined offshore outsourcing as activities conducted by non-integrated suppliers located in an offshore market. Offshore locations are low-cost destinations such as India and Philippines where vendor firms are located. Research on offshore outsourcing has pointed to a number of benefits and challenges of this model. The benefits as Lacity and Rottman (2008) note are reduced client costs, reallocation of client’s IT staff to higher value work, access to superior supplier resources and capabilities, and process improvement. Some of the challenges of managing client-vendor relationship in
offshore-outsourcing arrangements are: status differences between teams (Levina and Vaast, 2008), knowledge management (Ravishankar and Pan, 2008), time zone differences (Carmel, 2006), cultural differences (Oborn and Barrett, 2010), difficulties in managing virtual teams (Oshri et al. 2007), and power asymmetries (Ravishankar et al., 2013). As noted earlier, offshore outsourcing of work has been a major moot point in countries where work has been outsourced to offshore destinations. An oft-cited case in point is that of USA. Taking ideological positions on offshore outsourcing is often a campaign agenda for political parties in the run up to elections. Indeed, in his ‘state of the union’ speech in 2012, Barack Obama commented “I don’t want to be a pioneer of outsourcing, I want to insource” (Gregory, 2012).

In response to this growing sentiment, newly emerging IT-BPO vendors in USA (e.g. Rural Sourcing Inc.) are now positioning themselves as providers of low cost IT-BPO solutions and targeting companies who are considering to ‘reshore’ work. Typically these companies are located in rural USA to take advantage of low costs of operation. The model, now popularly labeled ‘rural sourcing’ is essentially a variant of domestic outsourcing. Lacity et al., (2010) define rural sourcing as “the practice of outsourcing work to suppliers with delivery centers located in low-cost, non-urban areas” (p. 170). The evangelists of rural sourcing cite reasons such as (1) cultural and time zone compatibility, (2) reduced cost, and (3) business process understanding by the local workforce as key benefits of rural sourcing (Lacity et al. 2010). Domestic outsourcing, and its variant rural sourcing, broadly represents IT-BPO models where work is outsourced to “onshore” vendors (in relation to the client).

Newly emerging outsourcing vendors are also trying to incorporate ‘social responsibility’ more substantively into their ‘business models’. In this thesis, we use the term business model in a slightly different manner from how it is used in extant literature, which broadly refers to methods of realizing revenue from business activities. In the context of ImS, the ‘business’ of ImS companies is not limited to providing competent outsourcing services,
and the ‘business model’ is not restricted to how they generate revenue. An equally important concern for ImS companies is how they can achieve their social mission, while being competent in the eyes of their clients. So, a business model in this context refers to how an ImS company organizes its activities to achieve the dual goal of social welfare and business success. In the next section we discuss the emergence of such ‘socially oriented’ outsourcing models.

1.1.1 Emergence of ‘socially oriented’ sourcing models

The ethical outsourcing debate perhaps first originated in the manufacturing industry in response to unethical labor practices in global supply chains. In time this debate spilt over into the outsourcing industry, as industry watchdogs and governments began questioning the business practices of vendors and buyers. Indeed, ‘social responsibility’ has consistently figured as a trend in the outsourcing industry since 2008 when The International Association for Outsourcing Professionals (IAOP) first listed ‘socially responsible outsourcing’ as one of the key trends (IAOP, 2008).

Socially responsible outsourcing is akin to ‘ethical outsourcing’, in that the outsourcing service buyers require vendors to adhere to standards such as adopting appropriate labor practices, following environmental impact guidelines and so on, as stipulated in the outsourcing contract (Heeks, 2013). Since the mid-2000s outsourcing service providers have been tinkering with models that have substantively tried to integrate the social aspect into the outsourcing configuration. ‘Social outsourcing’ (or social IT outsourcing, the IT variant of the model (Madon and Sharanappa, 2013) is one such model, which Heeks and Arun (2010) describe as the “contracting out of goods and services to social enterprises”. Here, non-market intermediaries sit between the client (typically in the west) and the outsourcing supplier (typically in the global south) (Heeks, 2013). The work of Digital Divide Data (DDD) and more recently Samasource perhaps best illustrates this outsourcing
model. DDD procures work from clients in the west and employs workers in the global south to carry out the work. Around the same time, in the late 2000s, entrepreneurs in India established delivery centers (or workplaces) in rural India to take advantage of lower operational costs in villages and small towns. A social mission of providing jobs to the marginalized poor also characterized these companies. Due to the largely ‘rural’ focus of such firms, they were popularly labeled rural BPOs and the phenomenon came to be known as rural sourcing (Sandeep and Ravishankar, 2013), although different in spirit from its American namesake.

The socially responsible outsourcing space went through a rebranding and redefinition phase when the Rockefeller Foundation saw an opportunity to scale the idea (of bringing digitally-enabled outsourcing jobs to marginalized individuals) to other parts of the global south, especially the African continent. Since 2011, when the foundation first commissioned a report through the Monitor group, the term impact sourcing has been increasingly used to refer to socially oriented outsourcing models. In the next section we discuss the impact sourcing model of outsourcing.

1.2 Introduction to Impact Sourcing

In brief, ImS is the practice of bringing digitally-enabled outsourcing jobs to marginalized individuals. In this arrangement, an ImS company (or to use the more popular term - Impact Sourcing Service Provider (ISSP)) hires and trains marginalized individuals to provide low to medium end digitally-enabled services such as digitization, data transcription, web-testing, electronic publishing and a variety of other back-end processes. The ImS model has been made possible by advances in information and communication technology and increased broadband connectivity in emerging economies. Recent figures show that nearly 94% of the world’s population now receives a mobile phone signal, 48% are covered by mobile internet and nearly 28% have subscribed to a data package (Kende, 2015). Broadband coverage
however is less impressive, but making important progress nonetheless with nearly 711 million connections worldwide (Broadband commission, 2014). Such unprecedented connectivity has indeed helped well-meaning entrepreneurs in the global south to help marginalized communities to participate in, and reap benefits from globalization – benefits which were hitherto accrued largely by the relatively more prosperous urban populations.

The value proposition for the clients, as claimed by ImS companies, is a significant reduction in cost - on average nearly 40% less than a traditional IT-BPO arrangement, without compromising the quality of service (Accenture, 2012; Sandeep and Ravishankar, 2013; Everest, 2014). The cost reduction is possible for the following reasons (1) ImS companies in the global south are typically located in rural areas where the cost of operations is significantly lower (Everest, 2014) and (2) the attrition rate among the marginalized section is significantly lower, nearly 15-40% lower than the rates in traditional BPOs (Everest, 2014). A less spoken about benefit of ImS is the corporate social responsibility angle - how clients can potentially derive benefits of associating with ImS companies - an idea that loosely resonates with the principles of ‘ethical’ sourcing. An equally important line of discourse surrounding the model is indeed about the ‘impact’ of impact sourcing, i.e. how marginalized populations can reap benefits from ImS. Preliminary evidence from academic and practitioner sources suggests that marginalized individuals employed at ImS companies benefit socially and economically - with improved self-esteem, confidence, self-efficacy and increased incomes (Heeks and Arun, 2010; Madon and Sharanappa, 2013; Lacity et al., 2014). Furthermore, it is claimed that communities also benefit from (a) increased economic activity in and around the areas where the ImS company is located and (b) the ‘developmental’ work undertaken by the ImS company as a social commitment (Everest, 2014; WDI, 2012).
Evidently, the ImS model is making all the right noises. It has attracted support from a variety of actors including international non-profit institutions such as The Rockefeller Foundation, who have been initiating programs and creating platforms for the growth of this model; national regional governments in India, South Africa, Kenya, Ghana, Malaysia to name a few; professional associations such as the IAOP; industry lobby groups like the National Association for Software Services Companies (NASSCOM) of India; and last but not the least academic institutions and bodies that have hosted conferences and seminars to explore the phenomenon. Indeed, the claimed potential of the ImS model is hard to ignore. Currently, ImS constitutes 12% of the total outsourcing market, amounting to nearly 235,000 workers\(^2\). It is also growing at a faster rate than the traditional IT-BPO market (~11% year on year growth). If recent estimates are to be believed, ImS can address a potential global market of US$7.6 billion market by 2017 (NASSCOM, 2014). As a tool to provide livelihood opportunities to thousands of marginalized individuals in the global south, the ImS model of contracting digital services holds immense potential. Since the services currently offered are low to medium end, ImS is unlikely to completely displace traditional BPO models. However, at the same time, the ImS story cannot be completely ignored as it potentially presents a unique value proposition for both clients and the community. In the next section we briefly discuss ImS in the Indian context, which is the focus of this thesis.

1.2.1 Impact Sourcing in India

Over the last few years a number of ImS companies, which could be seen as possessing a hybrid socio-economic identity, have emerged in India. They are profit-seeking ventures, but with a very clear and explicit social purpose: they intend to provide employment opportunities to the marginalized populations of the society. Indeed, as per latest figures,

\(^2\) These numbers include marginalized individuals hired by ImS companies and traditional IT-BPOs (see Everest (2014) for a detailed breakdown). In this dissertation, we specifically focus on ImS companies, i.e. companies established with the sole intention of employing marginalized individuals.
India is home to the largest number of ImS companies (Everest, 2014), invariably built and launched by IT-BPO professionals-turned-entrepreneurs. Put together, these companies employ close to ~80% of the world’s ImS employees (Everest, 2014). India is also the biggest “market” for ImS as it is home to the largest segment of unemployed, marginalized people with secondary or tertiary education (nearly 11,000,000 – 2012 figures, Everest (2014)) – presenting an opportunity for ‘socially motivated’ entrepreneurs.

Industry experts in India acknowledge that ImS may not entirely displace the more traditional offshore-outsourcing of IT-BPO work to large cities; however, they point out that ImS companies are in a good position to offer a significant value proposition to potential clients who are considering outsourcing their IT-enabled business processes. To facilitate growth in this nascent sector, the foundation arm of NASSCOM, NASSCOM Foundation is playing a key role in lobbying with the central government for policy action. So far, only two out of the 29 states in the country have formulated policies to support entrepreneurs in the ImS sector (NASSCOM, 2014). The Government of Karnataka whose capital is Bangalore, the IT hub of India, provides initial seed capital and operation grants of roughly US$32,000 for entrepreneurs to setup and run rural BPO firms. Similarly, the Government of Tamil Nadu has formulated a Rural BPO Policy that provides incentives for entrepreneurs. However, this growing sector has not yet received the kind of support from the Government of India, which the IT outsourcing sector enjoyed in its infancy in the 1990s (e.g., various tax sops; dedicated software technology parks; and special economic zones). As of now there is no national level policy for the ImS sector in India. Although, this may change in the near future as the recently elected government’s Digital India initiative promises incentives for entrepreneurs who are keen on establishing BPOs in rural locations (Subbu, 2015). The ImS companies in India themselves are yet to form an industry-level body to promote their interests. As many founders note, until now knowledge sharing and learning was largely through informal
interactions amongst themselves, however this seems to be changing. Infosys, perhaps the best known Indian IT services firm, with the help of NASSCOM Foundation, has helped NASSCOM Foundation organize a workshop for the middle-level management of rural BPO firms. The NASSCOM Foundation also regularly convenes conferences and seminars giving a platform for representatives of ImS companies to get together and share experiences.

ImS companies in India are on the verge of becoming a part of some interesting business models. Large IT outsourcing service providers that operate from the cities are now looking to collaborate with ImS companies through a sub-contracting arrangement. For instance, Infosys works in partnership with DesiCrew, another established ImS company with presence in south India. DesiCrew, with its delivery center in a small town, handles back-office work outsourced by Infosys. Similarly, other globally renowned Indian IT-BPO companies such as Wipro and Tata Consultancy Services have set up centers in small rural towns. In a well-publicized press release, Infosys signaled its intent to set up similar rural centers in other parts of the world where they currently operate only via urban-based delivery models. The logic is the same – to further extend the cost-arbitrage by outsourcing the back office work of urban-based delivery centers to rural areas and in the process employ disadvantaged youth. Few other ImS companies also take work from intermediaries in the global north, a case in point being KGVK rural enterprises, an ImS company based in north India. KGVK works in collaboration with Samasource: here Samasource, the intermediary based in California, USA, breaks down large projects into microtasks, which are distributed to its partners in the global south like KGVK.

The Indian ImS companies’ claimed value proposition is straightforward and attractive: they can further extend the cost arbitrage for clients without compromising on the quality of work. The operational costs of running a rural center are much lower compared to their urban counterparts. The office spaces are modest and the power consumption is not
excessive. There are no gyms, cafeterias, vending machines and take-home stationeries. While such perks may seem natural in urban outsourcing settings, their absence does not seem to affect employee morale at rural centers much as their expectations still remain very basic. The human resources scene looks promising; around 7 million students graduate from colleges located in small towns and rural areas alone every year. However, as a NASSCOM-McKinsey report notes, only 15% of these graduates are employment-ready (NASSCOM-McKinsey, 2005). Human resource (HR) managers term this pool ‘raw talent’. ImS companies spend anywhere between four to six months on their trainees polishing their English language and computer skills, and developing their ability to handle work-related processes.

These no-frills BPOs enjoy a low attrition rate of 5-10% (NASSCOM, 2014). This is not very surprising, according to HR managers who understand the sector well. As an employee at an ImS company remarked, “The allure of the city ends with its high cost of living. Here I can be with my family and enjoy a good quality of life.” Moreover, labor comes cheap here. The average wages in these rural locales range from US$100 to US$150 a month for the lowest level of executives. This is largely due to the low cost of living in these areas. On the other hand, urban-based firms in this sector are infamous for their attrition rates, which range anywhere between 55-60% (NASSCOM, 2014); the average wages are higher as well, ranging anywhere between US$300 to US$600. Clearly, less is spent on recruitment and training of new employees in these rural set-ups. In comparison to their urban counterparts, rural BPO firms offer cost savings of about 40% (Everest, 2014). These savings are then transferred to the clients, who stand to benefit directly.

There are several hitches, however. In rural India, electricity is always intermittent. These rural firms use diesel generator sets as back-up power supply. Some firms have also started to experiment with greener technologies such as solar energy. Internet connectivity
remains another key issue. The penetration of broadband in rural India is quite low. The Indian government is now implementing a nationwide optical fiber network with an investment of US$3.5 Billion to provide connectivity in rural areas. The state-owned service provider Bharat Sanchar Nigam Limited has by far the largest reach of all the service providers with nearly 70% of the market share. More often than not, they are the only providers in rural areas as the private players are not yet ready to make such investments. To minimize chances of connectivity failure, ImS companies scout for towns and villages where there are at least two different internet service providers.

For now, the IT workforce in North America and Europe concerned about losing jobs to ImS companies in India can rest easy. Most of the work done in these rural and small town delivery centers tends to involve basic data entry operations – not really the kind of IT work that large Western firms are queuing up to outsource. However, industry experts, venture capital firms and human resource managers are convinced that the demographic dividend enjoyed by emerging markets such as India and the associated economies of scale has the potential to shape ImS into the next big phenomenon in IT-BPO. Some changes are already underway. Mahendra NextWealth, a small town IT-BPO and a part of the NextWealth network of IT-BPOs, handles engineering designs using computer aided design and manufacturing technology. Sai Seva Business Solutions, one of the pioneers of ImS in India, handles loan processing for microfinance institutions. Employees of DesiCrew in rural Tamil Nadu conduct beta testing of web products. Such examples can be increasingly found in the ImS space. Table 1.1 below gives an illustration of a typical ImS company’s range of service offerings.

ImS companies have had a tough time convincing clients that work can be delivered from rural centers. Stereotypical images and notions associated with the word ‘rural’, particularly when the ‘rural’ in question is rural India meant that at least initially start-ups
were largely greeted with great skepticism by potential clients and investors. Issues of image and perception are less of a problem now as many ImS companies have demonstrated their credentials by delivering project of good quality on time. Still, some are convinced of the need for an image makeover.

Table 1.1: Service offerings of a typical ImS company

<table>
<thead>
<tr>
<th>Domain Expertise</th>
<th>Banking and financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Insurance</td>
</tr>
<tr>
<td></td>
<td>Government related processes</td>
</tr>
<tr>
<td></td>
<td>Healthcare</td>
</tr>
<tr>
<td>Area Expertise</td>
<td>Document management</td>
</tr>
<tr>
<td></td>
<td>Multimedia</td>
</tr>
<tr>
<td></td>
<td>Construction engineering</td>
</tr>
<tr>
<td></td>
<td>Financial and accounting</td>
</tr>
<tr>
<td>Service Expertise</td>
<td>Digitization and archiving, real time data entry, data mining and extraction, form entry, content creation &amp; management</td>
</tr>
<tr>
<td></td>
<td>3D visualization, Computer Aided Design, Video editing</td>
</tr>
<tr>
<td></td>
<td>Communication re-routing, employee account management, IT services</td>
</tr>
<tr>
<td></td>
<td>Book keeping, billing services</td>
</tr>
<tr>
<td>Language Expertise</td>
<td>English and several Indian languages</td>
</tr>
</tbody>
</table>

Posters proclaiming their commitment to quality work adorn the walls and employee workspaces of ImS companies. Interestingly, many firms have stopped openly projecting their ‘rural’ mantra to clients. As the business development manager of an ImS company explained, “We don’t use the rural BPO label anymore...only at the end of our sales pitch we say, oh by the way, we work out of rural centers”. But there is more to it than just re-branding. Most of these rural vendors now have quality and security compliance certifications like the ISO-9001, ISO-25000:2005 and ISO-27000. The few that don’t have them yet are actively working on aligning their organizational processes to the requirements of these certifications. Many ImS companies are now actively targeting clients in the West. Some already cater to international clients. For example, iMerit, Rural Shores and DesiCrew already have established relationships with clients in North America. These enterprises have
also been able to garner the support of venture capitalists. For instance, DesiCrew recently raised US$1.12 million in funding from responsAbility Ventures I, which supports innovative and scalable enterprises operating at the bottom of the pyramid; and iMerit has the backing of Omidyar Network, a philanthropic investment firm.

As the market debates the viability and sustainability of this socially conscientious model, academic engagement in this phenomenon may prove to be crucial to get a nuanced view of the nascent phenomenon. There are a number of research gaps open to academic engagement as ImS presents itself as a novel, innovative model of outsourcing (see Carmel et al., 2013 for a review of ImS related research gaps). This thesis is a modest attempt to explore a few of these research gaps and contribute to the development of knowledge. In the next section we briefly summarize the research process followed in the study.

1.3 Overview of the research process
We started the study with a broad aim of gaining an in depth understanding of the ImS phenomenon. Specifically, we wanted to understand the phenomena from the perspectives of the (1) entrepreneurs initiating ImS ventures, (2) ImS employees, who were the key ‘beneficiaries’ of ImS and finally (3) the broader community, in which the ImS venture was embedded. For these reasons we chose a qualitative approach, which would enable us to understand in depth the social, cultural and institutional contexts in which the phenomenon was embedded (Myers, 1997).

In the remaining parts of this section we briefly outline the philosophical assumptions and the methodological approaches informing our study of the ImS phenomenon.

1.3.1 Philosophical assumptions
The inquiry paradigm informing the study is Interpretivism (see Myers, 1997; Ravishankar et al., 2006). With philosophical bases in hermeneutics and phenomenology, the interpretivist tradition makes the assumption that “access to reality (given or socially constructed) is only
through social constructions such as language, consciousness and shared meanings” (Myers, 1997). Thus, ontologically (i.e. of matters concerning the nature of reality), interpretivism assumes that multiple realities exist, constructed by the individuals making sense of the phenomenon (Guba and Lincoln, 2005). The epistemological (i.e. of matters concerning the nature of knowledge and how it can be accessed) assumptions of interpretivism posit that knowledge is inseparable from the researcher’s values, beliefs and experience, as knowledge itself is constructed through the interaction between the researcher and the research participants (Klein and Myers, 1999). Commensurate with these ontological and epistemological assumptions, we used qualitative research methods, namely the case study approach (Yin, 2002) and the interpretive ethnographic approach (Myers, 1997) to conduct our fieldwork, which we elaborate in the next section.

1.3.2 Fieldwork

The study was conducted over a three year period starting in Jan 2012 and ending in Jan 2015. Two phases of fieldwork were conducted at seven ImS companies in India in this period. The first phase of fieldwork spanned from August 2012 to December 2012 and the second phase spanned from March 2013 to September 2013.

In the first phase of fieldwork, the focus was to get an in depth understanding of the ImS phenomenon. Specifically, we wanted to understand the entrepreneurial process underpinning the emergence of ImS ventures. Therefore, we decided to conduct multiple case studies of ImS ventures using the case study research method. Findings from the first phase of fieldwork informed the focus of the second phase. In the second phase of fieldwork, we wanted to focus on one ImS company and understand how they managed relationships with the local community. To understand in depth the social and cultural context of the community, and how the ImS company in question interacted with the community, we opted to employ ethnographic techniques. During the second phase of fieldwork, in addition to
employing classical ethnographic techniques, such as writing detailed field notes, we also conducted semi-structured interviews. These interviews were conducted to understand ImS employees experienced and managed socio-cultural transitions. In the next two sub-sections we elaborate on these research methods, also explaining our rationale for their use.

1.3.2.1 Case study research method

Yin (2002) defines a case study as “an empirical inquiry that: investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. A case study research method was appropriate to the goals of our research as we were interested in studying the ImS phenomenon in its socio-cultural context. Through the case study research method we wanted to contribute rich insights about the ImS phenomenon, draw managerial and policy implications for ImS practitioners and generate theoretical concepts to parsimoniously explain ‘what was going on’. As Walsham (1995) notes, such generalizations or explanations emerging from case studies can provide valuable insights to theory and practice.

We used the case study research method during the first phase of fieldwork to understand the entrepreneurial process underpinning the emergence of ImS ventures. Although, a single case study in itself could've provided rich insights into the entrepreneurial processes, we used a multiple case study approach to improve the richness and generalizability of our findings (see Eisenhardt and Graebner, 2007). During the second phase of our fieldwork, we used the single case study approach to obtain an in-depth understanding of the lived experience of ImS employees. Specifically, we wanted to understand the coping strategies of individuals as they transitioned from traditional communities to modern workplaces. This approach gave us the opportunity to understand the experiences of employees in their natural settings. In both instances we collected data
through semi-structured interviews, non-participant observations and review of secondary material such as company publicity and internal meeting minutes.

1.3.2.2 Ethnographic research method

Ethnographic research method entails spending considerable amount of time in the research site to understand social and cultural phenomena from the perspectives of the subjects of the study. Ethnographic research has its roots in social and cultural anthropology (Myers, 1999) and ethnographic techniques have been adopted to study a number of phenomena, including aspects of outsourcing (see for e.g. Ravishankar, 2014). The key difference between ethnographies and case study research is the level of immersion of the researcher in the research context (Myers, 1999). In addition to interviews, ethnographic research involves participant observation, writing and maintaining extensive field notes, all with the aim of getting a glimpse into the cultural and social context of the social group under study.

We used ethnographic techniques during the second phase of our fieldwork. This involved developing close relationships with the social groups in the community where the ImS venture was located. We also spent long hours in conversation with employees from all levels of the organizational hierarchy. Such participant observations gave us unique and private insights into organizational and community life, which we couldn’t have normally accessed via the case study research method. During this period we were able to understand some of the lingering tensions between the ImS venture and the community and how the ImS venture tried to win the confidence of key audiences in the community.

1.4 Structure and focus of the thesis

As noted earlier, there are a number of research gaps in the ImS phenomenon - largely due to the fact that it is a fairly recent phenomenon and we know very little about this innovation in outsourcing. This thesis explores multiple aspects of the ImS phenomenon. In brief, the thesis seeks to understand (1) the challenges faced by ImS entrepreneurs as they build and operate
ImS companies, and (2) the lived experience of marginalized individuals working in ImS companies. We try to understand these aspects in greater detail through fieldwork conducted at ImS companies in India during the period August 2012 to September 2013. The fieldwork was conducted in seven ImS companies in this thesis we call ImpactVenture A (IVA), B (IVB), C (IVC), D (IVD), E (IVE), F (IVF), and G (IVG). The thesis draws from a range of theories and concepts from entrepreneurship, sociology and organizational studies to make sense of the ImS phenomenon.

Chronologically, Chapter 2 presents findings of the first phase of fieldwork undertaken for the thesis. In this phase of fieldwork, the focus was to get a broad understanding of the ImS space in India. Specifically, in Chapter 2, we present a multiple case-study of ImS companies operating in India, where we try to understand the challenges faced by ImS entrepreneurs as they build and launch their ventures. Through this chapter we bring out the challenges, particularly the challenges faced by ImS entrepreneurs in conceiving, formalizing and operationalizing their ventures, and also highlight the role of extra-organizational actors that influenced the process. In the second phase of fieldwork we focused on how ImS companies tried to win the favor of the local community, which emerged as a crucial challenge for ImS companies in the first phase of the fieldwork. Through an in depth case study of IVA, Chapter 3 focuses on further understanding how ImS companies ‘frame’ their activities to the local community to win their favor. Finally, in Chapter 4, the last empirical section of the thesis, we shift our attention to the lived experience of marginalized individuals. Here, we try to understand how marginalized individuals employed by IVA manage sociocultural transitions in the new workplace. Figure 1.2 below pictorially summarizes the phases of fieldwork and how the chapters relate to the two phases, and the research questions that we explore in each chapter. In the remainder of
this section, we elaborate further on the focus of the thesis, summarizing Chapters 2, 3 and 4, which form the empirical sections.

Chapter 2 reports on the origins and growth of seven ImS companies operating in India. It demonstrates how social value creation can be integral to (and not always by-products of) innovative IT-BPO models.

**Figure 1.1: Summary of the thesis**

The chapter analyzes the triggers of ImS entrepreneurship and explains the entrepreneurial thinking and actions ImS companies deploy through different phases of venture creation and development. Ideas and concepts from the social entrepreneurship literature are used to frame and discuss entrepreneurial triggers and actions. Specifically, the chapter outlines three triggers of ImS entrepreneurship: guilt, compassion and spirituality. The findings emphasize that both positive (e.g. compassion and spirituality) and negative (e.g. guilt) emotions can foster prosocial behavior among individuals. The chapter also reports on the different phases of venture creation and development – the phases of ideation, formalization and
operationalization are identified and explained. In the ideation phase, as the findings suggest, ImS entrepreneurs go through cycles of embedding and disembedding, representing a period of cognitive struggles for the founders during which they carefully identified opportunities for social entrepreneurship and evaluated the feasibility of establishing ImS companies. In the formalization phase, entrepreneurial actions were more focused towards giving form and function to the organization. In this phase, the companies configured their business model and charted out their mission, vision and the core values, which would serve as guiding principles for their companies. There were three key actions underlying the formalization phase – ‘social’ encoding, mimicry and collaborative learning. Finally, in operationalizing their strategic intent, the ImS companies engaged with two very diverse audience groups – potential clients who were largely business oriented and local communities who were more concerned about the ‘social welfare’ dimension. The entrepreneurs took four types of actions to better manage the relationship with their audiences. We have called these: audience segregation, frame alignment, demythologizing and building alliances. Frame alignment efforts of ImS companies are explored in greater detail in Chapter 3. Furthermore, the findings also highlight the important role played by extra-organizational actors in the institutional environment. These actors helped ImS companies gain legitimacy, enhanced their credibility and supported their empowerment. Overall, the findings suggest that since deeply personalized values of the concerned entrepreneurs are the key for ImS companies, the business model may not be easy to replicate. The analysis also highlights an intensive period of embedding and robust alliances with local partners as crucial for the scalability and sustainability of ImS companies.

Following from Chapter 2, Chapter 3 further explores the frame alignment efforts of ImS companies, through an in depth case study of IVA. Drawing on frames and frame alignment literatures, the chapter explores how ImS companies frame their activities to
marginalized communities. In doing so, the chapter attempts to unearth the social-psychological processes undergirding ImS strategies. The findings highlight the difficulties faced by ImS companies in operationalizing their strategic intent. More specifically, the chapter provides insights into how different and diverse framings are used by ImS companies to influence the local community. The in-depth case study revealed that IVA: 1) highlighted their commitment to the progress of the community (2) positioned themselves as an integral part of the community (3) claimed to bring material benefits to the community and (4) claimed being an equal opportunity provider. More generally, from a strategic perspective the chapter suggests that framings related to progress, family, material-benefit and egalitarianism can help overcome the inevitable tensions and misunderstandings with the community. Furthermore, the analysis highlights how such framing work is rarely one-sided. Indeed the analyses demonstrate how actors in the community “counter-framed” the ImS company’s claims, which inevitably led to “framing contests” between the local community and the ImS company. Drawing on the findings, we develop a process model which describes how competing framings of an ImS company and the community could eventually align. Theoretically, the chapter illuminates the day to day micro-processes of reality negotiation between socially driven IT-BPO businesses and the local communities they seek to impact. Specifically, the chapter highlights reasons for which local communities may resist ImS companies. We argue that a community may resist ImS companies for two main reasons: (1) perceived incompatibility of the ImS model with local norms and belief systems and (2) perceptions of inequality stemming from the merit-based recruitment strategies underpinning the model. The chapter also contributes to the literature on frame alignment by highlighting that framing is rarely a one-sided affair.

In Chapter 4, we shift our focus to understanding the lived experience of marginalized individuals employed in ImS companies through an in depth case study of ImpactVenture A.
In the main, we try to explore how individuals hired by ImS companies operating in rural India transition from their traditional community space to the relatively modern space of ImS companies. The chapter begins with the assumption that some degree of transitioning is required for marginalized individuals to function effectively in their new workplace – and seeks to understand the nature of these transitions. Specifically, the chapter makes the claim that new workplaces introduce cognitive demands, which individuals navigate by developing coping strategies. Two broad challenges facing marginalized individuals are identified: community-related challenges and work-related challenges. The findings suggest that individuals adopt a compartmentalization approach or an integration approach to navigate community-related challenges. To manage transitions within the workplace, the findings suggest that individuals create fictive kinships, cognitively craft jobs and experiment with provisional selves. The chapter also explores how individuals are impacted through the process of adapting to new sociocultural situations. The findings suggest that individuals develop two types of capabilities as they go through the process of managing sociocultural transitions: individual and collective capability. In closing, drawing on Georg Simmel’s work on the sociology of space, the chapter tries to understand how “space” can influence sociocultural transitions. The concept of “hybrid space” is explored and discussed.

In summary, the thesis tries to investigate the emerging social innovation of impact sourcing. Using interpretive qualitative case study method and ethnographic techniques, broadly the thesis tries to explore how ImS entrepreneurs build and conceive ImS companies and how marginalized individuals acclimatize to the culturally alien environments of ImS companies. The empirical Chapters 2, 3 and 4 each explore a set of research questions (as outlined in Figure 1.2 above) with an aim of understanding the ImS phenomenon.
CHAPTER 2: SOCIAL INNOVATIONS IN OUTSOURCING: AN EMPIRICAL INVESTIGATION OF IMPACT SOURCING COMPANIES IN INDIA³

2.0 Introduction

Slowly but surely impact sourcing is being recognized as a socially conscientious way of delivering IT-BPO services (Heeks, 2013; Madon and Sharanappa, 2013; Sandeep and Ravishankar, 2015). In this chapter, we focus on impact sourcing companies (and on the entrepreneurs who launch such companies) in India⁴. These companies combine the business logic of traditional IT-BPO vendors and the prosocial logic of charitable institutions (Heeks, 2013; Sandeep and Ravishankar, 2013). The impact sourcing model is innovative in that it provides a novel template for organizing IT-BPO activities by reconfiguring the traditional IT-BPO model into a ‘socioeconomic hybrid’ (Battilana and Dorado, 2010) model; in the impact sourcing model ‘social value creation’ is a consciously stated, long-term intent of the entrepreneur(s) and not merely a by-product of a company’s commercial orientation. In other words, impact sourcing belongs to a class of strategic innovations that aspire to squarely address social problems through business venturing. There are suggestions in the extant literature that the impact sourcing model has tremendous potential to foster socioeconomic development in the global south (Madon and Sharanappa, 2013) and positively impact the lives of marginalized communities (Heeks and Arun, 2010; Carmel et al., 2013; Lacity et al., 2014; Madon and Sharanappa, 2013; Malik et al., 2014).

³ An edited version of this chapter has been accepted for publication in The Journal of Strategic Information Systems.
Article history:
Initial submission: 31st June 2014
First revision submission: 11th June 2015
Second revision submission: 19th August 2015
Conditional acceptance: 24th September 2015
Final Acceptance: 28th September 2015

⁴ Impact sourcing companies are one kind of impact sourcing practitioners (see Everest Group, 2014).
Appendix A provides a broader overview of organizations using impact sourcing. Appendix B is an illustrative list of well-known impact sourcing companies.
In their quest to create both business and social value, impact sourcing entrepreneurs deviate in some fundamental ways from the established norms and prevailing logics, which govern mainstream IT-BPO models. Generally, new models of organizing face the daunting task of mobilizing resources, countering critics, and establishing legitimacy and credibility (Aldrich and Fiol, 1994; Maguire et al. 2004). Likewise, impact sourcing entrepreneurs face the uphill task of building and operating impact sourcing companies in an environment where potential clients are still unsure about the value proposition of impact sourcing (Accenture, 2012; Heeks, 2013) and marginalized communities are wary about the motives of impact sourcing companies (Sinkovics et al., 2014; Sandeep and Ravishankar, 2015). A limited body of research has looked into the impact of impact sourcing on marginalized individuals (e.g. Heeks and Arun, 2010; Madon and Sharanappa, 2013; Lacity et al., 2014; Malik et al., 2014), the positioning of impact sourcing companies within marginalized communities (e.g. Sandeep and Ravishankar, 2015) and the value proposition of impact sourcing for potential clients (e.g. Accenture, 2012). However, given that impact sourcing is a relatively new phenomenon there are still notable gaps in the literature. In this chapter, we aim to address three of these gaps. First, there is very little research into the motivational underpinnings of impact sourcing entrepreneurship. A better understanding of the individual-level motivational triggers can provide crucial insights into the early stages of impact sourcing venture creation and the contextual conditions that support (and constrain) the development of impact sourcing entrepreneurship. Second, the process through which entrepreneurs build and operate impact sourcing companies has not yet been explored in any great depth. A process-based view of the development of impact sourcing companies can potentially throw light on the key challenges confronting the business model as well as offer a richer conceptualization of how outsourcing can be used as a tool to achieve social innovation. Third, the institutional influence on impact sourcing entrepreneurship is not very well known. There is wide
acknowledgment that entrepreneurial ventures receive support from extra-organizational actors, which may be crucial for the implementation of their business models. Understanding the institutional environment in which impact sourcing companies operate can illuminate conditions supporting their survival. Thus, this chapter addresses the following three exploratory questions: (1) What are the individual-level triggers of impact sourcing entrepreneurship, (2) How do impact sourcing entrepreneurs build and operate impact sourcing companies and (3) What are the institutional influences on impact sourcing companies?

To answer these questions we draw on a qualitative study of seven Indian impact sourcing companies. Theoretically, we build on insights from the social entrepreneurship literature. This stream of literature is primarily concerned with the entrepreneurial actions of individuals and organizations pursuing dual (social and commercial) objectives (Corner and Ho, 2010; Miller et al., 2012). Thus, it is particularly well-placed to offer potentially relevant insights into the motivations of impact sourcing entrepreneurs and their efforts to build impact sourcing companies.

2.1 Social entrepreneurship

Broadly, entrepreneurial activities of individuals and organizations that create ‘social’ value are described as ‘social entrepreneurship’. More specifically, social entrepreneurship can be viewed as a process that involves “the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs” (Mair and Marti, 2006, p. 37). Conceptualizations of social entrepreneurship are abounding in extant literature. Borrowing from Zahra et al. (2014), Table 2.1 captures the various definitions of social entrepreneurship. Recognizing the complex and contested nature of social entrepreneurship, Choi and Majumdar (2014) conceptualize it as a “cluster concept” comprising of sub-concepts such as social value creation, social innovation, the social entrepreneur, the social
entrepreneurial organization and market orientation. The overtly stated intent of creating social value distinguishes social entrepreneurship from commercial entrepreneurship (Corner and Ho, 2010; Miller et al., 2012). While profit is seen as the prime driver of commercial entrepreneurship, it is the social mission that shapes social entrepreneurship strategies.

Given that principles of social entrepreneurship are at the core of the impact sourcing model, we first review this stream of literature, with a particular focus on the individual level triggers of social entrepreneurship and on the process of building and operating social enterprises.

**Table 2.1: Definitions of Social Entrepreneurship**

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadbetter (1997)</td>
<td>The use of entrepreneurial behavior for social ends rather than for profit objectives, or alternatively, that the profits generated from market activities are used for the benefit of a specific disadvantaged group.</td>
</tr>
<tr>
<td>Thake and Zadek (1997)</td>
<td>Social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are sustainable financially, organizationally, socially and environmentally.</td>
</tr>
<tr>
<td>Dees (1998)</td>
<td>Play the role of change agents in the social sector, by: 1) Adopting a mission to create and sustain social value (not just private value), 2) Recognizing and relentlessly pursuing new opportunities to serve that mission, 3) Engaging in a process of continuous innovation, adaptation, and learning, 4) Acting boldly without being limited by resources currently in hand, and 5) Exhibiting heightened accountability to the constituencies served and for the outcomes created.</td>
</tr>
<tr>
<td>Reis (1999)</td>
<td>Social entrepreneurs create social value through innovation and leveraging financial resources...for social, economic and community (Kellogg Foundation)</td>
</tr>
<tr>
<td>Fowler (2000)</td>
<td>Social Entrepreneurship is the creation of viable socio-economic structures, relations, institutions, organizations and practices that yield and sustain social benefits.</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Brinkerhoff (2001)</td>
<td>Individuals constantly looking for new ways to serve their constituencies and add value to existing services.</td>
</tr>
<tr>
<td>Mort et al. (2002)</td>
<td>A multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission...the ability to recognize social value creating opportunities and key decision-making characteristics of innovation, proactiveness and risk-taking.</td>
</tr>
<tr>
<td>Drayton (2002)</td>
<td>A major change agent, one whose core values center on identifying, addressing and solving societal problems.</td>
</tr>
<tr>
<td>Alford et al. (2004)</td>
<td>Creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources and social arrangements required for social transformations.</td>
</tr>
<tr>
<td>Shaw (2004)</td>
<td>The work of community, voluntary and public organizations as well as private firms working for social rather than only profit objectives.</td>
</tr>
<tr>
<td>MacMillan (2005)</td>
<td>Process whereby the creation of new business enterprise leads to social wealth enhancement so that both society and the (Wharton Center) entrepreneur benefit.</td>
</tr>
<tr>
<td>Tan et al. (2005)</td>
<td>Making profits by innovation in the face of risk with the involvement of a segment of society and where all or part of the benefits accrue to that same segment of society.</td>
</tr>
<tr>
<td>Mair and Marti (2006)</td>
<td>…a process of creating value by combining resources in new ways...intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs.</td>
</tr>
<tr>
<td>Peredo and McLean (2006)</td>
<td>Social entrepreneurship is exercised where some person or group....aim(s) at creating social value...shows a capacity to recognize and take advantage of opportunities...employ innovation...accept an above average degree of risk...and are unusually resourceful... in pursuing their social venture.</td>
</tr>
<tr>
<td>Martin and Osberg (2007)</td>
<td>Social entrepreneurship is the: 1)</td>
</tr>
</tbody>
</table>
identification a stable yet unjust equilibrium which the excludes, marginalizes or causes suffering to a group which lacks the means to transform the equilibrium; 2) identification of an opportunity and developing a new social value proposition to challenge the equilibrium, and 3) forging a new, stable equilibrium to alleviate the suffering of the targeted group through imitation and creation of a stable ecosystem around the new equilibrium to ensure a better future for the group and society.

2.1.1 Individual level triggers of social entrepreneurship

The social entrepreneurship literature has looked into what motivates or ‘tips’ an individual to start social ventures (e.g. Corner and Ho, 2010; Miller et al., 2012; Renko, 2013). One aspect that has received attention is the role played by affect, i.e. feelings and emotions, which induce prosocial behavior in individuals. The most widely researched emotion in this area is compassion, cited as a principal influence of social entrepreneurship (Dees, 1998; Miller et al., 2012). Miller et al. (2012) argue that the ‘other-orientation’, or the experienced connection to the sufferings of other individuals, affects the cognition and behavior of individual. In response to these heightened feelings of compassion, individuals may choose to pursue prosocial actions. In addition to ‘positive’ emotions such as compassion, there may be a whole range of other emotions, including ‘negative’ emotions that may encourage prosocial behavior in individuals (Miller et al., 2012). Negative emotions such as guilt, shame and moral outrage can motivate individuals to change their future behavior to avoid experiencing those feelings again (Ahn et al., 2013). In short, the social entrepreneurship literature suggests that both negative and positive emotions can trigger prosocial behavior in individuals.
2.1.2 The social entrepreneurship process

While emotions may trigger the initial spark toward social entrepreneurship, the literature suggests that the orchestration of social entrepreneurship happens through an *effectuation* process (e.g. Corner and Ho, 2010; Perrini et al., 2010). Effectuation processes “take a set of means as given and focus on selecting between possible effects that can be created with that set of means” (Sarasvathy, 2001, p. 245). Effectuation theory describes how social entrepreneurs function in resource-constrained environments. Such environments invariably demand individuals to adopt innovative means and ‘think out of the box’ to overcome constraints and develop contextually-grounded solutions. In the effectuation process entrepreneurs adopt an intuitive decision making mechanism, sometimes overriding what may appear to be rational choices on offer. This does not mean that an effectuation view disregards the rational side of decision-making. Indeed, effectuation and rational/economic processes can coexist and complement each other in an entrepreneurial journey of a social enterprise (see Corner and Ho, 2010).

In a recent case study of a drug rehabilitation community, Perrini et al. (2010) identified different stages of social entrepreneurship: opportunity identification, evaluation, formalization, exploitation and scaling-up. They suggest that individual and contextual dimensions have an influence on every stage, giving the process a dynamic feel. Similarly, extrapolating from the findings of in-depth case studies, Corner and Ho (2010) suggested that social enterprises begin with a ‘spark’, or in other words a moment of inspiration, which sets individuals on a path of identifying and developing opportunities to initiate social change; and that there is an element of *collective action*, i.e. the coming together of interested actors, in the process of developing such ventures. Quite often, social entrepreneurs need to adapt quickly to the particular requirements of a challenging context (Corner & Ho, 2010; Robinson, 2006). Research suggests that social enterprises either totally immerse themselves
in the local context or partner with ‘locally embedded actors’ in order to survive (Jack and Anderson, 2002). A number of challenges also arise on account of the equal emphasis on the social and the commercial. For example, mobilizing the support of multiple groups with different and often conflicting expectations is a key issue facing social entrepreneurs (Dacin et al., 2011). Similarly, social enterprises struggle to acquire credibility, as their activities rarely conform to existing institutional norms. Some recent research suggests that social enterprises overcome this credibility deficit by cleverly mimicking features of social welfare organizations to highlight the social aspects of the enterprise (e.g. Pache and Santos, 2013; Battilana et al., 2012) and imitating features of for-profit institutions to highlight their business orientation.

The ‘wicked’ problems that social entrepreneurs seek to address may often require a different kind of business approach, one involving principles of collaboration rather than competition. It would indeed be somewhat naïve to assume that the social entrepreneurs and social enterprises navigate challenging contexts and institutional pressures, craft strategies of action, and design innovative solutions, acting alone. Researchers are increasingly taking the view that social entrepreneurship is rarely the work of lone, heroic individuals or organisations (Corner and Ho, 2010; Montgomery et al., 2012; Dacin et al., 2011; VanSandt et al., 2009; Datta and Gailey, 2012). To pursue their social and commercial goals, oftentimes social entrepreneurs have to access diverse sets of resources and skills, many of which they may not possess (Montgomery et al., 2012; Van Sandt et al., 2009). It is then perhaps safe to assume that a broader set of actors, stakeholders, organizations and networks play a crucial role in supporting and enabling the mission of social entrepreneurs and enterprises. In line with this claim, researchers have tried to understand how actors in the broader institutional environment influence the social entrepreneurship process. One prominent way in which other actors engage in the social entrepreneurship process is via collaboration. Montgomery
et al. (2012) propose and discuss different ways of collaboration among social enterprises and other actors in the institutional environment. Drawing from Doz and Hamel (1989)’s work on strategic alliances, they suggest collaboration between social enterprises and other organisations such as non-profits, governments and for-profits can either take place through *pooling resources*, i.e. co-creating resources, or through *trading resources*, i.e. commercial exchange of goods and services. Therefore, in the process of building a social enterprise, entrepreneurs may have to form alliances with other organizations and engage in collaborative learning to build on each other’s expertise (Svendsen and Laberge, 2005; Montgomery et al., 2012).

### 2.1.3 Impact sourcing from a social entrepreneurship perspective

Impact sourcing work may be viewed as a particular class of activities within the domain of social entrepreneurial action. Impact sourcing companies aim to address the key social problems facing (e.g., the issue of unemployment) marginalized communities. Globally, the Rockefeller Foundation has played a critical role in bringing impact sourcing to mainstream attention (Heeks, 2013). In June 2011, the Foundation initiated the Poverty Reduction through Information and Digital Employment (PRIDE) program. The focus of this program was to promote impact sourcing in the developing countries of Africa and Asia. The foundation commissioned a report through the Monitor Group in June 2011 and a report titled “Job creation through the field of impact sourcing” (Monitor, 2011) was published, which would go on to lay the foundation for impact sourcing discourse. Recent forecasts paint a very optimistic picture of the potential of impact sourcing: the promise of creating nearly half a million jobs and addressing a market opportunity close to US$7.6 billion by 2017 (NASSCOM, 2014).

If these estimates are to become a reality, the sustainability of impact sourcing companies is crucial; else there is every chance that the model will remain a niche activity.
(Heeks, 2013). Ironically, the same aspects of impact sourcing that make it innovative, also introduce impediments. Most importantly perhaps, the overt social focus of the model may turn away potential clients who might confuse impact sourcing companies for charity organizations (Gino and Staats, 2012). Further, many impact sourcing companies operating in the global south are based in semi-urban and rural locations (NASSCOM, 2014) - a further challenge to convince potential clients that work can be carried out from such locations where the institutional and informational infrastructures are known to be less than robust.

The hybrid nature of their business models may also require impact sourcing companies to put up different ‘acts’ for different audiences as a way of dealing with the tensions of possessing a dual-identity (Sandeep and Ravishankar, 2015). Heeks (2013) and Sandeep et al. (2013) suggest that impact sourcing companies engage in *impression management* to manage skeptical clients and communities, by highlighting intrinsically different aspects of their businesses to these groups of audiences. The importance of understanding the local community also comes through strongly in the narrative accounts of impact sourcing companies (e.g. Madon and Sharanappa, 2013; Sandeep and Ravishankar, 2015). As Sandeep and Ravishankar (2015) note, impact sourcing companies may have to carefully manage marginalized communities that are highly suspicious of ‘outside involvement’ into their affairs.

In summary, a review of the social entrepreneurship literature suggests that *affect at the individual-level* drives the launch of social enterprises. It also highlights the role of *effectuation* in the development of social enterprises. Empirical studies of social entrepreneurs demonstrate the typical strategies they adopt and the problems they face in building their companies. The current small body of impact sourcing research also reflects the points made in the larger social entrepreneurship literature. In the rest of the chapter, we develop these arguments further through an in-depth qualitative study of seven Indian impact
sourcing companies. As noted earlier the aim is to explore, in detail, the individual-level triggers of impact sourcing entrepreneurship and the process through which impact sourcing entrepreneurs build and operate impact sourcing companies.

2.3 Research methods

We adopted a qualitative multiple case-study approach in the interpretivist traditions (Walsham, 1995). Interpretive approaches begin with the assumption that “access to reality (given or socially constructed) is only through social constructions such as language, consciousness and shared meanings” (Myers, 1997; Ravishankar et al., 2013). An interpretive approach therefore seeks to understand the perspectives of the actors constructing the phenomenon and interpreting their actions in situ. Accessing these perspectives invariably involves in-depth study of the phenomenon in the context in which it is embedded (Myers, 1997).

2.3.1 Site selection and access

India presents a good setting for this study as it is home to a number of pioneering impact sourcing companies. The study was initiated in 2012 as part of a bigger project to document the work of Indian impact sourcing companies. Through an initial period of desk research, we identified seven companies which were frequently cited in the Indian print and electronic media as up and coming impact sourcing companies. Three of these companies had won international accolades for their work and their founders had been invited, on more than one occasion, to speak about social entrepreneurship at important practitioner conferences. Fortunately, a key contact at the NASSCOM foundation helped us gain access to these seven impact sourcing companies.
2.3.2 Description of cases

In this study we specifically focused on ImS companies seeking to provide jobs to disadvantaged youth in villages and small towns. Recent estimates suggest that such impact sourcing companies in India employ 9000 people (Everest Group, 2014). While these companies are legally incorporated as for-profit enterprises, their business model pays overt attention to the realization of their social mission. Typically such companies identify communities they want to impact and set up delivery centers in rural communities or small towns, providing outsourcing services to both national and international clients. Of course, the decision to choose a location also depends on the availability of basic infrastructure services such as office space, electricity supply, water and broadband. The services offered by these companies range from simple digitization work to more complex projects such as computer-aided design.

**ImpactVenture A**

Wanting to “give back” to the society, founders of IVA had been dabbling in areas such as public health, agriculture and primary education. However they were quick to realize that they could best use their skills by running an IT-BPO business. Moreover, they learnt that nearly 25% of the employees working in BPOs in the nearest city were from this region. In 2009, the two co-founders established IVA with personal investments. IVA was incorporated as a private company with the outlook of a social enterprise. The founders also managed to raise capital through a social venture capital firm in 2010. Presently IVA operates centers employing close to 350 people. In every center, individuals from the community are hired and trained to work on IT-enabled business processes. All employees go through an initial six month training period where they learn to read and write basic English, pick up soft skills such as communication, leadership and team management. They are also trained to undertake tasks specific to the business process. IVA caters to both national and international clients in
areas such as publishing, e-commerce, web services, insurance, banking and finance and back office support. The company has also won many accolades for its pioneering work and its founders have been invited to speak at many social entrepreneurship conferences. IVA also works closely with a local non-profit that helps manage IVA’s relationship with the community and also provides operational support.

**ImpactVenture B**

IVB, one of the pioneering impact sourcing companies in India, was incorporated in the year 2008. Although the company was incorporated as a private company, its founders conceptualized it as a social enterprise, ensuring that profits would go into social development. The founders made personal investments and raised additional finances through social investment funds. The company started operations in south India, establishing centers in small towns and villages with population less than 40,000. They largely recruited youth from low income backgrounds living in these regions where mainstream employment was hard to come by. Indeed, reducing rural to urban migration has been one of the guiding missions of the company since it’s inception. Presently, IVB is operational across India employing nearly 2000 people. Employees go through two months of training on reading and speaking English, and another two months of training focused on understanding the business process of different projects. IVB sources work from both national and international clients. Services offered to clients include software testing, voice-based services, Social marketing, data processing, digitization, and managing backend processes for different functions such as accounting, marketing and finance.

**ImpactVenture C**

IVC was established in 2010 as a private company by individuals who wanted to create social change in rural south India. Founders of the company were experienced IT-BPO
professionals. Currently there are two delivery centers (workplaces) operated by the company, with a third center starting in 2016. The centers are wholly owned and managed by the company. There are close to 200 people working in the two centers. Women form close to 55% of the total workforce and nearly a third of the employees belong to families living below the poverty line, and the vast majority belonging to low income households. New recruits are trained for three months with an aim to improving written and spoken English, learning to work in teams, improving typing speeds and so on. They are also trained on different domains depending on the project that they are assigned to. Presently, IVC caters to domestic clients and plans to approach international clients in the near future. The company offers services such as digitization, web-content management and managing backend processes for different functions.

**ImpactVenture D**

A team of four individuals started IVD in 2008. With rapid digitalization in India, they sensed a business opportunity to cater to small and medium enterprises that had information processing needs. They were also keen on creating social change by providing livelihood opportunities to youth in small town. Through their experience of working in large IT-BPO firms they had come to the understanding that many youth from small towns migrated to urban centers due to lack of employment opportunities. Their business model of providing low-cost services to small and medium enterprises fit well with their broader social mission of providing livelihood options to youth in small towns from low-income families. The company follows a franchise model of operation – with three franchises in operation at the moment. Each franchise is headed by a local entrepreneur who is responsible for the operation and maintenance of the center. The senior management of the company, headquartered in south India, looks after the marketing and business development departments and liaises with clients.
**ImpactVenture E**

IVE was founded by four entrepreneurs in 2007 with the primary intention of exploring sustainable livelihood options for women in rural areas. IVE exclusively hires and trains women from marginalized rural communities who have limited opportunities for gainful employment. The recruited women go through a training process for two months where they pick up skills necessary to engage in basic business process outsourcing tasks such as handling digitization, image-tagging, managing in bound calls in the local language and so on. They are also taught soft-skills such as working in teams and communicating with others. The company has around 300 women on its roster to date. IVE caters to both domestic and international clients, providing services such as image tagging, digitization of content, voice based support, transcription services and so on.

**ImpactVenture F**

One of the largest ImS companies in India, IVF was established in 2007 in south India. The founder initiated the venture with the intention of taking jobs to the people in rural areas. Currently, the company employs close to 1500 individuals. All individuals go through a period of six months of internship where they pick up technical skills related to the various business processes and as well as soft skills. The company follows a hub and spoke model with its headquarters in a south Indian metropolitan and centers spread across two states in small towns and villages. There are currently four operational centers, with more centers coming up in other parts of India. Both domestic and international clients figure in its portfolio, however the bulk of the work is done for domestic clients. The services provided by the company include data entry, digitization, web-testing, content management, customer support and so on.
ImpactVenture G

IVG was perhaps the first ImS company in India. The company started its operations in a southern Indian town and to this day retains a very modest operation. One of the founders of the company went on to start another ImS company. The company hires and trains youth from low income families from the surrounding villages and towns. Currently, the company has nearly 150 employees on its rolls. Women constitute a majority of the workforce. All employees are required to go through four months of internship after which they are absorbed into projects if they meet professional requirements. The company caters mainly to domestic clients, focusing almost exclusively on managing backend processes of banking and finance services.

2.3.3 Data collection

We conducted fieldwork at seven impact sourcing companies over a two-year period (Jan 2012 to Jan 2014). Appendix C summarizes each of the seven cases. A total of 48 in-depth interviews were conducted across the seven companies (see Appendix D for a list of informants). For the founders, the interview questions focused more on the company’s origins, their entrepreneurial journey, the challenges they faced and the strategies adopted to overcome them. For the senior management, questions revolved around issues related to business development, marketing and operations (see Appendix E for the interview protocol). All empirical material from interviews was triangulated whenever possible. The interviews lasted anywhere between 30 minutes to 2.5 hours and were recorded and transcribed. In addition to the interviews, we also observed a number of employees performing their everyday work. We had long informal conversations with several such employees as well as with members of the local community. Detailed notes were made at the end of these interactions. In addition to the informants in the seven companies we also interviewed two informants (the Chief Executive Officer (CEO) and a manager) at NASSCOM Foundation
many times over the two year period. We also drew on secondary sources of information such as company reports, memos, blogs, websites and social media outlets such as Twitter, Facebook, Youtube feeds, LinkedIn discussion groups, articles in the business press, and government memos.

2.3.4 Data analysis

Data analysis spanned four stages. In the first stage, for each case, a database was built comprising of empirical material relating to (1) the individual level triggers of the founder(s) and (2) the actions they undertook in developing and operating their companies. In the second stage, building on concepts from social entrepreneurship, a case-by-case analysis of the individual-level triggers and organizational actions was conducted. The four-level approach for comparative case research as outlined by Pettigrew (1990) informed our data analysis approach at this stage. In the first step, the empirical material for each impact sourcing company comprising of both interview and secondary data were compiled into an “analytical chronology” (Pettigrew, 1990). Each analytical chronology described each impact sourcing company’s history, the founder’s motivations to start the venture as well as the various actions taken to establish the venture. In the second step, a “diagnostic case” was constructed for each impact sourcing company. Here, the analytical chronologies for the seven cases were reconstituted to squarely focus on the entrepreneurial actions. In the third step, an inductive analysis of each diagnostic case was conducted. Here, we went back and forth between the emergent themes and the literature on social entrepreneurship. This process helped us ground the emergent concepts in extant social entrepreneurship literature, and generated a set of preliminary findings. The outcome of this process was the creation of a “theoretical case” (Pettigrew, 1990). At this stage, building on the theoretical case and preliminary findings for each company, we conducted a cross-case comparative analysis wherein themes and concepts relating to individual cases were compared and analysed. In the
third stage, we synthesized the outcomes of the first two stages into a pictorial depiction, which covered the individual-level triggers of impact sourcing entrepreneurship and the process of building and operating impact sourcing companies. Finally, in the fourth stage of data analysis, the empirical material relating to the institutional level influences of impact sourcing model was analysed. This included the actions of Rockefeller Foundation and NASSCOM Foundation. The institutional level material was analysed line by line to identify instances of key institutional level actions. Further, these actions were grouped into first-order themes (Strauss and Corbin, 1998). Next, the first order themes were analysed again to look for similarities and differences. Consequently, second-order themes, which described influences of actors, were created. This exercise yielded three inductively derived, abstracted categories of institutional level influence. These influences (1) empowered ImS companies, helped them gain (2) legitimacy and (3) credibility.

2.4 Analysis

2.4.1 Triggers of impact sourcing entrepreneurship

Informants explained that their decision to start impact sourcing companies was influenced by intense spiritual experiences and deep religious beliefs, which heightened their sensitivity to ‘human suffering’ and motivated them to think beyond private profit and material benefits. The spiritual-religious drivers not only compelled them to think about the larger society, but also sustained their commitment to their respective companies:

Nowadays people are intellectually incapacitated to accept anything from their heart because their mind tells them different things…I enrolled into a meditation program and once I was through with it, I had a clearer mental structure – it made my spiritual journey more efficient. Within a month I quit my job…it was that powerful. Suddenly I had an immense sense of clarity…the knife which couldn’t even cut through a bloody potato had
The guru’s mission to bring happiness to the suffering people influenced him (the CEO) deeply. There was no turning back once he made a promise to ensure jobs to people in rural areas. He made it his mission to fulfill the promise; it is something that motivates him even to this day. Other people who join us too have a deep sense of faith in the teachings of the guru. We are on a mission to do good. (Manager (HR), IVB)

The founders felt guilty about their ‘lack of contribution to society’. The emotion of guilt has been described as “the unpleasant emotional state associated with the negative consequences of one’s actions, inactions, circumstances, or intentions” (Ahn, 2013, pp. 225).

I had always been at the taking end. All my life I've taken from the society. I realized it was time for me to give back ...I had taken enough. You can't help but feel some guilt for all the privileges you enjoy. Especially once you are exposed to the miseries of others. (Founder, IVC)

Sometimes you get this overwhelming feeling…it was the elephant in my head...What am I doing for the society? For a long time I avoided it…I reached a point where I no longer could ignore it and it was then I decided to do something about it. (Founder, IVE)

Guilt was also accompanied by an overwhelming sense of compassion for marginalized communities. Indeed, all seven founders identified compassion as a key trigger for their entrepreneurial journey.
The youth in these rural areas have tremendous potential. They may not have a college education, but they are street smart and pick up stuff quickly given the opportunity... I always wanted to help them – they deserve every opportunity that youth in urban areas have...and so began my journey!

(CEO, IVG)

Table 2.2 below is an overview of the triggers, which underpinned the founders’ prosocial action of starting impact sourcing companies. In two cases (IVC and E) the founders refused to talk about spiritual-religious matters, while in a different case (IVD) the founder did not experience guilt at any stage, but acknowledged the spiritual-religious roots of his entrepreneurial venture and the feelings of compassion which led to its conception.

Table 2.2: Summary of founders’ affects across the seven ImS companies

<table>
<thead>
<tr>
<th>Trigger</th>
<th>IVA</th>
<th>IVB</th>
<th>IVC</th>
<th>IVD</th>
<th>IVE</th>
<th>IVF</th>
<th>IVG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spiritual-religious</td>
<td>✓</td>
<td>✓</td>
<td>NA</td>
<td>✓</td>
<td>NA</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Guilt</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Compassion</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓: Observed in the case ×: Not observed in the case NA: Data unavailable in case

2.4.2 Analysis of the process of impact sourcing entrepreneurship

Our informants had had long successful careers in mainstream IT-BPO companies. But there were no ready-to-use templates or ‘best practices’ for developing an impact sourcing business model. Thus, they conceived, built and operated their impact sourcing companies through what social entrepreneurship scholars have referred to as an ‘experimental, iterative, dynamic, and messy’ process (see Sarasvathy, 2001).

Broadly, the actions underpinning impact sourcing entrepreneurship can be seen as comprising of three phases, namely: (1) ideation, (2) formalization and (3) operationalization.
Table 2.3 below explains the phases and the corresponding actions, which were inductively derived from our analysis of the empirical material.

**Table 2.3: Overview of entrepreneurial actions**

<table>
<thead>
<tr>
<th>Phase of impact sourcing entrepreneurship</th>
<th>Actions</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideation</td>
<td>Disembedding</td>
<td>Overcoming experiential biases and disconnecting from current thinking modes</td>
</tr>
<tr>
<td></td>
<td>Embedding</td>
<td>Cognitive immersion in local community issues</td>
</tr>
<tr>
<td>Formalization</td>
<td>‘Social’ encoding</td>
<td>Incorporating social ethos in the organization’s design</td>
</tr>
<tr>
<td></td>
<td>Mimicry</td>
<td>Imitating features of an established model to garner credibility</td>
</tr>
<tr>
<td></td>
<td>Collaborative learning</td>
<td>Sharing and learning from other impact sourcing companies’ experiences</td>
</tr>
<tr>
<td>Operationalization</td>
<td>Audience segregation</td>
<td>Playing different parts for different audiences</td>
</tr>
<tr>
<td></td>
<td>Frame alignment</td>
<td>Linking some set of audience’s values and beliefs with the work of the impact sourcing company</td>
</tr>
<tr>
<td></td>
<td>Demythologizing</td>
<td>Dispelling popular myths</td>
</tr>
<tr>
<td></td>
<td>Building alliances</td>
<td>Partnering with organizations for mutual benefit</td>
</tr>
</tbody>
</table>

**2.4.2.1 Ideation phase**

The ideation phase represented a period of cognitive struggles for the founders during which they carefully identified opportunities for social entrepreneurship and thoroughly evaluated the feasibility of operating impact sourcing companies, given their (founders’) capabilities and temperaments. The ideation phase was characterized by two key cognitive actions: disembedding and embedding. Disembedding may be defined as the cognitive action of overcoming experiential biases and disconnecting from current thinking modes:

I had to stop thinking like a manager and start thinking like an entrepreneur…the differences are obvious aren’t they…here I was trying to think how I can create something which can help people while sustaining a
business while in fact I was so used to thinking only in terms of the number of clients on my portfolio, sales we made every week...it was obviously a big change for me (Co-founder, IVA).

In concert with disembedding were embedding actions. Here, by embedding we mean cognitively immersing oneself in the everyday realities of local communities:

When you are thinking of impacting the lives of someone in a village far away from your reality, you really need to get into their shoes. There are things which are unique to the community, which I cannot even imagine sitting in my apartment. To get a sense of this context we travelled a lot in the villages and interacted with the locals. (Co-founder, IVA).

This approach is widely known as the ‘land to lab’ approach, which emphasizes the importance of being sensitive to local realities. It has been widely argued that innovations that are devised in ‘labs’ first more often than not fail to address local problems. By contrast, the land to lab (or the embedding) approach helped the impact sourcing company’s founders get a better sense of the most pressing needs of marginalized local communities:

Initially, we thought of doing something in the education sector. Later on we realized after interacting with people that education was not a problem...there were plenty of vocational training centers in nearby towns...but getting jobs was the biggest problem...we thought why not bring jobs to their homes! (Founder, IVF).

2.4.2.2 Formalization phase

The formalization phase gave form and function to the impact sourcing entrepreneurial companies. In this phase, the companies configured their business model and charted out
their mission, vision and the core values, which would serve as guiding principles for their companies. There were three key actions underlying the formalization phase – ‘social’ encoding, mimicry and collaborative learning.

‘Social’ encoding refers to the strong injection of the ‘social’ into the impact sourcing business models (also see Battilana et al., 2012). In other words, the companies injected the charity logic – and this went beyond mere verbal expressions of commitment to the social cause – into their hiring policies, business strategies and community engagement:

When we started out we hardcoded the social purpose into our business model. We took a firm decision to hire from remote communities…we did not want to stop at just providing jobs…to have a more inclusive impact we invested a large portion of our profits toward community development…it is a reflection of our commitment to the mission. This is a promise we are sticking to no matter what. Besides, you cannot do business here without a strong social focus! (Co-founder, IVA).

and

At the senior management level we look for people who are passionate about our cause and who can align themselves to our vision. We look for a clear sense of social purpose…this is important to us (Manager (HR), IVB).

Many informants noted that having a strong social focus was not only important to them personally, but was also imperative to conducting business in marginalized communities. They argued that ingraining social commitment in the early stages helped increase their company’s ‘social performance’ in the long run. This ‘social’ encoding can also be interpreted as a deliberate strategy to avoid drifting from the mission of creating social impact.
Notwithstanding their overt social focus, the seven impact sourcing companies mimicked mainstream IT-BPO companies in some conspicuous ways. We witnessed mimicry at play both in organizational processes as well as in visual aspects such as office infrastructure, layout and design:

If you walk into one of our offices, you shouldn't realize whether you are in a village 300 kms from the city or inside the city. We try to replicate the look and feel of any urban BPO - not just the looks, but our processes and governance mechanisms bear close resemblance to any urban BPO. The familiarity certainly helps during client audits! (Co-founder, IVA).

and

We have all the processes in place…although we haven’t had a formal process audit…we comply with the requirements set by ISO 27001:2005 in every manner (Co-Founder, IVG)

Of course, one might argue from a purely business value perspective that impact sourcing companies had no option but to adopt the standard governance structures and processes of the broader IT-BPO sector. However, it was noteworthy that informants showed a reflexive awareness of their mimicking actions and emphasized them as essential to look like mainstream IT-BPO models, appease potential clients and investors, and in general, to enhance their own credibility:

Clients worried about security breathe easy when we demonstrate to them that we are no different process-wise from our urban counterparts. (Co-Founder, IVG)
The absence of ready-to-use organizational templates meant that the companies had to learn from each other’s experience as they developed their business model. We refer to this process of learning from each other as *collaborative learning* (Montgomery et al., 2012).

We are all quite new to this business...It always helps to get an idea of sharing experience. When we were still finalizing our business model, I went around the country and visited other impact sourcing BPOs. Many of the challenges we face are similar; it is always a good practice to exchange notes. Even to this day we exchange notes during conferences and seminars (Co-Founder, IVB).

and

When it all started, we were a small bunch of people…what united us was a common mission to bring jobs to the underprivileged (Co-founder and CEO, IVD).

Having a common socially oriented goal seemed to make them less secretive than the purely profit-seeking IT-BPO vendors and more open to the idea of sharing experiences with other impact sourcing companies (see Heeks, 2013).

### 2.4.2.3 Operationalization phase

The success of their hybrid business model clearly depends on the extent to which the impact sourcing companies effectively operationalize both the social and the commercial aspects of the business. In operationalizing their strategic intent, the impact sourcing companies engaged with two very diverse audience groups – potential clients who were largely business oriented and local communities who were more concerned about the ‘social welfare’ dimension. Our informants explained that they took four types of actions to better manage the relationship with their audiences. We have called these: *audience segregation, frame alignment, demythologizing* and *building alliances*. Goffman (1959) describes audience
segregation as a tactic by which “the individual ensures that those before whom he plays one of his parts will not be the same individuals before whom he plays a different part in another setting” (p. 57):

We rarely talk about our social agenda with potential clients. Only towards the end do we mention that we work from rural areas. We do not want to send them a confusing signal. For clients, our proposition has to make business sense and that is all that they care about (BDM, IVF).

and

When you meet heads of the community the focus of discussion is how our company can benefit their youth. (Co-founder, IVE).

The above quotes suggest that informants strategically emphasized different aspects (i.e. social and commercial) of their companies to different audiences. This helped them to creatively address the particular concerns of both clients and local communities. Clients were looking for business value; the social angle of impact sourcing did not seem to matter to them much. Similarly, local communities were more worried about their future job prospects. Alongside audience segregation, informants engaged in what can be termed as frame alignment efforts (Snow et al., 1986; Goffman, 1974; Sandeep and Ravishankar, 2015).

While the purpose of audience segregation was to send different key messages to different audiences, frame alignment strategies ensured that these messages were aligned with what their audience was looking for.

Very often we see young girls moving to the cities in search of call center jobs…the families are not happy about this, but necessity drives them to look for opportunities elsewhere…we tell them (the families) that our offices are safe environments where their daughters can come and
work…we even welcome the parents to visit our premises (Team Leader, IVC).

This quote illustrates the invoking of a *safety frame* to connect to the anxieties of parents. The safety frame conveyed the message that women could work locally in a safe environment. In this case, frame alignment refers to the deliberate linkage of the audience’s (here, the community’s) interests, values and beliefs with the opportunity provided by the impact sourcing company (Sandeep and Ravishankar, 2015). The companies also framed their work as highly ‘professional’ and ‘competent’ in all their formal presentations. For instance:

Our services provide significant scope for maximizing business value through cost management, operational efficiency and innovation (IVE website).

and

Our leadership team brings a combined 100+ years of experience leading teams of IT professionals working at premier multinational companies (IVG corporate brochure).

Impact sourcing companies also worked proactively to dispel what they claimed were ‘popular myths’ about doing business in rural India. We refer to this type of work as ‘demythologizing’. Through demythologizing, there has been a sustained effort to portray a more reasonable account of rural India and to blunt some of the more exotic beliefs.

We get the same silly questions. Are there elephants on the road? Are there any roads at all? Do we get electricity? Does the internet work? We systematically break down these notions at every given opportunity... conferences and client meetings are good opportunities to talk about these
issues to send the message loud and clear that rural does not mean cheap quality, rural does not mean charity for the poor (Co-founder, IVD).

Since they were handicapped by their liability of newness (Aldrich and Fiol, 1994), impact sourcing companies carefully built alliances with local partners who bolstered the legitimacy of the impact sourcing business model. IVB and IVD provide good illustrations. They failed in their initial attempts to start BPO delivery centers in villages. Because of their image as outsiders they could recruit very few locals as employees. Things got better only after they allied with entrepreneurially minded locals, who were made franchisee owners of the delivery centers and tasked with recruitment:

Frankly, we thought we were doing a great thing by bringing much needed jobs to these communities. But to our surprise in the first year of our operation, the locals did not evince much interest…we never expected this. It was then that we changed our business model to a franchise model (Marketing Manager, IVB).

Similarly, IVA partnered with a local non-profit organization, which implemented social-welfare programs for historically disadvantaged communities and had nearly three decades of experience of working with rural, marginalized communities. This non-profit organization helped IVA develop closer links with the local community, manage operations, and hire and train new recruits. In short, impact sourcing companies built alliances with a range of locally embedded actors to gain the trust of the communities they sought to impact.

2.4.3 A cross-case analysis of ideation, formalization and operationalization

We now present a cross-case analysis, which compares the trajectories of the seven companies through the three phases. Here, we found two broad types of variations. First, there were differences in terms of whether a company chose to perform a particular action or
not. In the process of developing their ventures not all companies undertook all the actions we have described so far (see Table 2.4 below). For instance, IVF believed they were better off working on their own. They found no trustworthy local partners they could align with. At the time of our fieldwork, IVF had built no local alliances whatsoever and yet it seemed that they were running a reasonably successful impact sourcing operation. Similarly, the founder of IVD believed that the company’s social and commercial dimensions needed to be equally emphasized to prospective clients. His beliefs had been strongly reinforced by clients who had unequivocally told him that they chose IVD as a vendor because they were impressed by its social focus.

Table 2.4: Evidence of entrepreneurial actions across cases

<table>
<thead>
<tr>
<th>Phase of impact sourcing entrepreneurship</th>
<th>Action</th>
<th>IVA</th>
<th>IVB</th>
<th>IVC</th>
<th>IVD</th>
<th>IVE</th>
<th>IVF</th>
<th>IVG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideation</td>
<td>Disembedding</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Embedding</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Formalization</td>
<td>Collaborative learning</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>‘Social’ encoding</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Mimicry</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Operationalization</td>
<td>Audience segregation</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Frame alignment</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Building alliances</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Demythologizing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓: Observed in the case ×: Not observed in the case

He also believed that no special marketing and public relations campaigns were needed to convince the local population of the benefits of impact sourcing. Therefore, IVD did not engage in any audience segregation and frame alignment actions (see Table 2.4).

The second type of variation related to the sequencing of the ideation, formalization and operationalization phases. The three phases did not develop in the same linear sequence
(i.e. ideation-formalization-operationalization) in all seven cases (see Figure 2.1 below). Put differently, not every company in our sample seriously considered disembedding and embedding actions (the ideation phase) as an important first step and immersed themselves in such actions before they began operations. Some companies somewhat overestimated the transferability of their prior experiences and abilities to the impact sourcing context.

Figure 2.1: Cross-case analysis of ImS companies

Thus, we found that three companies - IVB, IVC and IVE - pretty much started from the formalization phase. In Figure 2.1 this is depicted pictorially by the numeral 1 placed in the
top right hand corner of the cells corresponding to the *formalization* phases of companies IVB, IVC and IVE respectively. As the founder of IVC explained it:

> Once we identified the business opportunity, we jumped right in to it. We did not really invest in understanding the local realities or spend too much time figuring out the local politics. We knew we had a lot of experience with outsourcing operations and we were confident that things will eventually work out. We hit the ground running.

In their second phase of their development, these companies performed actions corresponding to the *operationalization* phase. In Figure 2.1 this is depicted pictorially by the numeral 2 placed in the top right hand corner of the cells corresponding to the *operationalization* phases of companies IVB, IVC and IVE respectively. After they started operations, these companies became aware of the importance of accruing what Khanna (2014) has referred to as ‘contextual intelligence’ (i.e. specific knowledge about the social, political and cultural realities of their particular setting). At this point, the founders started developing a deeper cognitive engagement with local community issues and a sharper awareness of their own biases. In other words, these companies undertook intensive *disembedding and embedding* actions only after they began operations. In Figure 2.1 this is depicted pictorially by the numeral 3 placed in the top right hand corner of the cells corresponding to the *ideation* phases of companies IVB, IVC and IVE respectively.

> We realized there were many many things we did not know about the community and its way of approaching life. It was very different from our own beliefs. So, relatively later in our entrepreneurial journey we spent a lot of time and effort plunging ourselves into the community (Founder, IVE).
By contrast, the founders of Companies IVA, IVD, IVF and IVG took a more cautious approach and invested a great deal of energy initially into better understanding their respective local communities. Their deep immersion into the social worlds of the local communities also helped them become more pragmatic in their thinking. Notably, they went through this process before starting their impact sourcing companies. Hence, for these four companies we would argue that the disembedding and embedding actions (the ideation phase) came first, followed by the formalization and operationalization phases respectively (see Figure 2.1).

For me it was always about getting embedded in the community before starting out. It becomes much easier when you understand and appreciate what is going on locally (Co-founder, IVA).

2.4.4 Institutional influences on impact sourcing companies in India

ImS companies had modest beginnings and did not have access to any institutional clout to help them further their interests. Recognizing the potential of the ImS model, which promised livelihood opportunities for millions in the global south, actors in the broader institutional environment took an interest in ImS companies. The Rockefeller Foundation and NASSCOM Foundation (to name two key entities) alongside ImS companies have tried to legitimize the ImS model, enhance its credibility and empower ImS companies. The ImS model has also received financial support from provincial Indian governments in the form of grants. More recently, the Government of India too has shown interest in supporting enterprises keen on launching IT-BPO centers in rural India (Subbu, 2015). Speaking at a social innovation conference, Ravishankar Prasad, the Minister for IT and Telecommunications, Government of India commented:
Our flagship ‘Digital India’ is directed more at the poor rather than the elite. The government will incentivize private players to open such centers (Rural BPOs) in the smaller towns. It can propel India to a different horizon. (Subbu, 2015)

In the following sections, we outline how various interested actors have played a role in legitimizing the ImS model, enhancing the credibility of the model and empowering ImS companies.

2.4.4.1 Legitimizing the ImS model

Both Rockefeller foundation and NASSCOM foundation have advocated the ImS model. The advocacy efforts of two foundations have been directed at provincial governments as well as the Government of India, and potential buyers of ImS company services:

The government can indeed play a big role in encouraging this sector…we have made good inroads in the state government…being a part of the committee which oversees the rural BPO (ImS) policy does help us to promote their cause…we are trying to ensure that these entrepreneurs get the same kind of support which mainstream IT-BPO companies got and continue to get. (Manager, NASSCOM Foundation).

During practitioner conferences the two foundations have held dedicated sessions for clients to help them understand the intricacies of the ImS model. Such interactions, representatives of NASSCOM Foundation claim, can help demythologize some of the issues surrounding the ImS model.

It may be just a matter of semantics, but some clients showed genuine concern when we talked about ‘rural’ BPOs. (Senior Manager, NASSCOM)
Until around 2011, the ImS model was widely referred to as the ‘rural-BPO’ model as most ImS companies in India had delivery centers in remote rural areas. As our informants noted, potential clients and investors harbored concerns about the quality of work coming from ImS companies operating from rural areas. To counter these negative preconceived notions, there has been an orchestrated effort to alter the image of ImS companies. This process started with the Rockefeller Foundation which created and popularized the label impact sourcing to generally refer to the practice of bringing digitally enabled jobs to marginalized communities.

This industry has seen many a different labels! Non-urban sourcing, rural sourcing, ethical sourcing the list is endless. It wasn't clear at all to the clients as to what these companies did...it was quite confusing to them.

(Manager, NASSCOM Foundation)

In June 2011, Rockefeller Foundation’s PRIDE program (alluded to earlier) took shape. One of the key focus areas of this program was the promotion of impact sourcing model in the developing countries of Africa and Asia. The foundation published a report titled ‘Job creation through the field of impact sourcing’ (Monitor, 2011). This publication laid the foundation for ImS centric discourse. The report formally defined the phenomenon, naming it Impact Sourcing, and calling the vendors (i.e. ImS companies) ISSPs. Ever since the publication of the report the usage of the term Impact Sourcing seems to have gained mainstream acceptance.

2.4.4.2 Enhancing the credibility of ImS

Here, ‘credibility’ refers to the trustworthiness of an entity (see Kirkland, 2012). The proponents of the ImS model also tried to increase the trustworthiness of the ImS model. ImS companies lacked credibility largely because of their non-conformity. In addition to the
credibility enhancing measures taken by ImS companies, other actors too played a role in enhancing their trustworthiness. Most notably, business press and academic institutions played a crucial role in portraying the work of ImS companies in a positive light. Mainstream media picked up the notion of ImS as an innovative tool for poverty alleviation and the model has continued to receive positive coverage (e.g. Acharya, 2014; Hockenstein, 2015). An illustrative excerpt from The New York Times reads thus:

> Outsourcing isn’t new, just as banking wasn’t new when microfinance came along. And just as microfinance demonstrated that poor people are trustworthy borrowers, impact sourcing is demonstrating that people from villages and urban slums are reliable knowledge workers. (David Bornstein, 2012).

In addition to positive, credible depictions in mainstream media, the model has also received considerable attention from organizations that recognize and reward social entrepreneurs. Several ImS companies (including ones from this study) have won international accolades and awards for their work and founders of ImS companies have been invited to speak on social entrepreneurship at scholarly conferences.

**2.4.4.3 Empowering ImS companies**

Rockefeller foundation and NASSCOM foundation also helped ImS companies develop new skills and knowledge, organize as a collective and gain access to business opportunity enhancing networks. Two types of support aimed at empowering ImS companies were prominent in our empirical material. The first type is what we call mentoring. Six out of the seven ImS entrepreneurs had worked for many years in large mainstream IT-BPO companies. They were acquainted with industry specific skills and knowledge required to manage IT-BPO projects. However, the ImS model demanded more than just domain knowledge.
There is more to starting a business than just routine project management. Entrepreneurship is an entirely different game. Here, you bear the risk and that fundamentally changes everything. (Manager, NASSCOM Foundation)

NASSCOM Foundation created platforms to help ImS entrepreneurs learn the nuances of entrepreneurship and the unique challenges associated with running a business.

We connect these entrepreneurs with existing thought leaders from the mainstream IT-BPO companies. Many ImS senior managements have domain experience, but they may not be good at certain functions, for example, creating business plans. (Manager, NASSCOM Foundation).

Along with founders and senior management, the middle management too were trained and mentored on different aspects of IT-BPO. Invariably, ImS companies recruited middle managers from small towns and villages. While some of them had experience in mainstream IT-BPO companies, most of these middle managers were new to IT-BPO industry. To help this segment of employees, NASSCOM Foundation conducted training programs at the campuses of large IT-BPO companies, where more experienced managers mentored the middle managers.

The second type of support that actors such as The Rockefeller Foundation and NASSCOM provided can be termed as mobilizing. ImS companies largely operated in silos. There weren’t any avenues for ImS companies to meet, network and share experiences with one another:

There was not even a directory of ISSPs (ImS companies). We created a list and circulated it among groups so that they can get in touch. There is still no formal network as such...but we have tried to organize them in every way we can via conferences and workshops...we also encourage them to take up
memberships with NASSCOM which opens them up to a world of opportunities. (Manager, NASSCOM Foundation)

NASSCOM continues to organize conferences and seminars, which have a special focus on ImS. The latest in this series was a session on ImS in the NASSCOM India Leadership Forum, 2014. Similarly, The Rockefeller foundation has been working to create a global platform for the ImS model. Quoting from one of the foundation’s blog posts:

…this was the first time critical players representing different parts of the industry came together to articulate a shared vision of how the outsourcing sector can create a new paradigm by placing social impact as key part of its overall value proposition... to coordinate the sector will require tools for collaboration that enable the sharing of best practices and access to resources. There is also a need for a directory of businesses that provide impact sourcing services so that buyers can easily find providers that meet their needs. (Sarah Troup, 2013).

Overall, the collective action of actors in the broader institutional environment influenced the trajectories of ImS companies in important ways. Their actions helped in formalizing and legitimizing the ImS model, enhanced the credibility of ImS companies, and empowered ImS companies.

2.5 Discussion and conclusions

The above analysis of seven Indian impact sourcing companies highlights the main individual-level triggers of impact sourcing entrepreneurship. Spiritual-religious experiences and feelings of compassion for marginalized communities underpinned individuals’ decision to turn into impact sourcing entrepreneurs. In six of the seven cases in our sample, the founders had also experienced a profound sense of guilt for the financial freedom they
enjoyed and for the good quality of life they could afford. This feeling of guilt was one of the key emotions spurring them to think of impact sourcing entrepreneurship. Thus, our empirical analysis reinforces claims made in the social entrepreneurship literature about how affect is at the heart of social businesses (Dees, 1998; Miller et al., 2012). Our findings suggest that while the business dimension is central to their scalability and sustainability, the launch of impact sourcing companies may have less to do with market-based considerations and more to do with individuals’ intense personal experiences manifesting into a desire to do social good. In other words, the initial momentum for impact sourcing innovations is more likely to come from individuals’ going through an intense period of introspection than from them undertaking a rigorous and objective analysis of business opportunities in the IT-BPO market. The scholarship on the benefits of outsourcing has for long pointed out the tremendous business benefits of operating from low-cost locations in developing countries like India (Apte and Mason, 1995; Contractor et al., 2010; Ravishankar et al., 2013; Vestring et al., 2005). Clearly, impact sourcing entrepreneurs follow this business logic closely. Yet, as our seven cases demonstrate vividly, what these entrepreneurs find attractive in the first instance, are not the business opportunities, but the opportunity to serve marginalized communities.

In some respects, the altruistic roots of impact sourcing companies also chime with the origins of some of the more traditional IT offshoring vendor companies. For instance, the origin of Infosys, perhaps the best known Indian IT services company, is a case in point (see BBC, 2011). The history of Infosys shows that in the early days of its operation, the founders were explicitly driven by the social mission of providing jobs to millions of educated Indians struggling to procure gainful employment (see Friedman, 2004; Hindu, 2014). Of course, Infosys is now a global player in the IT-BPO sector and the company swears more by its business goals and less by its social goals. There is every possibility, then, that what starts off
as socially-driven impact sourcing company could transform itself and eventually come to be perceived as just any other business organization delivering IT-BPO services to global clients. Based on the findings of our study, we would argue that the extent to which an ‘impact sourcing’ company is able to retain its commitment to marginalized communities in the long run depends significantly on two of the actions (‘social’ encoding and mimicry) described in our findings above. It would seem that the more hardwired the ‘social’ into a company’s ethos, the less likely it will compromise on its social commitments. Digital Divide Data (DDD), the impact sourcing company operating from locations such as Cambodia and Kenya provides a good illustration of a firm with a strong ‘social’ encoding in place (Smith et al., 2012). On the other hand, when a company commits itself to mimicking the mainstream IT-BPO sector in all its governance structures and processes, it may no doubt find itself moving up the value chain. But such a progress could mean that some compromises and trade-offs around social obligations are inevitable. For instance, to perform challenging projects such a company might be compelled to recruit qualified urban graduates instead of their less educated rural counterparts, thus somewhat diluting their ‘social mission’.

The empirical material also showed how the seven companies built and operated their impact sourcing companies. The entrepreneurial action guiding the growth of the companies comprised of three phases: ideation, formalization and operationalization. We also identified the key actions contributing to each of the three phases. Notably, there were important variations in how these three phases played out in the seven companies. Some companies chose to go through an extended period of immersion in the local community before they formally began operations. Others started their companies first before realizing the importance of being embedded in the local context. For this second category of companies, the ideation (i.e. disembedding and embedding actions) phase came much later in their development. In other words, all seven companies did not go through three phases in the
same linear sequence. These findings indicate that perhaps there is no one single template for building impact sourcing companies. In our seven cases a broader effectuation logic (Corner and Ho, 2010; Saraswathy, 2001) guided the social entrepreneurship process. The companies experimented with new ideas, unlearnt old ways of doing, learnt new skills while all the time accumulating what Khanna (2014) recently termed ‘contextual intelligence’. The companies’ trajectories were characterized by dynamism, reflecting the effectuative nature of the social entrepreneurship process.

Although our study creates the impression that impact sourcing innovations have emerged mostly through bottom-up processes (i.e., situated individuals deciding to turn into impact sourcing entrepreneurs), the role played by other actors in the institutional environment cannot be ignored. Social entrepreneurship rarely occurs in a vacuum and is more than just the work of lone, heroic individuals and organizations (Corner and Ho, 2010; Dacin et al., 2011; Montgomery et al., 2012; Spear, 2006; VanSandt et al., 2009). To pursue their social and commercial goals, social entrepreneurs need access to diverse sets of resources and skills, many of which they may not possess (Montgomery et al., 2012; Van Sandt et al., 2009). It is here that a broader set of stakeholders, organizations and networks come into the picture and play a crucial role in supporting and enabling the mission of social entrepreneurs and enterprises. In the Indian impact sourcing context, the Rockefeller Foundation, the NASSCOM Foundation and provincial Indian governments (to name three key entities) have worked hard alongside the impact sourcing companies themselves, to build legitimacy and enhance the credibility for the business model, and to empower fledgling start-up firms in the sector. For instance, the Government of Karnataka in southern India provides start-up grants of US $ 32,000 for impact sourcing entrepreneurs (NASSCOM, 2014). More recently, the Indian national government has shown interest in supporting entrepreneurs to set up impact sourcing delivery centers in rural India (Subbu, 2015). We
have synthesized our findings and analysis into a process model, which depicts the individual level triggers, the organizational process of building impact sourcing companies and the nature of institutional-level support offered to impact sourcing (see Figure 2.2 below).

**Figure 2.2: An impact sourcing process model of individual-level triggers, organizational processes and institutional influences**

```
<table>
<thead>
<tr>
<th>INSTITUTIONAL-LEVEL INFLUENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEGITIMACY</td>
</tr>
<tr>
<td>Advocacy</td>
</tr>
<tr>
<td>Specifying the model</td>
</tr>
<tr>
<td>CREDIBILITY</td>
</tr>
<tr>
<td>Positive depictions in the media</td>
</tr>
<tr>
<td>EMPOWERMENT</td>
</tr>
<tr>
<td>Mentoring</td>
</tr>
<tr>
<td>Mobilizing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ORGANIZATIONAL-LEVEL SOCIAL ENTREPRENEURSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIVIDUAL-LEVEL TRIGGERS</td>
</tr>
<tr>
<td>Spirituality-religiousity</td>
</tr>
<tr>
<td>Guilt</td>
</tr>
<tr>
<td>Compassion</td>
</tr>
<tr>
<td>IDEATION</td>
</tr>
<tr>
<td>Disembedding</td>
</tr>
<tr>
<td>Embedding</td>
</tr>
<tr>
<td>FORMALIZATION</td>
</tr>
<tr>
<td>Collaborative learning</td>
</tr>
<tr>
<td>&quot;Social&quot; encoding</td>
</tr>
<tr>
<td>Mimicry</td>
</tr>
<tr>
<td>OPERATIONALIZATION</td>
</tr>
<tr>
<td>Audience segregation</td>
</tr>
<tr>
<td>Frame alignment</td>
</tr>
<tr>
<td>Building alliances</td>
</tr>
<tr>
<td>Denyphologizing</td>
</tr>
</tbody>
</table>
```

### 2.5.1 Contributions to research

This chapter highlights several key aspects of the nascent stages of the social entrepreneurship process (Renko, 2013). In particular, it contributes to the small, but growing body of work in the Information Systems (IS) literature on impact sourcing innovations (Carmel et al., 2013; Heeks, 2013; Madon and Sharanappa, 2013; Sandeep and Ravishankar 2015). The experience of the seven companies we studied provides insights into the contextual conditions nourishing the growth of impact sourcing innovations. Since personal values of the entrepreneurs, rather than quantitative estimates of the overall business value proposition, appear crucial for impact sourcing companies to take shape, mere exhortations by think tanks, lobbying groups and governments may not lead to the anticipated spurt in impact sourcing providers. As we found in our study, impact sourcing entrepreneurs did not really have revenues and profits in mind when they started operations. From a purely economic perspective, the individual-level triggers identified in our study can’t be described
as rational and logical as such. It was their newfound commitment to social causes that got
the founders thinking about business venturing and not the other way around. Evidently then,
social innovations do not present themselves as neat business opportunities for profit-minded
individuals to identify, evaluate and exploit. In fact, it seems opportunities for social
innovations become apparent only after deep personal and sometimes spiritual experiences,
which guide individuals towards a path of prosocial behavior. Thus, social innovations may
be relatively very difficult to ‘plan’ for, as the initial ‘spark’ or the ‘calling’ can’t be
generated through official strictures or policy statements.

For this very reason, impact sourcing innovations may be difficult to replicate in
different parts of the world. Although, as noted earlier the Rockefeller foundation has been at
the forefront of a concerted global effort to bring impact sourcing to different parts of the
developing world (Heeks, 2013). Our study suggests that since deeply personalized values of
the concerned entrepreneurs hold the key, the impact sourcing business model may not travel
all that well. This argument, of course, is neither meant to belittle the efforts of international
foundations nor to suggest that such entities should do nothing to support impact sourcing.
But it does help place the challenges confronting impact sourcing in its proper context.

The seven cases in our study underscore the significance (for impact sourcing
companies) of an extended period of embedding in the local community. Our informants
observed that they were able to get the full support of the local people for their business
operations only after they immersed themselves into the socio-political affairs of the
community. This intimate involvement helped change the community’s beliefs about the
‘snobbishness’ and ‘high-status attitude’ of the impact sourcing entrepreneurs. Well-meaning
entrepreneurs may over-estimate the extent to which their cultural background and prior
experiences in the IT-BPO sector can help them run an impact sourcing operation from (say)
rural India. Sandeep and Ravishankar (2015) document the fundamentally different
ideological positions and rhythms of life adopted by some North Indian local communities. For instance, older members of some local communities may have an unreasonably high say in deciding whether younger members of the community should be allowed employment in impact sourcing companies (p. 8). Similarly, community leaders may treat impact sourcing companies as outcasts and deny them access to crucial resources (p. 14). Such problems are likely to cause a great deal of frustration for impact sourcing entrepreneurs. Extended periods of *embedding* may seem like a waste of time given that the activities involved therein are often not directly connected to the core of what the impact sourcing business is about (see Sandeep and Ravishankar, 2015). By contrast, the findings of our study suggest that *embedding* actually facilitates smoother impact sourcing operations and is potentially an important enabler for the business model’s sustainability.

In the literature on political entrepreneurship there is more than one account of how long periods of immersion helped craft successful political strategy. The most famous example is perhaps Gandhi’s year-long immersion into rural Indian life after his return from South Africa, which helped him generate a groundswell of support and gave impetus to the Indian freedom movement (Brown, 1974). The crucial implication for impact sourcing companies and for social innovations more generally, is that *embedding* builds strong social bonds and trust with local communities. In the mainstream management literature, a period of *embedding* is seen as necessary for the accruing of local or contextual intelligence (Jack and Anderson, 2002). In the context of impact sourcing and social innovations, it would appear that the stakes are a notch higher. Here, *embedding* is more than just being better aware of the local context. The need for contextual intelligence is important, but entrepreneurs also need to break bread with local community leaders and spend what might initially seem like a lot of time getting to know the community and reassuring them of the company’s good intentions. As Khanna (2014) emphasizes, the most difficult work for companies is the “softer work” i.e.,
being more acceptable to new worldviews, changing long held beliefs and tweaking mental models to suit the local context. Getting *embedded* in the local community could also facilitate *disembedding*. In other words, immersion can help entrepreneurs unlearn some of their old worldviews and mental models, making way for new knowledge and better collaborative instincts.

Related to the above point, the findings of our study suggest that collaboration with local partners may be central to the successful orchestration of impact sourcing companies’ strategic intent. Informants in five of our case companies explained that they benefitted greatly from the local knowledge and respect their collaborators commanded in the community. Two companies could not find trustworthy local collaborators, although the founders of these companies acknowledged the potential value of such an alliance. When cultural chasms between impact sourcing entrepreneurs and the community are too big, collaborative arrangements with (say) a local NGO may be an imperative for impact sourcing companies to operate successfully. Alliance partners can help impact sourcing companies span difficult socio-cultural boundaries. A collaborative entity strongly embedded in the community is likely to possess the cultural intelligence required to successfully tackle potentially tricky subjects, on behalf of impact sourcing companies (e.g., the recruitment of women employees), without offending local sensibilities.

### 2.5.2 Outsourcing as a tool to achieve social innovation

Impact sourcing is an emerging phenomenon, whose proponents aspire to achieve social innovation through outsourcing. In this chapter, we have analyzed the entrepreneurial journeys of seven Indian impact sourcing companies. Our analysis also highlights the key challenges impact sourcing companies face in building and operating their companies. With businesses coming under increased scrutiny for their lackadaisical approach to social responsibility (Porter and Kramer, 2011), impact sourcing appears a good bandwagon to
jump on for companies. It potentially showcases them globally as being committed to ethical and socially responsible strategies. In fact, thanks to the enthusiasm of management consultancy firms the scope of the term ‘impact sourcing’ itself has become much wider now with even global MNCs being seen as direct employers of offshore ‘impact workers’ (see Appendix A). In some ways, this broadening of perspective is important because it shows how outsourcing has a real positive impact on the lives of people in the developing world. The recent Everest Group (2014) report estimates that there are 235,000 direct beneficiaries of impact sourcing (i.e., impact sourcing employees) in the world. By contrast, impact sourcing companies in India -the empirical focus of this chapter - in total employ only around 9000 people, although a case can be made for how this type of a sourcing model is closer in spirit to the idea of impact sourcing as the bringing of digitally-enabled outsourcing jobs to marginalized individuals.

Put differently, bringing a diverse range of (already well-established) outsourcing scenarios under the impact sourcing umbrella can lead to a situation where almost any offshore outsourcing activity may be viewed as a case of impact sourcing. This line of argument could take the focus away from the impressive strides made by smaller impact sourcing companies to help historically disadvantaged and socially-excluded communities join the global economy through outsourcing. As highlighted in our study, such impact sourcing companies are achieving social innovation through a series of difficult maneuvers and complex actions, some of which are directed at local communities, others at potential clients and investors. It appears that the long-term sustainability of many these companies hinge not only on market conditions, but also on the degree to which the founders stay committed to impact sourcing. As one informant told us ‘After all, they can throw it all away and go back to their cushy jobs anytime they want’. Given the impact sourcing model’s potential to create social value, in conclusion, we would argue that industry bodies and
national governments must play a much more proactive role to help impact sourcing companies develop new skills and knowledge, organize as a collective and gain access to business opportunity enhancing networks.
CHAPTER 3: IMPACT SOURCING COMPANIES AND LOCAL COMMUNITIES: A FRAME ALIGNMENT PERSPECTIVE

3.0 Introduction

The socio-economic potential of ImS companies is mostly explained using rational market-based considerations and the argument is made that ImS is a neat business opportunity given the many possibilities for dynamic entrepreneurs to serve the ‘bottom of the pyramid’ (see Heeks, 2013). This high-level view makes optimistic forecasts about the a) economic benefits of ImS for clients (Accenture, 2012) and the b) social good that can be delivered in the process (Monitor, 2011; Accenture, 2012). Recent figures suggest that ImS companies will create nearly half a million jobs at the bottom of the pyramid and can address a potential market of US$7 billion by 2017 (NASSCOM, 2014). However, despite its obvious promise the ImS model faces some serious stumbling blocks. Extant projections appear to implicitly assume that community participants are eagerly waiting to support the ImS model (see KPMG, 2012). And if they are not, it is expected that they will quickly recognize the benefits of ImS and hence, embrace such companies wholeheartedly (see Accenture 2013; Sandeep and Ravishankar, 2013). The broader business and management literature, however, warns that the optimism surrounding such socially-oriented business models could be misplaced and that the idea of the community as being welcoming and ever-grateful could be too simplistic (see Marquis and Battilana, 2009; Seelos et al., 2010). For instance, research has shown how social enterprises have been forced to drastically rethink and redesign their

---

5 An edited version of this chapter has been published in Information Systems Journal.
Article history:
Initial submission: 13th March 2014
First revision submission: 22nd July 2014
Second revision submission: 14th October 2014
Article accepted: 17th October 2014
Available online: 24th February 2015

6 Bottom of the pyramid broadly refers to the poorest socio-economic groups in the world (see Prahalad and Hart, 2002).
blended ‘social-commercial’ business models because of a lack of support from the local community, which views such models from very different cultural, social and ideological bases (see Thompson & Macmillan, 2010; Bandyopadhyay & Unnikrishnan, 2013). Against this background, in this study we suggest that the degree to which ImS companies can meet their social and business goals may be closely linked to their ability to frame activities and operations in ways that overcome the competing framings of the community. Broadly, we address the key question “how do ImS companies frame their activities to the local community?”

We draw on the frame alignment literature, which argues that different groups ‘frame’ reality differently in line with their respective world-views and normative orientations (Goffman, 1974; Snow et al., 1986). For instance, in IT offshoring relationships while onshore groups tend to view offshore groups in their company through a ‘low-status vendor’ frame, offshore groups employ a ‘same-status collaborative partner’ frame to explain their own roles (Ravishankar, 2014). A frame broadly refers to a particular “chemata of interpretation” (Goffman, 1974, p.21). It follows that for effective collaboration between two groups some form of alignment of disparate frames or interpretations may be required. Although there are some scattered references to frame alignment within the broader literature on sourcing, much of it involves framing work directed at clients by mainstream IT-BPO firms (Cohen and El-Sawad 2007; Ravishankar et al., 2010; Ravishankar et al., 2013; Koppman et al., 2013). Empirical research on ImS companies and on the process of aligning community and venture framings is scarce. Applying Snow et al.’s (1986, p. 464) conceptualization of framing work to the community–ImS company relationship, frame alignment can be viewed as the linkage of the community’s and the ImS company’s interpretive orientations such that some set of community’s interests, values and beliefs and the ImS company’s goals and ideologies become complementary and congruent. In this study
we explore ImpactVenture A’s (IVA) framing work directed at the local community. We argue that frame alignment plays a crucial role in the establishment and operational continuity of ImS companies. Further, we develop an inductive model, which explains the process through which competing frames get aligned.

3.1 Frames, framing and frame alignment

Erving Goffman’s (1974) ideas on the frame concept in his insightful work *Frame Analysis* have been widely used by scholars in various disciplines to understand how individuals and organized groups (e.g., companies, teams, political movements etc.), “share and negotiate interpretations of the world” (Mazmanian, 2013). As Goffman (1974, p.21) suggests, actors invoke or activate a frame or a schemata of interpretation to make sense of social situations and events. The invoked frames thus give meaning to what, from an ontological perspective, could be classed as events lacking in meaning. Frames not only provide meaning, but also shape actors’ responses. To use Bateson’s (1972) example, the response of a monkey to the ‘push’ of another monkey would depend on whether a ‘frame of play’ or a ‘frame of fighting’ was employed to assess the pushing action. More recently, Leonardi (2011) examined how engineers from different departments framed a technological artefact - a car crash simulator - differently. These ‘framing’ differences eventually influenced the engineers’ interpretation of what the technological artefact meant and the problems they were supposed to solve with it. Essentially, these engineers used language and other symbolic gestures to reinforce existing frames or called forth new frames to understand and interpret the artefact in question. *Framing*, the verb form, is seen as the very process of meaning making and implies “agency and contention at the level of reality construction” (Benford and Snow, 2000, p. 614). Thus, Goffman (1974) refers to framing as the purposive act of invoking new frames or/and reinforcing existing frames (also see Cornelissen and Werner, 2014). For effective
collaboration between and across groups, some degree of frame alignment may be necessary to ensure broadly similar interpretations of social realities (Snow et al., 1986).

In general, organized groups are faced with the daunting task of gaining and maintaining the support of a multitude of audiences. Very often, there is a clear conflict between how audiences view the actions of a focal group and how the group itself wants its actions to be interpreted by the audience. The sociology literature has argued persuasively that such predicaments could be a result of incongruent framings of the audience and the focal group (Goffman, 1974; Snow et al., 1986). In order to minimize such misalignments and to strengthen their cognitive hold on the audience, groups may resort to frame alignment strategies. Research on the emergence of social movements has vividly demonstrated how frame alignment strategies can be used to recruit members for collective action. The success of many of these movements has often been explained as an outcome of the strategic use of frame alignment (Snow et al., 1986; Cress and Snow, 2003; Snow and Byrd, 2007). Snow et al. (1986) outlined four different alignment mechanisms, which also figure prominently in the empirical sections of this study.

First, although two groups share similar interpretive orientations (or frames) and stand to benefit from knowing each other, they may remain in the dark about each other’s existence and intentions. For instance, electric-car manufacturers and electric-car enthusiasts may share a passion for environmentally friendly cars, but remain unaware of each other’s work. Through frame bridging, the “ideologically congruent, but structurally disconnected frames” (Snow et al., 1986) of two such groups can be bridged. The internet is increasingly seen as a popular medium for transmitting particular ideological stances and thereby bridging disconnected frames. For instance, organizations use activist networks such as avaaaz.org and change.org as conduits to reach out to prospective adherents with similar ideological bases. Second, for some groups, survival can be strongly linked to their audience continuing to hold
a certain belief as important. Such groups may have to periodically re-invoke and elevate those beliefs to salience by amplifying their relevance to their audience’s life. This process is referred to as frame amplification. For instance, climate change activists frequently amplify the arguable notion that global warming is underway and that the dangers are imminent. If this belief falls into disuse, the audience – the international community – may stop viewing climate change as an issue worth fighting for.

Third, a group may not yet hold the values and beliefs highly regarded by their audience. In such a scenario, they may have to extend their cognitive frameworks and show commitment to the values and beliefs that appeal to their audience. Such frame extensions are used either to identify with an audience of primary importance, or to expand the group’s market reach. McDonald’s adoption of a kosher menu in Israel and halal menu in Islamic nations can be viewed as good illustrations of frame extensions at work. Extension of frames may also possibly lead to disputes within an organization if internal participants see them as dilutions of core value systems (Benford, 1993; Benford and Snow, 2000). Finally, the values and beliefs espoused by a group could openly contradict the audience’s belief and value systems. Such instances call for what Snow et al. (1986) term as frame transformations. An organization could use frame transformation to inject new cultural material into the audience’s existing mental models. The transformed values and beliefs enable the audience to view events in a completely different light – essentially transforming their frame through “a systematic alteration” (Goffman, 1974, p. 45). For instance, Hamas, the Palestinian resistance movement, seems to have successfully transformed a ‘sin frame’ into a ‘martyrdom frame’ to legitimize the act of suicide bombing (Snow and Byrd, 2007). Table 3.1 is a summary of the four frame alignment mechanisms.
Table 3.1: Frame alignment mechanisms

<table>
<thead>
<tr>
<th>Frame alignment mechanisms (Snow et al., 1986)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frame bridging</td>
<td>to better connect with an as-yet unfamiliar audience</td>
</tr>
<tr>
<td>Frame amplification</td>
<td>to reinforce and magnify the importance of certain ideas</td>
</tr>
<tr>
<td>Frame extension</td>
<td>to demonstrate commitment to the values and beliefs that already appeal to the audience</td>
</tr>
<tr>
<td>Frame transformation</td>
<td>to get the audience to interpret situations and events in a completely different light</td>
</tr>
</tbody>
</table>

3.2 Impact sourcing, frames and frame alignment

Recent articles in the business press have reinforced the value proposition of the ImS model for clients (Accenture, 2012) and its potential to create sustainable livelihoods, especially in developing countries (Monitor, 2011). A small number of academic articles have begun analyzing the role of ImS companies in promoting developmental goals (Madon and Sharanappa, 2013) and their impact on the lives of rural employees (Heeks and Arun, 2010). In general, the growing optimism about the potential impact (i.e., livelihood creation for marginalized communities) of the model has steered attention away from the more fundamental issue of building relationships with local communities. As a point of departure, this study in addressing the question “how do companies frame their ImS companies to the local community?” demonstrates the difficulties ImS companies face in influencing and working with local communities.

While they do not explicitly use the ‘framing’ lens, some recent literature provides insights into the framing work undertaken by more traditional IT-BPO companies to influence both clients and local communities (Cohen and El-Sawad, 2007; Ravishankar et al., 2010; Koppman et al., 2013; Ravishankar et al., 2013). For instance, Koppman et al. (2013) examined how an IT-BPO company framed their low status vis-à-vis their clients as a
product of cultural differences and simultaneously used various framing strategies to improve their status. Ravishankar et al. (2010) showed how the framing of certain organizational practices in vendor firms was part of a deliberate effort to ‘look’, ‘talk’ and ‘behave’ like clients. In a more recent study, Ravishankar et al. (2013) argued that employees framed their impression management tactics as best practices in order to navigate complex relationships with Western clients. These examples broadly point to how IT-BPO companies frame their reality with a broad intent to align with their client’s expectations. The mainstream media also offers some illustrative examples of IT-BPO companies’ framing work, which targets urban communities. These companies, particularly in their early days, faced dissent from their local communities, which stood opposed on cultural grounds. The highly acclaimed documentary feature, The Other Side of Outsourcing (Friedman, 2004), for instance, captures some of these dynamics by portraying the framing work of IT-BPO companies and juxtaposing it against the perspectives of community participants such as civil society organizations and family members of IT-BPO employees. In this feature, IT-BPO entrepreneurs can be seen framing the outsourcing phenomenon as a necessary tool for the nation’s economic prospects.

ImS companies also face similar challenges while working with marginalized local communities. However, there are some important differences between ‘mainstream’ IT-BPO companies and ImS companies. IT-BPO companies are largely insulated from the concerns of the community that lies outside the physical boundaries of their organization (see Ravishankar et al., 2013, p.8). The penalties for not appeasing the ‘general public’ may be minimal and companies may resort to more symbolic corporate social responsibility initiatives (see Porter and Kramer, 2011). The ImS model makes an important departure here. Since their primary objective is to work with the community, not having the community by their side could potentially prove to be the single-most important reason for a failed business.
Local communities can harm the sustainability of the model in a decisive way if they choose to strongly oppose ImS companies. As Seelos et al. (2010) note in a broader context, social enterprises can find it particularly difficult to operate in communities that are not receptive to new ideas. Having very little exposure to the outside world, some communities can be locked into ‘inefficient practices’ and may find it difficult to change long standing norms and practices. Additionally, when they have long histories of exploitation and marginalization, communities may adopt a distrustful and cynical approach to well-meaning ‘interventions’. For instance, Thompson and Macmillan (2010) report on the extreme reluctance of women in a local community in an impoverished South African township to take up jobs (which they badly needed) offered to them in a cookie factory started by a social enterprise. Power asymmetries and gendered relationships caused other problems for this social enterprise. Managers had to also deal with opposition from powerful male community members who feared losing their influence if women in the community became self-reliant. Although this example is not directly related to the IT-BPO sector, it reinforces the point that local communities need not respond positively to an ImS company. In the following sections, we employ concepts from the frame alignment literature and draw on an ethnographic study to analyze the framing strategies employed by an Indian ImS company.

3.3 Empirical context

3.3.1 Origins of IVA

Rajiv had an established career in one of India’s largest IT-BPO firms. He had led several multi-million dollar projects with large western client organizations in his fifteen years of employment in the sector. However, he had his share of existential struggles.

Over a period of time my career hit a plateau – I asked myself, now what? I no more felt so thrilled about the fact that I have to go to work another day

---

7 Names of people, places and companies have been anonymized.
to work my ass off for this company which is half way across the world so that they can be happy about the million we collected for them every week. I was deeply dissatisfied with what I did, but what do I do? I asked myself…

Rajiv had been travelling to the Himalayas every now and then to take a break from corporate life. Over a period of time, he had developed a sense of belonging to the place. He and his long-time associate, Sanjiv, were moved by the day to day struggles of the rural communities in this region. They got in touch with a local not-for-profit organization, Rural Lives (RL), to learn more about the area and its people. RL supported and implemented social-welfare programmes for historically disadvantaged communities and had nearly three decades of experience of working with rural, marginalized communities in this area. Over this period it had (i) helped rural women acquire new livelihood skills such as embroidery and craft making, (ii) helped communities conserve natural resources (iii) built and managed a hospital and a primary school and (IVA) provided financial assistance to poor communities through micro loans. RL also employed about 150 people from the local communities to manage their projects.

Initially, Rajiv and Sanjiv considered designing and implementing ‘interventions’ in areas such as public health, agriculture and education. Their interactions with RL told them that people in this region had very few mainstream employment opportunities. As a result, there was widespread migration of youth to nearby cities. They also learnt that nearly 25% of the workforce in major IT-BPOs in the nearest city actually comprised of people from this region. This prompted both of them to explore the possibility of establishing an IT-BPO company in this remote rural region to provide employment opportunities locally. In 2009, the idea of establishing Impact Venture A (IVA), an IT-BPO for-profit social enterprise began to take shape. When they discussed this idea with their friends, and later with
potential investors – they were scoffed at and called ‘idiots’ for even trying such an idea. Their well-wishers associated rural India with infrastructure problems such as lack of internet connectivity, power and skilled human resources. They warned the two to-be entrepreneurs against such a venture. However, after producing a detailed plan about the sustainability and scalability of their business model, Rajiv and Sanjiv managed to convince a social venture capital firm to fund IVA. The first IVA centre was established in 2009 in a village in the Himalayan region. Now, there are five such centres employing close to 350 people (see Figure 3.1 below). In each centre, people from the community are hired and trained to work on IT-enabled business processes. Women constitute around 65% of the IVA workforce.

IVA serves both national and international clients in areas such as publishing, e-commerce, web services, insurance, banking and finance and back office support. IVA also claims to commit a significant proportion of their profits towards ‘development’ of the community. IVA is supported by RL, the local organization alluded to earlier. RL helps IVA in developing closer links with the community, managing operations, and in the hiring and training of new recruits. In each of the five villages, where the centres are located, IVA has established an advisory committee. The committee consists of influential leaders from the community and representatives from IVA and RL. The primary function of the committee, which convenes once every month, is to discuss IVA’s plans and activities and resolve any ‘problems’ experienced by the community because of IVA’s operations.
3.3.2 Operational context of IVA

A six-hour train journey from the nearest city and a further three hour road trip through winding mountain country brings one to the areas of IVA’s operation. IVA operates in five villages in this region each with an average population of 700. In this study we use the term ‘community’ or ‘local community’ to refer to the people living in this region (depicted in Figure 3.1 above). Administratively, the community lies within the boundaries of a North Indian state. This particular state government gives very little support to private ImS companies unlike some other states in the country (e.g., Karnataka), which offer start-up grants to ImS entrepreneurs. The community is predominantly Hindu (both upper-caste and lower-caste). Sikhs and Buddhists make up the rest of the community. 51% of this community are women. Two main languages are spoken here: (a) the state’s own official language and (b) Hindi.

This part of India is known to be poor and under-developed with few opportunities for gainful employment. During our ethnographic fieldwork we found that the economy of this community was mainly centred on agrarian activities. It was common for the community’s youth to migrate to nearby cities in search of better job opportunities.
Significantly, this mobility was not enjoyed by women. They were expected to ‘work the land’ and get involved in day to day domestic activities. The older members of the community held gendered and feudal world-views. They tried hard to impose their views on matters such as ‘mixing of boys and girls’ and ‘what young people must wear’, which according to them were issues of great moral significance. The younger members resisted (with varying degrees of success) this ‘interference in their personal affairs’. We saw that the caste system and a patriarchal way of life heavily influenced and regulated social order in the community. Inter-caste marriages were frowned upon and the shadow of caste hung heavily over every day interactions. Families appeared to be under tremendous pressure to abide by social codes related to caste and patriarchy, which according to our informants were passed on through generations. People who transgressed these norms were penalized and in extreme cases ostracized from the community (for in-depth and insightful social-anthropological accounts of village life in India, see Srinivas, 1976; Bhyrappa, 2003; Breman, 2007; Jodhka, 2014).

We also found that there were very few organizations operating in these regions, let alone IT-BPO companies, which are seen as show-pieces of the modern and post-liberalization India. While the idea of working in a ‘city-like’ office was alluring for the youngsters in this community, the final decision regarding their career choice was rarely in their hands; especially for women, whose gendered roles restricted them to preordained tasks. Operating an ImS company in such a community was clearly not a straightforward task. Apart from the problem of finding qualified, employees, running an ImS company also meant creating a new social space that brought together people from different castes, altering gender roles and changing the underlying social fabric of the community in a very fundamental way. The next section discusses how we went about understanding IVA’s efforts to establish and operate an ImS company in this community.
3.4 Research methods

IVA represents an extreme case of an ImS company because of its operational context – it is based in a remote rural community in the Himalayan region. To understand in-depth the social worlds of IVA and the community, we adopted an interpretive ethnography approach (Myers, 1999; Ravishankar, 2013). An interpretive approach allows researchers to understand the social and cultural worlds of human actors in their contextual setting (Ravishankar, 2013). In doing so, the researcher stands to gain unique insights into the phenomenon being observed through an understanding of different cultural symbols and meanings socially constructed by human actors.

Researchers adopting an ethnographic approach spend intensive hours in ‘the field’ observing social life (Van Maanen, 1979; Ravishankar, 2013). Data is gathered via various means such as participant and non-participant observation, surveys and interviews. Fieldwork happens in an organic manner with the researcher going about exploring the field looking for and understanding the common denominators of cultural and social lives through the accounts of human actors. Although we did not have a pre-conceived framework to analyze the social worlds of actors, we employed a broad ‘sensitizing device’ (see Walsham, 1993) in the form of the framing literature (Goffman, 1974; Snow et al., 1986; Benford and Snow, 2000) to guide our fieldwork. We expected various alignment mechanisms to shape IVA’s work in the local community. However, we did not hypothesize any specific processes or relationships.

3.4.1 Data sources

Our research is primarily informed by empirical material collected over a six-month ethnographic fieldwork (from March 2013 to August 2013) of IVA and the community within which it operates. We collected data through open-ended interviews and non-
participant observations. We also reviewed secondary sources such as company blogs, websites and social media outlets to better understand IVA’s work and strategies.

Table 3.2: Overview of fieldwork

<table>
<thead>
<tr>
<th>Category of informant</th>
<th>Number of male informants</th>
<th>Number of female informants</th>
<th>Total number of informants</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVA senior management</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>IVA middle management</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>IVA employees</td>
<td>14</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>Community informants</td>
<td>9</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>RL informants</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>17</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

Table 3.2 above gives an overview of our fieldwork and details the different groups of informants. In the analysis section that follows, we refer to three broad categories of informants: (i) IVA informant, (ii) Community informant and (iii) RL informant.

We conducted intensive ethnographic fieldwork. I ‘hung out’ with IVA employees, striking up conversations with community informants in local tea stalls and eateries, attending IVA team meetings and observing their ‘daily team huddles’. We also conducted unstructured and open-ended interviews with IVA employees and community members. The interviews lasted anywhere between 15 minutes to more than two hours. Interviews with IVA employees and community informants were conducted in Hindi, whereas interviews with IVA senior and middle management were conducted in English. These interviews were recorded, transcribed and translated (when needed). We also had extended hours of interactions with Sanjiv, the CEO of IVA, while travelling with him on train and car journeys. Many of these in-depth conversations continued late into the night. We interacted with locally recruited IVA employees in the guesthouses where he was lodged. We also
accompanied IVA managers to public community meetings and observed the interactions during such meetings. These meetings were usually called to resolve disputes between IVA and community members and to update the community about IVA’s operations. The community meetings were called for either by the village advisory committee referred to earlier or by the *gram sabha*[^8], the local village council. The advisory committee membership was drawn from both the community and IVA management whereas the gram sabha comprised entirely of elected representatives from the community. Detailed notes about community meetings and conversations with informants were made at the end of each day of fieldwork.

### 3.4.2 Data analysis

The data analysis comprised of several stages. In the first stage a database was built comprising of (1) empirical material relating to IVA’s interactions with the community as described by the informants to the field researcher, (2) empirical material collected during observations of IVA’s meetings with community leaders and (3) field notes relating to the interviews and conversations with informants in the community. In the second stage, we conducted a line-by-line analysis of this database and identified raw empirical data relating to how IVA was attempting to manage the relationship with the community. This raw data were synthesized into first-order themes using an open coding process (Strauss and Corbin, 1998). In the third stage we looked for relationships between first-order themes and grouped them into four second order themes: (1) IVA’s commitment to the progress of the community (2) IVA’s self-positioning as an integral part of the community (3) IVA’s claim of bringing material benefits for the community and (4) IVA’s claim of being an equal opportunity provider.

[^8]: The *gram sabha* is the smallest administrative unit in rural India. Members of the gram sabha are elected into office by the community.
At this point, it was evident that these themes were specific cognitive interpretations of IVA’s actions as perceived by all categories of informants. In light of the literature on frames, we re-coded the above four second-order themes respectively, in framing terms, as follows: (1) Progress frame (2) Family frame (3) Material-benefit frame and (4) Egalitarianism frame. Further, we found that these frames were deployed either reactively or proactively, i.e. either in response to the community’s opposition (in which case they were classified as ‘reactive’) or in anticipation of the community’s opposition (in which case they were classified as ‘proactive’). Next, drawing on the frame alignment literature, we explored the underlying processes of achieving alignment. Going back and forth between the literature on frame alignment and the empirical material, we found evidence of four strategic frame alignment processes, which also corresponded closely with Snow et al.’s (1986) conceptualization of frame bridging, frame transformation, frame extension and frame amplification. Also evident in our data were several instances of counter-framings both by community informants and IVA informants. Following Ryan (1991), we categorised these instances as ‘framing contests’. We then synthesized these findings in the form of a process model of competing frames and their alignment. We revisited our empirical material and travelled back and forth iteratively from the data to the literature on frame alignment until there was a reasonable fit between data, theory and model and no further iterations seemed valuable.

3.5 Analysis
Permeating the empirical material were several striking illustrations of the framing work undertaken by IVA. As noted above, one of the authors directly witnessed the framing work undertaken by IVA managers during their meetings with the community. Also, during interviews IVA informants candidly elaborated on their framing strategies. Further, informal interviews and conversations with community informants helped us gain a deeper
understanding of their response to IVA’s framings. Broadly, IVA engaged in framing either proactively, with foresight, or reactively, to counter the community’s counter framings. Table 3.3 below summarizes these findings. IVA informants typically invoked four frames (see Table 3.3) to facilitate the establishment and smooth operations of their ImS company. In the following sub-sections we analyze IVA’s framing work.

Table 3.3: Frames, frame characteristics and frame alignment mechanisms

<table>
<thead>
<tr>
<th>Frame invoked by IVA</th>
<th>Framing type</th>
<th>Frame characteristics</th>
<th>Frame Alignment mechanism used</th>
<th>Change in community’s perception of IVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress frame</td>
<td>Proactive</td>
<td>Bridges the disconnect between IVA and the community by invoking the idea of progress.</td>
<td>Frame bridging</td>
<td>From being a unknown private city firm to that of a welfare providing, trustworthy organization.</td>
</tr>
<tr>
<td>Family frame</td>
<td>Reactive</td>
<td>Extends IVA’s role. Positions IVA as a family member rather than as an outsider.</td>
<td>Frame extension</td>
<td>From being viewed as ‘city folks’ to being considered as members of the community’s family.</td>
</tr>
<tr>
<td>Material-benefit frame</td>
<td>Proactive</td>
<td>Transforms how the notion of liberal values is framed by the community.</td>
<td>Frame transformation</td>
<td>From being viewed as an agent of undesirable cultural change to being seen as a benefactor.</td>
</tr>
<tr>
<td>Egalitarianism frame</td>
<td>Reactive</td>
<td>Amplifies the belief that IVA is not discriminating and that everybody in the community benefits from the ImS model.</td>
<td>Frame amplification</td>
<td>From an entity that is viewed as partial, to an entity that is seen as being deeply concerned about the well-being of the entire community.</td>
</tr>
</tbody>
</table>
3.5.1 Frame bridging
The community had limited opportunities for gainful employment. Very few people owned substantial agricultural land. The mostly poor families found it almost impossible to improve their material conditions. They either had to work their small tracts of land or take up ‘dead-end’ jobs in fruit-processing factories or mills nearby. Invariably, the youth in the community, especially men migrated to cities to look for better livelihood opportunities; the women stayed at home to help in domestic work.

We did not have other options before. For a man, the only respectable job around here is to join the army. Or some job in the city. That works out only if you have some education else you will be stuck in a low paying job. It is not worth it. Even if I get half that salary here in my village, I would be happy. (Community informant)

The community preferred living and working (even with lower wages) in their own villages over migrating to the city. The founders of IVA believed that they understood these troubles of the community. They wanted to provide ‘respectable’ job opportunities to the young people in the community. However, the community did not know what IVA was up to and what its intentions were. More crucially, IVA did not have the trust and respect of the community. Also, prolonged marginalization from mainstream development and the hollow election-time promises by politicians made the community doubt any and every well-meaning offer of assistance. IVA fit the description of a typical ‘do-gooder’ wanting to change the community’s prospects. Thus, there was a fundamental disconnect between the community and IVA (depicted in Figure 3.2 below).

RL have worked in these areas for as long as I can remember. They have been dedicated to improving the lives and livelihoods of our people. But
IVA, we had never heard of them. We thought they were just another company from the city...people who come here with big plans!

(Community informant)

RL had considerable respect and trust within the community. However, IVA was new to the community, and the community members were sceptical of IVA’s intentions. They framed IVA as just another private enterprise from the big city.

Through our interactions with RL, we knew that we won’t exactly be welcomed by the community. There is a certain rhythm to the life on the hills and it takes a while to understand its patterns. We were very clear right from the beginning that we had to work with a local organization such as RL who understood this rhythm. (Sanjiv, CEO of IVA)

The founders of IVA benefitted immensely from partnering with RL in what was a culturally unfamiliar territory. Given its deep knowledge of local values and traditions, RL played an important role in helping IVA overcome their legitimacy deficit. They introduced IVA’s founders to influential community members, encouraged the community to apply for jobs at IVA and did a door-to-door ‘campaign’ in the community during which they explained the ImS business model and its benefits. As Tracey et al. (2011) note, one way for new social businesses to gain legitimacy is to align with highly established actors in their field, such as RL in this case.

First, we call for a meeting in the village. In the meeting we introduce IVA and talk about what IVA is here to do. We request the community to give the same kind of support which they have given us. We ask them to trust IVA like they trust us. (RL informant describing how they support the establishment of a new IVA centre)
RL essentially acted as a conduit between IVA and the community by opening a channel of communication. Their efforts helped IVA and the community to get to know one another. Crucially, they helped IVA gain some much needed trust and respect within the community. Also noticeable was the proactive work of IVA managers. They spoke about their vision of providing jobs and employment, words aimed at bridging their urban world with the rural realities of the community.

**Figure 3.2**: Frame bridging

![Diagram showing frame bridging](image)

Initial meetings with the community are very important. This is where we build confidence in them about who we are and what we do. We try our best to make them understand that we are here to provide jobs for their children at their doorstep. And that we are here only to contribute and not to take anything from them. We seek their cooperation so that we can work effectively toward the progress of their community. (IVA informant)

---

9 Figures 2, 3, 4, and 5 depict how IVA’s framing work led to alignment of disparate frames. IVA’s and the community’s framings are represented by geometrical shapes. Each figure also highlights the invoked framings in bold.
In other words, IVA framed their work and their activities as bringing ‘progress’ through job creation. This was something the community could relate to deeply. ‘Progress’ seemed to be the answer to the most pressing problems - scarcity of jobs and an uncertain future for the youth – facing the community. We can term this frame as a *progress frame*. The idea of ‘progress’ clearly appealed to the community. The progress frame essentially connected the two worlds by helping the community to take notice of IVA’s ‘good’ intentions. Many in the local community began to trust IVA and offered them support (depicted in Figure 3.2 above). The change brought about by IVA’s framings is illustrated in the following quote.

> On Sundays when the office [IVA’s centre] is closed, there is a silence on this road. The chatter of our children [who work at IVA] is missing. It is a reminder of how it used to be before IVA came here! I have no regrets – our kids can now get a respectable job right in their village. (Community informant)

### 3.5.2 Frame extension

The entire senior management and most of the middle management at IVA had no roots in the local community. As a result the community found it difficult to identify with IVA. They regarded IVA as outsiders and referred to them somewhat pejoratively as ‘Delhi-walein’ (people from the city of New Delhi). After regularly running into opposition from the community for being ‘outsiders’, IVA realized that the idea of ‘family’ commanded high currency in the community – an aspect which they hadn’t given much thought to earlier. The community prided itself on being a ‘family’ and this metaphor guided its everyday affairs. For instance, it was considered normal and acceptable to interfere in the personal affairs of other people on the basis that the prestige of the ‘community family’ was at stake. IVA managers responded to the ‘outsider’ framing of the community by deliberately incorporating discourses of familial values and beliefs into their vocabulary (depicted in Figure 3.3 below).
The following example from our field notes best illustrates how IVA tried to extend the boundaries of its relationships with the community by activating the ‘family’ dimension: IVA required permission for a water connection from the local government. But they were being denied the connection on the premise that water was scarce and the community couldn’t afford to bear the extra stress on their limited resources. However, during a community meeting, it became apparent that the issue was not really about the scarcity of water.

Look around you…nobody has turned up for the meeting! This is the third time that we have scheduled a meeting to discuss ‘water’. They [the opposing members in the community] do not let a solution emerge. They are your antagonists. They feel that you are outsiders and they ask me why we should share our resources with you! (Community informant – president of the local government addressing the CEO of IVA)
But the issue is hardly about water! There is sufficient water. The antagonists are using water as an excuse to oppose your entry into the community. They think the community will be unnecessarily burdened if we let you into our fold. I feel it is not true, but they keep saying you will deplete all our resources and give us nothing in return [Community informant addressing the IVA CEO]

Instead of thinking of us as part of the solution, you are thinking of us as part of the problem. We are one of your own! Would you deny water to your own family member? By accepting us, the family can only become stronger. There is no point in playing a game of chess. Only if we are together as a family, can we work towards a solution (Sanjiv, CEO of IVA tells the gathered members of the community)

In this illustration, by positioning their venture as belonging to the community’s larger family, IVA fought what they believed was an unjust decision to deny them water. In many other instances, IVA informants used phrases such as ‘a family stays united’ and ‘family members help each other out’ as part of their strategy to integrate better with the community. We can term such rhetoric as a *family frame* – a frame which idealizes familial values and principles. Through the ‘family frame’, IVA gave the community a new vantage point to interpret their actions. The result of this kind of framing was evident on several occasions during our fieldwork. An illustrative quote:

These two (referring to a couple of IVA employees from the city) come to my shop to have dinner every day. They stopped being my customers a long time back, they are part of my household now! (Community informant)
3.5.3 Frame transformation

As IVA brought many visible changes to the prevailing norms of ‘socially acceptable’
behaviour, there was resistance from a section of the community. IVA managers had
anticipated such a reaction.

The values which are espoused in our organization – of equality and
inclusion go against the social fabric of this place. It came as no surprise to
us that the community had issues with these changes. When the village
elders see young people chatting on the road, wearing jeans pants and
shades, dressed like movie stars, it does not go down well with them. And
whenever somebody gets into trouble, we are blamed. (IVA informant)

The older members of this highly orthodox and conservative community, in particular, did
not view the IVA-led changes as progressive.

When I get back home from office I am tired of sitting all day in front of the
computer. I like spending time by myself or just going out with my
colleagues. My parents understand this, they are very supportive. But the
problem is with my other elders – my grand uncle and aunt – they don’t like
the changes they see – they want me to be the same girl I was – helping
them out with chores. (IVA informant)

The older community members found many reasons to resist IVA’s influence and
framed the liberal values espoused by IVA as decadent. Some of them argued that IVA’s
liberal values were destroying community life. They invariably associated liberal values with
the ‘hedonistic culture’ of the city, widely publicized through Bollywood movies (the Hindi
film industry). To them liberal values meant ‘immoral socializing’ between men and women
and ‘inappropriate’ attire such as jeans and shades. IVA was seen as an incarnation of these
values and hence a ‘bad’ influence. The following excerpt from our field notes shows how such community members perceived IVA.

A girl and a boy (from the community) who had ventured into a neighbouring town on a motorbike have met with a serious accident on their way back. Incensed community members (especially the older ones) are quick to assign blame on IVA for the incident without even bothering to find out more. As we learn later, the couple had no connection to IVA whatsoever. Just the act of a girl and boy ‘hanging out’ together is seen as representative of IVA’s influence on the community’s youth.

Essentially, ‘liberal values’ meant completely different things to the two sides (depicted in Figure 3.4 below). For IVA, liberal values meant freedom of choice, freedom of expression, social inclusion and equality. To them, the ‘empowerment’ of women, who constituted nearly 65% of their workforce, was something fundamental and essential. IVA tried to transform the extant meaning of liberal values by proactively altering the community’s perceptions.

When girls and boys start working together, there will be changes around you and you may not like them. I can give it to you in writing that there will be ten other related issues which will follow! But please don’t forget that these changes are also giving jobs to your children and bringing prosperity to your community. You cannot resist change and at the same time wish that your community improves. If we take four steps towards your welfare, you should at least take one step in our favour. (IVA informant, assuaging the community’s concerns at a monthly advisory committee meeting. In attendance at this meeting were IVA senior and middle managers, representatives from RL and influential members of the community)
IVA’s portrayal of liberal values was centred on the material benefits dimension. During community meetings, IVA managers continued to reinforce the message that liberal values meant material benefits rather than self-indulgence and immorality. Put differently, IVA tried to transform the extant meaning of liberal values as understood by the community. We can term this kind of frame as a material-benefit frame. Using this frame, IVA highlighted the benefits of accepting their version of liberal values while at the same time implicitly questioning the utility of the community’s orthodox values. By and large, community informants were influenced by this new way of looking at liberal values (depicted in Figure 3.4 above). During the five years of IVA’s operations family incomes of the employees has increased and the local economy has also received substantial impetus due to the increase in disposable incomes of these families. Generally, IVA seems to be viewed now as a ‘good thing’ by the community.

Like with all new things, changes will definitely be there. But you have to see what the cost of the change is. Now my daughter is independent, she has
money to spend on herself and for our family. If not for her job, she would
be sitting idle at home. This has of course been for the good. (Community
informant, father of an IVA employee)

3.5.4 Frame amplification
Although IVA projected itself as an impartial organization and an ‘equal opportunity
provider’, many in the community did not believe IVA’s claims (depicted in Figure 3.5
below). They complained that IVA was, in fact, very ‘partial’. Rajiv, IVA’s co-founder,
explained the community’s predicament with a metaphorical illustration.

Let me give you an example. When a bunch of people are in a life boat there
is a sense of shared grief among them. Now suppose a chopper comes along
and rescues only one of them, the grief turns to anger. Now there is a sense
of shared anger in the group. And who are they angry at? The chopper – we
are that chopper.

Figure 3.5: Frame amplification
IVA created jobs in the community. Their activities also had a positive trickle-down effect in the community—some landlords now had long term contracts with IVA; shops and other commercial establishments also sprung up in the vicinity of IVA’s centres. But there was trouble because not everyone who applied for a job at IVA got one. IVA followed a ‘merit’ based recruitment process. One had to pass qualifying tests before getting recruited and trained by IVA. In a village of around 100 families, we found that on average, only about 10 families benefitted from IVA via direct employment. While the ImS model definitely improved the livelihoods of some, it also disillusioned those that did not benefit.

There are other issues which add to the community’s resistance – some of us benefit, while our long-time rivals in the community don’t. Sometimes members of a minority caste get a job at IVA and the dominant caste don’t like it! (Community informant)

The perception that they were ‘partial’ and ‘playing favourites’ had serious consequences for IVA. In one such instance, an IVA centre was vandalized by some villagers who had failed in their job interviews. In another example, an influential member of the community stalled IVA’s efforts to set up a new centre as the person he hated most in the community, a landlord, stood to benefit financially from the proposed centre.

Some of these people cannot think beyond their nose! All that they think about is ‘What is in it for me?’ We have always been fair with the community. But, soon enough we got the message that the butter was not being spread evenly no matter how hard we tried. We did not want the community to think that we favoured particular groups or castes. More importantly, we did not want the community to lose hope in us - which is
why we reinforce the message: we stand for the entire community. (IVA informant)

In response to the accusations of being ‘partial’, IVA managers reiterated and amplified the message that they were in fact fair. We saw IVA managers asserting over and over again during their meetings with the community that they stood for the entire community and not just for a select few (depicted in Figure 3.5 above). We term this discourse employed by IVA managers as the *egalitarianism frame*. By invoking this frame, IVA signalled and *amplified* their concern for the entire community. IVA informants also provided other evidence of their commitment to the community’s well-being.

We conduct English language and computer skills tutorials which is open to the entire community. Now we have shorter term contracts with our local vendors so that there is some rotation of benefits. We even counsel and train individuals who are unable to secure a job in our organization. In this way we try to ensure that everyone is happy. (IVA informant)

### 3.5.5 Counter-framings

The analysis above not only details IVA’s proactive and reactive framing work, but also shows the community’s counter-framing actions. From the accounts of our informants, it was evident that the counter-framings had more than one root. Some instances of counter-framings were purely in self-interest, but publicly packaged as a statement of concern for the community’s welfare; others were linked to a genuine worry about the malign influence of ‘city culture’ on the community.

The fear is that IVA will bring along with it the culture of the city and that this will affect the behaviour of girls and boys.
Interestingly, alongside the counter-framings were several instances of community informants working hard to re-orient the community’s world view in favour of IVA. They framed IVA as a harbinger of ‘progress’ and a good thing for the ‘future’ of the community.

I tell those who are opposed to IVA that if we cannot benefit from this model, our children can! They will get education and a respectable job right at their doorstep. But this thought is completely missing from some of our heads. Whenever people talk about IVA, I tell them that it will be a great loss for us if IVA decides to leave. I’m even ready to touch people’s feet to stop them from blocking IVA’s plans (Community informant addressing a community meeting)

The empirical material also provided evidence of a different kind of counter-framing activity within IVA: The founders of IVA had started the organization with a clear social mission. The explicit ‘social focus’, which has also been called ‘social imprinting’ (see Battilana et al., 2013) guided their strategies.

We have taken enough during our lifetime; it is time to give back. We must never forget why we are here. The important thing is to maintain focus on the community and its welfare. The moment we lose this focus, we become like any other business. Moreover, it is vital that we maintain a community-focus for our own survival’s sake! You cannot run a business here like you run in the city. (Rajiv, co-founder of IVA)

The founding members of IVA were convinced that operating in marginalized communities required a hybrid (equal focus on the social and commercial dimensions) cognitive orientation. However, increasingly, the same vision was not being shared with equal gusto among other members of the senior and middle management. They disapproved the trajectory
IVA was taking and felt that IVA must focus more on the business side of things. Internal tensions stemming from the dual focus of the business model had gone up.

I don’t understand why Sanjiv has to spend his time doing other stuff. His time is precious and it better be utilized where he can have the best impact for the organization. Instead, the management bandwidth is wasted resolving petty issues in the community. (Senior manager, IVA)

Some senior managers confessed that they joined IVA not because of any ‘calling’ to ‘do-good’. They did not fully comprehend the ‘social’ frame of the ImS model and hoped that the ‘business’ frame would become more prominent in IVA. Sanjiv, the CEO of IVA, saw it as a problem of getting the ‘right’ people into the company.

Of course it is a major aspect we look into when we are recruiting. But it is very difficult to judge you know. They will put on a social mask during the interview process. We have grown smarter through our experience though. We take interviews for middle and senior management positions in the areas of our operation in rural Himalayas. After a week of staying in the rugged terrain, their true colours usually come out, and they get a clear sense of what is in store for them.

Overall, IVA has been successful in operating their ImS company despite the presence of counter-framings. At the end of our six-month fieldwork, IVA’s centres continued to serve both national and international clients and also made modest profits.

3.6 Discussion

The experience of IVA suggests that it may be simplistic to characterize communities as passive recipients of an ImS company’s framing work. Indeed, actions of framing and frame
construction to influence a community audience can be a heavily contested process (Goffman, 1974; Benford & Snow, 2000) involving a tense struggle to reach a shared understanding of social reality. Thus, the conflicting cognitive worlds of an ImS company and the local community can lead to what Ryan (1991) has called *framing contests*. On the one side of such framing contests are marginalized communities that are extremely wary of ImS companies’ offers of assistance. Such communities tend to take extremely cynical positions and may harbour and spread ideas detrimental to the sustainability of an ImS model. In our case, the community’s perspectives and framings (see Columns 1 and 2, Table 3.4 below) have seriously tested IVA’s resilience and commitment to their ‘socially-conscientious’ business model.

**Table 3.4: Framing contests and altered viewpoints**

<table>
<thead>
<tr>
<th>Community’s viewpoint of IVA</th>
<th>Community’s framing</th>
<th>IVA’s framing</th>
<th>Altered viewpoint of IVA (held by the community)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVA cannot be trusted as they are not known to us</td>
<td>Unknown private enterprise frame</td>
<td>Progress frame</td>
<td>IVA can be trusted; they are here to provide jobs and to help the community progress</td>
</tr>
<tr>
<td>Cannot share our resources with IVA. They don’t belong here</td>
<td>Outsider frame</td>
<td>Family Frame</td>
<td>IVA is a member of the extended family</td>
</tr>
<tr>
<td>IVA is changing the traditional culture of the place</td>
<td>Cultural differences frame</td>
<td>Material-benefit frame</td>
<td>IVA can help create material wealth in the community</td>
</tr>
<tr>
<td>IVA plays favourites during their recruitment, which creates inequality in the community</td>
<td>Inequality frame</td>
<td>Egalitarianism frame</td>
<td>IVA is concerned about ensuring social equity in the community</td>
</tr>
</tbody>
</table>
Evidently, then, the burden of applying corrective measures and altering the community’s viewpoints invariably fall on ImS companies, which are on the other side of the framing contests and have a lot to lose. To be sustainable in the long run, ImS companies may have to both proactively and reactively engage in framing work to re-shape the community’s existing mental models.

In IVA’s case, managers employed four different frame alignment mechanisms to influence the community and win the framing contests (see Column 3, Table 3.4). They tried to: (1) *bridge* the disconnected, but resonant framings of IVA and the community (i.e., the progress frame) (2) *extend* the boundaries of their relationship with the community by invoking and projecting values that were already salient in the community (i.e., the family frame) (3) *transform* deeply entrenched meanings and values within the community (i.e., the material-benefit frame) and (4) *amplify* beliefs in the community (i.e., the egalitarianism frame). While the disgruntled voices in the community continue to counter-frame, on the whole IVA’s framing strategies has had a significant positive influence on how the community has come to perceive IVA and its activities (see Column 4, Table 3.4). The competing framings of IVA and the community is aligned to the extent that IVA has successfully established five centres and employs close to 350 people, with more centres planned in the coming years. As an RL informant noted “What took us nearly three decades, IVA seems to have achieved in five years,” Figure 6 below pictorially depicts this process of alignment of the community’s and IVA’s competing framings. It shows how ImS companies use frame alignment mechanisms to win framing contests. Consequently, the community perceives the activities of the ImS company in a more positive light leading to the accomplishment of frame alignment.
However, it is important to recognize that from an ImS company’s perspective, outcomes of framing contests needn’t always result in a happy alteration of existing viewpoints and the alignment of competing frames, as depicted in Figure 3.6 above. The extent of success of an ImS company’s framing also depends on other cultural and political forces at play in the institutional environment. Drawing on our findings, we propose that framing contests between ImS companies and the community may result in some combination of three outcomes – (1) the ImS company successfully alters its image, overcoming opposition and resistance in the community (see Figure 3.6), (2) the ImS company’s image (held by the community) remains unaltered or takes a turn for the worse, in which case they may have to revise their frame alignment mechanisms and (3) the ImS company’s framings trigger serious internal disputes (e.g., about the overly social orientation of the senior management) and affect the viability of the business model.
3.6.1 Theoretical contributions

This study answers recent calls for research on the emerging ImS phenomenon (Carmel et al., 2013; Madon and Sharanappa, 2013). It explores the day to day framing work undertaken by an ImS company within a local community. The findings of our ethnographic study contribute to a better understanding of how competing framings of an ImS company and the local community could reach alignment. The study contributes to the literature on ImS in the following ways. First, it demonstrates that rural marginalized communities are more than just passive producers of IT-BPO services. The implicit portrayal of the communities as acquiescing to the establishment and growth of ImS companies (see Accenture 2012; Monitor, 2011) appears to misrepresent the communities’ fundamental cultural characteristics. To the contrary, this study shows how and why communities utilize their agency to sometimes resist the ImS model. While there has been a general and cursory exploration of such opposition in relation to socio-economic hybrids (see Thomson and Macmillan, 2010), our study has provided specific insights into why communities resist ImS companies. We would argue that a community may resist ImS companies for two main reasons: (1) perceived incompatibility of the ImS model with local norms and belief systems and (2) perceptions of inequality stemming from the merit-based recruitment strategies underpinning the model.

Second, our study suggests that in order to be sustainable ImS companies operating in marginalized communities may have to inject new values and beliefs into the community, which may openly contradict certain existing norms (see Seelos et al., 2010). While this may appear to be a patronizing act – deciding what is best in the community’s interest – marginalized communities may not always be in the best position to fully appreciate the benefits of the ImS model, at least in the initial stages of a company’s operation. However, involving the community through consultations on a regular basis (such as the village advisory committee in this case) may inspire community participants to take ownership of
key decisions. Third, our findings also demonstrate the strategic use of impression management (Elsbach et al. 1998) by ImS companies. Indeed, impression management strategies are known to be used by firms to create and maintain positive images of their organization (Arndt and Bigelow, 2000; Bansal and Clelland, 2004; Ravishankar et al. 2013). While such strategies can help ImS companies foster favourable impressions temporarily, our analysis suggests that a more lasting positive reputation for the firm can only be garnered through substantive actions taken over an extended period of time (see Gioia et al. 2000).

Finally, our study emphasizes the critical influence of local communities on the sustainability of ImS companies. Recent reports in the business and popular press have generated a great deal of excitement about the social and business potential of the ImS phenomenon. But they also appear to take local communities for granted. This does not mean, however, that academic research is similarly guilty of underplaying the importance of local communities. There is now a large body of research on ICT for Development (ICT4D) projects, which provide deep insights into the ‘community’ dimension in general and on the agency of marginalized communities in particular (see Heeks, 2006; Walsham and Sahay, 2006; Zheng, 2009; Avgerou, 2010). Although many ICT4D projects seem to be government-led rather than private enterprise-driven, they are structurally similar to the ImS model in some ways. They have an overt social development agenda and the community’s welfare is often at the heart of their operations. Many studies have reported extensively on the community’s response to ICT4D projects. For instance, writing about an ICT4D project that focused on computer literacy in Siyabuswa (South Africa), Madon et al. (2009) have shown how getting symbolic support of the community in the early stages of a project may not necessarily ensure a project’s scalability and sustainability as community members could later develop doubts about the real intentions of the project’s promoters. Similarly, in an analysis of the Gyandoot telecenter project in Madhya Pradesh (India), Bailur (2007a)
suggests that poor communities may not always possess the financial and cultural resources required to act as customers and thereby help telecenter entrepreneurs sustain their companies. Clearly, the literature on ICT4D projects has a lot to offer to ImS research. Although the ImS business model is concerned with outsourcing of work, given its overt social orientation one may also view the model as a particular class of initiatives under the broader ICT4D umbrella. Clearly, ImS research will benefit from a closer engagement with ICT4D scholarship and further research on the ImS model needs to better integrate community-related insights from the ICT4D literature.

The study contributes to the literature on frame alignment in the following ways. First, it suggests that framings related to progress, family, material-benefits frame and egalitarianism can help ImS companies effectively manage their relationships with the local community. Second, the study shows why framing strategies may be needed at all to establish and operate socially-oriented businesses in disadvantaged communities. Deliberate framings of a particular kind may not be required if all participants in an interaction share the same social reality. In any situation, if a particular projection of reality is the only one possible, and hence acceptable to everybody, there is little need for alternative framings of reality. That marginalized communities are almost always suspicious about the true intentions of ImS companies implies that framings of ImS companies are inevitably vulnerable and precarious. In a way it also serves as a reminder of how important, and (at the same time) difficult it is for social IT-BPO businesses to put on a believable performance in front of marginalized communities. Third, our study suggests that framing work can be either reactive – in response to an audience’s framing work, or proactive – in anticipation of counter-framing by the audience. Finally, our study shows how in any given encounter, framing work is rarely one-sided. It is rarely the case that organizations can simply frame an aspect of reality in any way they choose to without encountering opposition from their audience. Although research often
presents one side of the story (e.g., the social movements’ perspective in Snow et al. (1986)), in reality underlying any broad framing work are sequences of micro framing contests.

3.6.2 Conceptualizing the ‘community’ in ImS research

The question of how ImS companies frame their activities to marginalized communities raises an interesting point about the use of the somewhat all-encompassing term ‘community’. In our case, ‘community’ referred to the people living in and around five villages in a remote region of North India. IVA informants consistently used the word ‘community’ when they spoke of people in this region. This perspective portrays a local community as a solid, homogenous entity that has a clear stake in the activities of ImS companies. But in reality a community tends to comprise of people from different socio-economic and educational backgrounds and can be very diverse in terms of caste, age, class, ideology, attitudes and access to resources. Many community members could be disinterested in what an ImS company has to offer or remain excluded from its field of operations. Indeed, research on ICT4D projects suggests that in some cases ‘the community’ could come to mean only a few people in a particular village. For instance, in a study of a community radio and IT project in South India, Bailur (2007b) reports on how the scope of the term ‘community’ had been reduced significantly at the time of the study and that it referred only to listeners of the radio station and self-help groups in the community. Unfortunately, many people in this community preferred watching entertainment shows on cable television over getting involved with the radio and IT project.

Building on this line of thought, we may need to exercise caution when claiming that a broadly-defined community is the intended beneficiary of ImS companies’ framing activities. In IVA’s case, one could instead make the more nuanced argument that the framing work was mostly directed at a proportion of people in the community whose support was absolutely essential for the company’s operational continuity. Thus, breaking down the
notion of a ‘community’ into its many complex constituent parts invariably diminishes the analytical scope and reach of the frame alignment concept as it is used here. While this insight does not invalidate the findings of our study, it suggests that as the level of analysis moves from macro to micro, we may need to speak of framing work directed at an ‘audience’, rather than at a ‘community’.

3.6.3 Practical implications

Our study contains several implications for ImS practitioners. First, setting up an ImS company in a marginalized community is not a straightforward task. A range of social, cultural and political factors guide a community’s world view. Therefore, practitioners may have to spend considerable effort in trying to understand the socio-cultural and political contexts of the community. Being cognizant of these challenges may help managers of ImS companies to craft suitable messages and strategies to negotiate resistance in the community. For example, managers can adopt a set of impression management techniques in anticipation of opposition from the community (see Elsbach et al., 1998). However, this focus on how ImS companies frame their activities to gain support from the community does not necessarily imply that practitioners’ framings are morally superior or that ImS managers always know what is in the best interests of the community. ImS companies, regardless of how sophisticated and successful their prior business relationships, need to develop the humility to learn from local communities. Rather than define the problem in narrow and condescending terms as one of converting the community to their own worldview, ImS practitioners must also be open to the idea of working collaboratively with the community to achieve better outcomes.

Second, many ImS companies are enthusiastic, but may have limited experience of working with marginalized communities. Therefore, it may be helpful for ImS companies to partner with a local organization or an influential individual, who enjoys high degrees of trust
and respect within the community. Partnering with ‘locally embedded’ (Jack & Anderson, 2002) entities can possibly achieve two key objectives: (a) the respected local partner can help ImS companies overcome their credibility and legitimacy deficits reasonably quickly, thus saving them valuable time, which they might otherwise have to expend to build trust within the community and (b) by “outsourcing” the work of liaising with the community to the partner, the ImS company can focus on core business activities. This does not, of course, suggest that firms can be completely insulated from getting involved in the socio-cultural dynamics of the community. Aligning with a partner may be an important first step, but not always enough to ensure a community’s acceptance of an ImS company. Senior managers may have to proactively interact with the community from time to time to gain their trust and respect. ImS companies could consider re-investing a proportion of their profits into projects that address the community’s felt needs in areas such as education and health care.

Third, the hybrid nature of ImS companies may impose certain singular challenges. Professionals hired by the organization may not always share the same levels of enthusiasm and vision for social change espoused by founding members. This could eventually lead to different framings of the organization’s purpose and activities by internal constituents. To avoid such troubles, ImS companies may choose to invest in ‘socialization’ activities (Battilana and Dorado, 2010) to ensure that the mental models of the internal constituents are aligned and congruent. For example, Battilana and Dorado (2010) describe how a microfinance institution enthused its workforce comprising of social workers and bankers by “converting the social workers to bankers and bankers to social workers” (p. 1426). Similarly, ImS companies can explore the possibility of introducing a socialization process wherein employees respectively holding strong business and social orientations can go through a process of “cross-learning”. In other words, each cohort – business inclined and socially inclined – can learn from how the other group interprets reality and takes decisions. Such
exercises may help reduce conflicts internally by making the process of organizational decision-making less ambiguous. Fourth, ImS companies may also need to deploy ‘culturally intelligent’ hiring methods to ensure only the ‘right’ people – preferably ambidextrous ones committed to both social and business concerns – are recruited. Finally, when deciding to start an ImS company, entrepreneurs need to carefully take into account the broader institutional settings of the local community. In India for instance, some state governments are better governed and have investor-friendly policies and structures in place that provide better support to entrepreneurs, thus making it easier for them to run their operations. However, our informants observed that thus far only two out of India’s 29 state governments have formulated policies explicitly in support of rural IT-BPO companies. In general, local communities in poorly-governed states seriously lack employment opportunities and therefore stand to benefit more from the presence of ImS companies. At the same time, ImS companies face the tough task of convincing clients that work of a reasonable quality can be delivered from such locations.

3.7 Conclusions

ImS is a burgeoning phenomenon drawing interest from various quarters – academics, entrepreneurs, government agencies and international donor agencies. There is every possibility that the unbridled optimism surrounding this phenomenon could develop into a ‘development bubble’. Therefore we call for a more thorough understanding of the challenges surrounding the sustainability of ImS companies. To contribute to this endeavour, we set out by asking “how do ImS companies frame their activities to the local community?” – an important question whose answer has a direct and crucial bearing on the sustainability of the ImS model. The findings suggest that firms engage in a series of complex social-psychological frame alignment processes to influence their target audience – the local community. Further, our study also found that communities aren’t passive receivers of the
firm’s framing activity, but in fact, respond strongly with counter-framings. The process model developed in the study sheds light on how competing framings of the community and an ImS company could eventually align.

We acknowledge two important limitations of our study. First, as noted earlier, we have used the over-arching term ‘community’. This level of analysis carries the risk of not being fully sensitive to the subtleties of village life and to intra-community variations in behaviours. More research is required to understand the attitudes and lived experiences of specific marginalized groups (e.g., women) in relation to the ImS model. Although we spoke to a range of community informants, more micro-level analyses are required to understand the motivations and actions of different segments of a community. Second, although we have drawn largely on the frame literature, we must recognize that frame alignment alone does not necessarily guarantee the sustainability and success of the ImS model. A number of other institutional and contextual conditions also influence the trajectory of ImS companies. For example, availability of governmental support, regional differences in attitudes to business and skill-levels of employees could play crucial roles in the success of ImS companies. We have not explored these in any great detail and we would therefore suggest that frame alignment is perhaps best understood in concert with a range of other drivers. Given that research on ImS is still in its nascent stages, there is significant scope for future work (see Carmel et al. 2013). First, it would be interesting to study how ImS companies’ strategies vary across different social, cultural and geographical settings. Second, further research is required to compare and contrast the community-outcomes of socially-driven ImS models with the accomplishments of the more typical profit-oriented companies.
CHAPTER 4: SOCIOCULTURAL TRANSITIONS OF MARGINALIZED INDIVIDUALS IN IMPACT SOURCING COMPANIES

4.1 Introduction

For marginalized individuals hired by ImS companies operating in rural India, transitioning from the traditional space of their communities to the modern space of ImS workplaces can be a daunting experience. Individuals experience cognitive and psychological challenges as they endure the process of learning new norms and practices, and acquiring new attitudes and skills, which would enable them to participate in everyday social and professional rituals. Indeed, new sociocultural contexts such as workplaces place intense cognitive demands on the individual (Van Maanen and Schien, 1979; Jones, 1986; Molinksy, 2013; Raghuram, 2013). ImS companies’ workplaces embody new sociocultural norms and practices, where to participate effectively marginalized individuals may not yet possess appropriate sociocultural resources. Moreover, balancing inherited traditions with new sociocultural norms, attitudes and practices, which openly contradict culturally ingrained values and beliefs, can pose further cognitive challenges (see Molinksy, 2013).

Evidently then, the process of transitioning to a new sociocultural space is not a straightforward experience and the cost of not fitting-in may be too high for both the individuals as well as ImS companies. Indeed, individuals failing to make the sociocultural transition may face negative repercussions at their workplace (Molinsky, 2013) and in extreme cases, may even lose their jobs (e.g. Liu et al., 2015). Not only do individuals have to gain technical proficiency and become productive within a short span of time, they may also need to fit-in and pick up “context-appropriate behaviour” (see Raghuram, 2013) in the new workplace. Equally, for organizations, a motivated and engaged workforce is of vital

An edited version of this chapter has been submitted to the Special Issue on Global Sourcing and Development in Information Systems Journal.
Article history:
Initial submission: 31st May 2015
Revise and resubmit decision received on 29th September 2015
importance for their own sustenance (Van Maanen and Schein, 1979; Lu et al., 2014). As much as marginalized individuals, i.e. the ImS employees, are anxious about succeeding in the new sociocultural space, their employers, i.e. the ImS companies, too equally share the anxiety. Therefore in this chapter we wish to understand *how ImS employees experience and manage sociocultural transitions*?

Extant literature in ImS is yet to delve into these aspects; however, a broader review of management literature has suggestions regarding how individuals in general manage sociocultural transitions and how organizations facilitate this process. Three strands emerged through our review of literature: (1) *organizational socialization* literature, which has examined both formal (e.g. Van Maanen and Schein, 1979; Bauer et al., 2007) and informal (e.g. Morrison, 1982; Ashford and Black, 1996; Liu et al., 2015) ways in which ‘newcomers’ are inducted into the organization; (2) *careers and identity* literature, which has examined how people navigate various aspects of their work including “crafting” jobs (e.g. Wrzesniewski and Dutton, 2001), managing impressions (e.g. Raghuram, 2013) and building credibility (e.g. Ibarra, 1999); and (3) *cross-cultural management* literature, which has examined the cultural adaptation experiences of individuals (e.g. LaFromboise et al., 1993; Berry, 2003; Molinsky, 2007, 2013).

Organizational socialization literature has focussed on how newcomers “acquire the knowledge, skills, behaviours and attitudes required for effective participation in an organisation” (Allen et al., 1999, p.456). Studies of informal socialization efforts of newcomers has revealed that individuals may overcome initial anxieties in the workplace by seeking information and feedback from co-workers and supervisors (Feldman and Brett, 1983; Ashford & Black, 1986), building social networks (Cooper-Thomas et al., 2011) for psychological palliation (Feldman & Brett, 1983) and gaining credibility among supervisors and peers (Kramer, 1993; Cooper-Thomas et al., 2011). Socialization is only one part of the
transitioning process. To successfully transition, individuals may also have to manage aspects of their jobs and their workplace environment. To navigate challenges related to their jobs, studies have found that individuals may ‘craft’ job tasks, tweak work relationships and reframe the meaning of jobs (Wrzesniewski and Dutton, 2001; Berg et al., 2010) and experiment with provisional selves (Ibarra, 1999) as they transition into new roles. For marginalized individuals in rural communities, the constant ‘culture-switching’ they have to regularly endure and regulate as they move to and from distinct sociocultural spaces further complicates the transitioning process. Studies of individuals managing work and non-work contexts has highlighted that individuals may segment identities to avoid conflict or create a hybrid identity to experiment with different selves (Raghuram, 2013). These ideas resonate with insights coming from cross-cultural management literature that has explored how individuals manage more than two cultures simultaneously (e.g. LaFromboise, 1993; Berry, 2003; Molinsky, 2013).

In sum, organizational socialization along with cross-cultural management, and careers and identity literatures can give a useful frame to understand and explore sociocultural transitions as experienced by ImS employees. To answer our research question we conducted an in depth case study of an ImS company operating in rural India in an attempt to understand the lived experiences and worldviews of ImS employees.

4.3 Impact sourcing and marginalized individuals

Extant literature on ImS has not so far studied how individuals manage sociocultural transitions. However, a handful number of studies have documented and studied the impact of ImS on various marginalized populations such as the economically poor living in rural areas in the global south (e.g. Madon and Sharanappa, 2013; Malik et al., 2013), incarcerated individuals (e.g. Lacity et al., 2012) and indigenous groups (e.g. Lacity et al., 2011). Typically scholars have conceptualized impact in this context as social, economic,
behavioural and attitudinal changes individuals experience through their employment at ImS companies. For instance, Madon and Sharanappa (2013) and Malik et al. (2013) tried to understand from the employee’s perspective how their lives had changed as a result of working in ImS companies. Specifically, they outlined work and lifestyle changes in addition to changes in capabilities and their relationship with the local community. Lacity and colleagues (2014) studied the impact of ‘prison sourcing’ on incarcerated individuals. The study pointed to several life changes such as improved social status, self-esteem and self-efficacy among individuals. On top of the social benefits, both ImS employees and the local communities have also benefitted economically. Studies indicate that individual incomes of ImS employees have increased by nearly 80%-120% (Kubzansky et al., 2011; Heeks, 2013), also benefitting local communities through trickle-down effect. Overall these studies are quite optimistic about the social and economic potential of ImS. While extant studies have outlined what the impact has been on ImS employees, the question of how employees ‘experience’ impact, still remains to be explored.

From the perspective of marginalized individuals, taking up employment at ImS companies marks an important shift in their personal and professional lives. Indeed, for newcomers (in organizations) in general, moving into a professional workplace can be quite a daunting experience (Van Maanen and Schien, 1979). New social and cultural norms may seem baffling, and making cultural adjustments and picking up professional rituals can be demanding. For marginalized individuals (as compared to perhaps their better-off, urban counterparts), the social and cultural leap required to adjust to the professional demands can be a lot more demanding. The professional workplaces of ImS may seem culturally alien in relation to their traditional communities. Moreover, communities too may not entirely be in favour of ImS companies (NASSCOM, 2014; Sinkovics et al., 2014) and may frame their activities as cultural intrusions (Sandeep and Ravishankar, 2015), as we elaborated in Chapter
3. This may introduce additional challenges for ImS employees to overcome. For ImS employees caught between the two worlds, the process of imbibing new cultural material, which may openly contradict ingrained values and beliefs, may be cognitively and psychologically taxing. Making sociocultural transitions, we would argue, is an important step in the process of ‘experiencing’ impact. These arguments provide the basis for an in depth analyses into how marginalized individuals are managing their sociocultural transitions in the ImS workplace. In the next section we review relevant literature which will help us in our study of sociocultural transitions of marginalized individuals.

4.2 Sociocultural transitions: Synthesizing an analytical framework

“We understand … ‘transition’ not as a moment of change but as the experience of changing, of living the discontinuities between the different contexts ... Transitions arise from the individual’s need to live, cope and participate in different contexts, to face different challenges, to take profit from the advantages of the new situation arising from the changes. Transitions include the process of adapting to new social and cultural experiences”. (Gorgorió et al., 2002, p. 24)

Sociocultural transition is an ongoing process, which begins as individuals make their entry into the organization, and continues till the time they exit (Van Maanen and Schein 1979). Such transitions may occur within the boundaries of a context where individuals continually adapt to emerging situations or across different contexts where individuals regularly move between different contexts (Beach, 1999). In the context of a workplace, sociocultural transitions can be viewed as (1) the transitions that individuals make from the point of entry through to the remainder of their organizational life, and (2) the transitions which individuals make as they move in and out of work and non-work contexts.
Organizational socialization literature has largely dealt with examining the former type of transition, i.e. the transition experience of individuals within the sociocultural boundaries of the organization. A majority of work in this stream has tried to examine how organizations ‘enculturate’ individuals with organizational values, beliefs and routines to improve performance and retain employees (Cable et al., 2013). Such formal socialization practices often focus on what employees should do, but do not necessarily outline how employees are supposed to achieve expected goals and outcomes (Liu et al., 2015). Consequently, newly hired employees have little choice but to devise their own strategies to reduce ambiguity related to the job and the work environment (Liu et al., 2015). Scholars have acknowledged the informal ways of socialization and have devoted considerable attention to understanding how employees mitigate tensions and anxieties associated with the new work environment. Overall, extant studies indicate that individuals pickup contextual information through a process of social learning (Liu et al., 2015) via mechanisms of observation and seeking information through feedback (Feldman and Brett, 1983; Morrison, 1993; Ashford and Black, 1996). Barring a few exceptions (e.g. Cooper-Thomas et al., 2011), the majority of studies have focussed on testing hypotheses that measure the effect of newcomer socialization strategies on the job performance of individuals.

To get a more fine-grained processual view of informal socialization, we draw on other studies that explore how service professionals handle role transitions within their work environment. Ibarra (1999) examined how junior professionals crafted professional identities as they went through the process of assuming new work roles. Her work suggests that employees seek out role models, experiment with different possible selves and then evaluate their performance through both external and internal feedback (Ibarra, 1999). Such identity crafting may give individuals a feeling of control and enhance their self-efficacy. Job crafting (Wrzesniewski and Dutton, 2001) is another way in which individuals enhance feelings of
control and reduce ambiguity and threats (Matarelli and Tagliaventi, 2012) proactively in their job environment. Job crafting is a process whereby individuals redefine their jobs to incorporate their motives, passion and strengths (Wrzesniewski et al., 2010). Broadly, job crafting involves assessing and altering: (1) tasks by limiting or expanding the scope of the job; (2) relationships by changing the nature or extent of ones interaction with colleagues; and (3) perceptions by modifying the overall purpose of the job (Wrzesniewski et al., 2010).

Crafting jobs and identities can be considered ways in which an individual copes with the demands of the workplace environment. Other common practices used by employees to create a favourable, non-threatening work environment are building social networks (Kramer, 1993; Cooper-Thomas et al., 2011) and seeking social support (Feldman and Brett, 1983). Cooper-Thomas et al. (2011) found that employees often ‘befriended’ and ‘teamed’ with colleagues with the intent of creating favourable impressions. The socialization efforts of individuals sometimes go beyond the superficial as Feldman and Brett (1983) found in their study, where individuals actively sought and provided social support to colleagues in need. Such social support seeking strategies is found to be particularly prevalent among newcomers to the organization (Feldman and Brett, 1983).

Alongside social adaptations individuals invariably also make cultural adaptations and adjustments. These adaptations may occur within the work context or across work and non-work context. The adaptation made by individuals within the organization has implications for their non-work context as well. Raghuram (2013) studied how Indian call center agents juggled ‘work’ and ‘non-work’ identities, and how their work identity had impacted their non-work life. Her findings reveal that individuals adopted differential coping strategies: some created hybrid identities incorporating features of both work and non-work identities, while others clearly reinforced the boundaries between the two contexts. Similar insights have been found in other cross-cultural studies. Molinsky’s (2013) study of how
individuals coped with internal conflicts arising from culture shocks revealed that individuals managed conflicts either through using an instrumental strategy, i.e. by ‘suppressing’ and ‘necessitizing’ conflicts, or an integrative strategy, i.e. assimilating the new values and routines into daily work and non-work routines. These strategies at a broad level reflect Berry’s (2003) typology of acculturation strategies of ‘integration’ and ‘assimilation’.

Overall, the discussion of organizational socialization and related literatures suggests that sociocultural transitions are not straightforward. In the context of marginalized individuals in rural India, a move from traditional spaces to relatively modern spaces may stir up internal conflict and self-doubt. While extant literature on organizational socialization has plenty of suggestions regarding how individuals manage sociocultural transition, the experience of marginalized individuals working in ImS companies is yet to be examined. This is important to understand because the sustainability of ImS companies is predicated on their employees making a smooth transition from their communities to the workplace. Moreover, from a practical perspective, insights into how individuals cope with new sociocultural contexts can be useful to devise appropriate organization employee induction strategies as well as to promote employee-driven informal socialization within organizations.

4.4 Research methods
The aim of the study was to deepen our understanding of the lived experience of individuals (Ravishankar et al., 2010) working in ImS companies. Adopting an interpretive approach, we conducted an in depth qualitative case study of IVA to understand employees’ sociocultural transition experience. An interpretive approach emphasizes the social construction of reality and focuses on the inter-subjective realities of actors (Klien and Myers, 1999; Walsham, 2005). Through the interpretive approach we tried to make sense of the individual and collective experience of the sociocultural transitions of ImS employees.
4.4.1 Research site

IVA, an ImS company, is a for-profit social enterprise based in the lower Himalayan regions of North India. The company was founded in 2009 by two Indian entrepreneurs with nearly 35 years of IT-BPO experience at top management level between them. IVA was started with the intention of providing employment opportunities to marginalized youth in the rural Himalayan region. IVA opened its first centre in the year 2009 employing close to 50 individuals from nearby villages. As of 2015, IVA has established six centres employing close to 400 individuals. The centres are located in different villages, all within a radius of 50 kilometres. On an average there are about 300 households in each village. In this study the six villages are collectively referred to as “the community”. The major source of livelihood for the people in the community is agriculture and horticulture. During our fieldwork we observed that the community followed a strict patriarchal system and the elders of the community held sway over the structuring of communal life.

IVA hires individuals from the local community and trains them on IT and managerial skills to provide digitally-enabled services to domestic and international clients. Hiring of new recruits takes place through a written test followed by an interview. Once recruited, individuals undergo a formal training that lasts for three months. The training period begins with a week of formal socialization where the new recruits are introduced to organizational norms and values. Here they are taught to align their personal values with those of the organization. For example, acknowledging the value of time and punctuality, meeting deadlines, respecting team members and team leaders. They are also taught how to socialize within the office, for e.g. greeting each other with handshakes and hugs. After the formal socialization, recruits go through three months of training, learning a variety of skills including spoken and written English, computer literacy and ‘process training’. Process training is focussed on the skills required to function in the job. Different projects have
different processes or workflows that individuals have to follow; for instance, data entry will have a specific workflow that is different from desktop publishing. After the training period individuals are deployed to work on outsourced business process management projects in domains such as insurance, banking, telecommunications and publishing. Typically, individuals begin as “process-trainees” and can be promoted through to managerial positions based on their performance.

4.4.2 Data sources
Researchers adopting the case-study approach spend considerable time in the field interacting with their informants via semi-structured and open-ended interviews, as well as participant and non-participant observations (Yin, 1994). In line with this tradition our research was primarily informed by empirical material collected over a six-month fieldwork (from March 2013 to August 2013) of IVA. We collected data through open-ended interviews and non-participant observations. Table 4.1 below gives an overview of our fieldwork. Overall, we interacted with 25 employees of IVA across their five centers. The average age of our informants was 21 years. We also had conversations with members of the community and IVA leadership during our fieldwork.

Table 4.1: Overview of informants

<table>
<thead>
<tr>
<th></th>
<th>Centre 1</th>
<th>Centre 2</th>
<th>Centre 3</th>
<th>Centre 4</th>
<th>Centre 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>25</td>
</tr>
</tbody>
</table>

We conducted intensive fieldwork at IVA. We ‘hung out’ with IVA employees, attending team meetings and observing, and sometimes participating in ‘daily team huddles’. We conducted unstructured and open-ended interviews with IVA employees and their
family members as well as members of the larger community. We also had the opportunity to have in-depth open ended conversations with employees during our visit to the centers, with whom we shared lodging. Semi-structured interviews lasted anywhere between 15 minutes to 1 hour and unstructured conversations lasted longer, up to 2 hours. Semi-structured interviews were conducted within the premises of the workplace in a closed room where only the fieldworker and the informant were present. We conducted interviews with IVA employees in Hindi and English and with the community members in Hindi. These interviews were recorded, transcribed and translated from Hindi to English, whenever needed. Detailed notes about conversations with informants were made at the end of each day of the fieldwork.

4.4.3 Data analysis
Data analysis was conducted over several stages. In the first stage a database was built comprising of (1) ImS employees’ lived experience of working in IVA, (2) empirical material collected during observations of team meetings at IVA and (3) field notes written during the fieldwork. In the second stage, we conducted a thorough analysis of this database with the broad aim of identifying sociocultural transition challenges and our informants’ response to those challenges. In the third stage, we divided the empirical material into two groups, i.e. challenges and coping strategies. We used thematic data analysis techniques (Miles and Huberman, 1994) to identify initial codes. The fourth stage involved examining the codes to look for patterns and identifying themes. During the process broadly two themes of challenges emerged: community-related and workplace-related challenges. Related to the two themes of sociocultural transition, we identified five second-order themes of coping strategies through detailed analysis, these were: compartmentalization, integration, cognitive job crafting, experimenting with provisional selves, and creating fictive kinships. We revisited our empirical material and travelled back and forth iteratively from the data to
the literature on organizational socialization and related literatures until there was a reasonable fit between data and theory.

4.5 Analysis

The empirical material demonstrated that the process of sociocultural transition was not straightforward for ImS employees. The cognitive demands and psychological tolls of sociocultural transition bearing on our informants were prominent in the empirical material. Analysis of the lived experience of our informants suggested broadly two types of sociocultural challenges: community-related and workplace-related transition challenges. In response to these challenges our informants devised five different strategies. Furthermore, the empirical material also demonstrated how the process of sociocultural transitions impacted them at an individual and collective level. We elaborate on these themes in the following sections.

4.5.1 Community-related challenges and coping strategies

Gendered views, especially around the occupational roles of men and women, held sway in the community. Women were required to fill specific roles within the household. IVA leadership as well as IVA employees acknowledged this reality:

When you are traveling around in this area you will notice something – it is usually the woman who is working the land. You will see them carrying load, farming, washing clothes…there is not much choice for them…(IVA leadership #2M 11)

And

---

11 The gender of the informant is indicated along with the informant number: M for male and F for female.
The women who come here to work are the exception. My other female friends in the community always remind me that I am doing much better than whenever I go to them with my complaints about work! “We are stuck doing the same thing” they tell me. It is true I have been really lucky. For most women the choice is either sit at home and help with cooking and cleaning...basically working in the house or you find work in the fruit factories or agricultural farms. It is difficult to dream and to desire. (IVA informant #8F)

And

My sister does not enjoy the same freedom as me in the house. It has always been very different for me, definitely easier...well not easy in the sense of finding job and working...but there are no restrictions for me regarding where I go how I spend my time what kind of work I want to do. I spent the last year working in Delhi...I did not like it there, so I came back… (IVA informant #8M)

There were different standards for men and women in the community. Men enjoyed greater mobility, had more control over their life choices as compared to the women. However still, the elders greatly influenced the everyday life of men and women alike. The community was steeped in tradition. Traditional views that had been passed on through the generations were culturally and socially ingrained in every facet of communal life. Elders of the community invariably came down heavily on those who held contrarian viewpoints. *Questioning our elders is unthinkable!* exclaimed one of our informants.

The elders have something to say about everything that we do...not everyone is in favour of a girl working. Of course, not everyone is like
that…but a strong disapproval is enough to create problems. They have problems with how we dress, how we (girls and boys) mingle, with whom we mingle... (IVA informant#5F)

The community elders expected the youth of the community to adhere to a way of life dictated by tradition. The IVA workplace on the other hand was in stark contrast to that of the community. IVA espoused liberal principles and ideas such as gender equality and freedom of speech.

What we are creating here is not just employment. We are also making sure that individuals develop and transform into independent, strong, responsible citizens… Giving opportunities to women is especially important…in fact they make up a majority of our workforce in every centre…in a way we are in the business of creating choices…that is what we do…that is our idea of empowerment. (IVA Leadership #1M)

However, community members viewed IVA, with its relatively liberalized culture, as a 'cultural encroachment'.

There is a general feeling among the community that we are changing the ethos of the place…that we are bringing the culture of the city…but this is expected. What they are seeing is new…we are challenging some of the status-quos…there is bound to be some noise! (IVA Leadership #1M)

The modern views embodied in the IVA workplace faced tense opposition with the traditional views prevalent community space. These differences culminated in stand-offs between the community and IVA. Any problem arising within the community involving its
youth was squarely blamed on IVA without due diligence. The underlying fear among community members was that IVA was altering the culture of the community.

4.5.1.1 Boundary management challenges

The tensions triggered by the ‘mutually exclusive’ spaces, i.e. the community space and IVA workplace had important implications for the employees of IVA who were part of both the community and IVA. Most prominently, the mutually exclusive spaces of IVA and the community created sociocultural boundaries for ImS employees.

Even when I’m out in the community, I am still regarded as an employee of IVA… I carry this identity [the IVA identity] around with me wherever I go within the community… people in the community often comment that I am one of “them” [i.e. an IVA employee] when I am passing through public spaces. (IVA informant #4M)

And

I feel like I am being constantly watched and judged [by the local community] …how loudly I speak, do I laugh too much, do I appear very friendly…whatever I do is reflected on the whole company. This is always in the back of my mind whenever I am in the public. What message am I sending out to others? (IVA informant #13F)

Employees moving back and forth between the community space and IVA space faced the challenge of managing different cultural expectations prevalent within the two spaces. IVA employees mainly managed two different boundaries (1) the IVA-Community boundary and (2) the IVA-Home boundary as they traversed between the two spaces. In the
next section we elaborate on two different boundary management strategies used by IVA employees.

4.5.1.2 Boundary management strategies

Our informants came face to face with beliefs, values and practices at IVA that went against their strict, inherited traditions. They described such encounters as psychologically taxing and cognitively demanding. In response to these foreign cultural situations they adopted either one of the two strategies that we describe below.

Compartmentalization strategy

One set of our informants developed context-appropriate responses to negotiate potential conflicts. While at work they embraced the practices and beliefs espoused within the IVA space, however, when they were in the community space and in their homes, they embraced the beliefs, values and practices prescribed by the community.

When I am in the office I am like how everyone else is…I don’t want to be left out…but when I am in the community I am how I am expected to be…should live according to the customs of the hills (as opposed to the “plains”, in this context the plains refer to the cities) I was brought up this way and I have to respect my roots. But I also know the importance of doing the right things at work. It is equally important that I get along with my colleagues. (IVA informant #21M)

And

When I’m at home I take extra effort to show that I am still interested in the upkeep of the house…I go back to the old me…I don’t want my mother complaining that I’ve changed…I don’t call my friends home, especially the
boys! I know that this will make my parents uncomfortable and will bring unnecessary trouble. It is not just the boys, my parents generally don’t like me mingling with people I do not know. (IVA informant #17F)

And

I become another person when I am in the public. I don’t want to attract the attention of others. When I am at work I’m someone else – what the company wants me to be. I like to keep these two aspects of me separate. (IVA informant #23F)

We term this strategy as compartmentalization. When individuals are confronted with conflicting identities, they invoke context-appropriate responses (Crisp, 2011). Such identity conflicts often arise when individuals are learning a second-culture (LaFromboise et al., 1993). Informants adopting the compartmentalization strategy made a clear separation between home and work – they adopt one social identity for their home and another for their place of work (see Raghuram, 2013). The motivation for adopting this strategy varied among our informants. For some, having two distinct identities was a moral obligation – respecting tradition and not mixing the two distinct cultures. For some others, enacting two different identities proved to be less cognitively taxing. By invoking identities appropriate to the context, individuals faced lesser conflicts since they conformed to the norms of wherever they found themselves.

Integration strategy

At the other end of the spectrum were individuals who used what we describe here as the integration strategy. In this strategy they tried to blend the attitudes, behaviours and practices they picked up at IVA with their traditions, creating a hybrid identity that they
were comfortable enacting. They incorporated behaviours and attitudes into their personal lives such as voicing their opinions at home, socializing with the other gender in public spaces and dressing up in modern attire, which they had picked up at IVA.

Here (i.e. at IVA) our team leader always encourages us to speak our mind…if I think we are doing something wrong, or if we can improve the process I always speak up. I know the importance of being heard and to speak up for what I think is right…because not speaking affects you. Even at my family whenever the family is taking major decisions I make it a point to show my concerns…I was not so confident earlier…I have even told them clearly that I will decide when I want to get married! (IVA informant #8F)

Our informant was cognizant of these attitudinal changes in herself, acknowledging this, she further added:

I know my parents don’t always approve of my thinking…but I also know my limits, I do not go overboard. I always introduce my new friends to my parents. I also made it a point to bring my parents to the workplace so they got familiar with where I work and whom I spend my time with. (IVA informant #8F)

The changes at the individual level were also creating macro level changes in the community. Individuals who did not mind bearing the cost of public scrutiny created what can be termed a ‘hybrid’ space within the community. The mannerisms and behaviours enacted within this space was a fusion of their inherited culture and their newly acquired workplace culture.
My parents got used to seeing us (informant and his groups of friends) taking our evening walks...we even go to the town together for movies sometimes...we really don’t think too much about what people talk behind our backs. (IVA informant #14M)

And

This is where we spend time after work [Referring to a canteen near the workplace]. We also sometimes come here over the weekends to have lunch together and chitchat about different things, discuss our troubles at work and of course gossip! You know it never was like this earlier the only other times where we got to meet informally was during festivals. But now I sense there is so much more freedom that we have created for ourselves. (IVA informant #5F)

For those who were reproducing newly acquired attitudes and behaviours within the community space, the going was not easy, compared to those who adopted the compartmentalization strategy. As informant #10 detailed with exasperated recollection, there were consequences to adhering to ‘liberal’ values in the community space:

The elders around me always had something to say regarding how I dressed, spoke and socialized...these interferences were quite irritating. But I didn’t want to change. I feel more confident being who I am...and why should I change now? Others [referring to the wider community] should change their thinking. (IVA informant #19F)

Overall, in managing these boundaries, our informants learned to cope with different cultural expectations of different spaces. The compartmentalization strategy was a
seemingly safer strategy, one that entailed lesser psychological toll for our informants within the community space. On the other hand, individuals adopting the integration strategy were subject to public scrutiny and sanction.

4.5.2 Workplace-related challenges and coping strategies

A majority of our informants were fresh out of high school with little or no experience of working in a professional environment. Working in IVA was an altogether different sociocultural experience. Informants found different aspects of the new environment intimidating, such as working and sharing space with the other gender, working with new technology, getting to know and adhering to workplace norms.

4.5.2.1 Workplace related challenges

A common challenge which our informants faced while working at IVA was getting used working with the other gender. As noted earlier, the taboos surrounding socialization between men and women continued to influence the behaviour of our informants within the workplace. An employee of IVA recounted her first day at work:

> During the first day of our orientation all the boys ran to one section of the room and us girls ran to the other! There was so much hesitation to talk, to make eye contact...we were so not used to it...I was especially not so used to being around so many boys I did not know. Throughout my parents had me schooled in a girls only school. I did study in a co-ed college later on but I hardly spoke to boys there...there was no need to. But here, you have to! There is no way around it! (IVA informant #2F)

It was not just working with the ‘other’ gender that intimidated our informants. Other aspects of the work environment too were alien. New entrants also had to quickly pick up new styles of behaviour and practices espoused by IVA. The professional ethic of the workplace,
working in teams and meeting deadlines, all turned out to be novel and often intimidating experiences. As one informant described her first week at work:

I had never worked in teams…never worked alongside men…I was not used to shaking hands, let alone giving a hug! I found it all very strange…these new things were baffling to me at first! I felt like I had entered a new world altogether. All of us in our batch [i.e. the cohort] used to wonder and ask each other “look how they [pointing to the more senior employees of IVA] are talking and behaving!”…we had to learn quickly (IVA informant #6F)

And

Festivals are big occasions in our community. There is a lot of work and everybody at home gets involved. The festivities go on for many days at a stretch. I remember how the first time I took off from work without informing my TL for four to five days. It never occurred to me back then that I had to keep them informed or take permission! (IVA informant #7M)

Our informants also recounted how working with computers turned out to be daunting and often embarrassing experiences. Most of our informants had very basic experience of working with computers. The only exposure to new technology was through the usage of mobile phones. Recalling his initial days at IVA:

I was very afraid initially… I lived and worked with fear. I was not at all familiar with working in an office like this…I was a salesman in a Kashmiri handicrafts shop earlier…I had no confidence that I could work with computers…Everyone at work seemed to talk in a language that I did not understand although they were speaking in Hindi! (IVA informant #8M)
And

They sat us down in front of systems. Each one of us was given a task to complete. We had to type in a paragraph of text into Microsoft Word and save the document using a filename of our choice. I typed in “Kuch” [which literally translates to “something”]…pressed some button and I lost sight of the document. I panicked and tried various things but the document refused to re-appear. When my instructor noticed my panic he asked me what had happened. I said I lost “something”! I couldn’t even articulate what exactly I had lost. (IVA informant #10F)

There was a pressure to fit in and cope with a new culture - new vocabulary to pick up and new styles of behaviour to adopt and new technology to learn. In response, our informants developed broadly three different strategies to navigate their new environment, which we outline below.

4.5.2.2. Workplace-related coping strategies

Developing ‘fictive’ kinships

Working in a foreign cultural setting was turning out to be an overwhelming experience for our informants. To deal with the unsettling environment, they had developed social bonds with their peers to seek emotional and job-related support. Indeed, developing social bonds is one way of overcoming anxieties in a workplace (Cooper-Thomas et al., 2011; Feldman & Brett, 1983). Informant #6 recounting how she felt when she had to move from one IVA centre to another noted:

We are like a family here. When I was moved from one centre to another, I cried so much! I did not even cry that much when I left home the first time [left home to a rented accommodation close to the workplace]. My
colleagues are more than just my colleagues…they are my family, my brothers and sisters. They give me confidence and encourage me to do better. (IVA informant #6F)

And

I know for sure that if there is any problem, I will be taken care of. My family will look after me…my family here at IVA. That is how we are here; My mother jokingly says “you don’t need us anymore… you have your second family!” (IVA informant #11F)

Our informants viewed each other as members of the same ‘family’, not mere colleagues. They often invoked the word ‘family’ to collectively refer to the members in the workplace. The social bonds which we observed at IVA were different from the collegial relationships commonplace in a typical workplace.

I cannot imagine working here without my team members. The encouragement and confidence that we give each other helps us tackle the difficult times…The seniors helped us a lot during our first year here, we were all pretty clueless about computers. Now when I see a fresh batch (new hires)...I am reminded of how I was…with my fears and my apprehensions... I was and I try my best to make them feel at home. (IVA informant #7M)

They not only considered each other family members, but the social rituals they followed within the workplace also seemed to mimic that of a family unit. The ‘juniors’ looked up to the ‘seniors’ and addressed them as ‘Sir’ or ‘Ma’am’. The seniors had nicknames for the
juniors and considered themselves responsible for their wellbeing. One of our informants, at the managerial level remarked:

I often hear that in urban BPOs people come today and leave tomorrow. Here it is different, once you join the company, you’ve joined our family… we look after each other here, be it technical issues, family issues or even financial issues…We help each other as much as possible (IVA informant #22M)

Indeed, the attrition rate at IVA was remarkably low and the social bonding played a crucial role in influencing our informants’ loyalty towards the organization. This kind of social formation closely relates to the idea of a ‘fictive kinship’ or pseudo-families (Ogbu, 1991). In a fictive kinship individuals come together for a specific purpose (Tierney and Venegas, 2006) and in the case of IVA, the basis for the emergence and development of fictive kinship was driven by the employees’ need to survive in a culturally alien setting. Such kinship relationships helped our informants to brave the difficult times at IVA and also gave them a sense of belonging.

I look forward to coming to work every day. This is where I get to be myself among the people who I love and respect. I am never leaving this company. Even if I have to someday leave, it is going to be a very difficult experience.

(IVA informant #11F)

**Experimenting with ‘provisional’ selves**

Our informants recognized that they had to quickly pick up behavioural cues and broaden their cultural repertoire to function effectively in the workplace. To learn and perfect new mannerisms almost all of our informants resorted to what Ibarra (1999) terms a process of experimenting with ‘provisional’ selves.
During the first two weeks of induction I observed a lot...how people spoke, how they interacted with their Team Leads and also during our morning huddles – how people discussed issues. Also how they greeted each other, hugged and shook hands. [IVA informant #25M]

And

I am a TL (i.e. Team Lead) now...all thanks to Rahul sir, he helped me a lot and I learnt a lot from him. I used to see how he handled team meetings and I really liked the way he dealt with problematic situations...he is always calm and cool, never gets agitated...I strive to be like him! [IVA informant #2F]

Indeed, we found this method of learning, i.e. through observation, to be a common method of learning among our informants. They observed and learnt from people who they considered as role models and mentors in the organization. They learnt not only the technical details related to the job but also picked up behavioural cues for different social situations such as conducting oneself in a team meeting, interacting with other employees and so on. Through these observations, our informants picked up and developed different ‘templates of selves’, which they put into practice. As informant #2 further added:

I had never managed a team before! I was nervous initially, I wasn’t sure if I would be able to do a good job. But I reassured myself by thinking about how Rahul sir used to handle team meetings...how he used to motivate his team members, the examples he used ...and I tried to copy as much! But now I have my own style! I’m more confident now about my own abilities.

(IVA informant #2F)
Employees mimicked practices of other more experienced employees. The degree of this mimicry of course varied from informant to informant. On one end of the spectrum were informants who tried to mix into the fold elements of their own style, while at the other end informants played safe and stuck to imitating what they observed and thought to be appropriate mannerisms. But as our informant’s self-efficacy increased, as we saw in informant #2’s case, they tended to bring in their own styles of behaviour.

Our informants also regularly sought feedback to be sure that they were on the “right track”. The feedbacks came through self-assessments of their performance within the workplace or from the feedback of their colleagues.

I’ve never gotten bad feedback from my TL. I must be doing something right! (IVA informant #5F)

I should probably talk a little less. I sometimes tend to go overboard with my opinions. (IVA informant #7M)

**Engaging in ‘cognitive’ job crafting**

A job at IVA was a coveted career option for many in the community. But then it wasn’t the easiest of options either. As alluded to earlier at multiple instances, very few aspirants had any prior experience of working in a professional workplace. This often led to our informants questioning their own abilities.

I wasn’t sure I would survive the three months! The first two or three weeks were very stressful. I remember going back home and thinking seriously if I should continue with the job. I was very disillusioned. (IVA informant #8F)

And
I had many embarrassing experiences. I did not know anything about computers. I wasn’t confident at all. I thought they would surely kick me out! But I managed to make it through the induction. I have survived so far.

(IVA informant #14M)

A further coping strategy employed by our informants involved ‘reframing’ in a positive light what the job meant to them. Indeed, giving a positive frame to situations is one way of increasing control over ones situation (Ashford & Black, 1996). This cognitive response is best illustrated by the following quote:

This job has given my family and me a sense of pride and dignity. It is not easy to earn this. This is what keeps me going on. It is bigger than my own needs. Now my sister can go to a better school…I can afford to pay for my own wedding expenses. These luxuries wouldn’t have been possible without this job. (IVA informant #15F)

For a minority of our informants, the IVA job was a good career option; however it still wasn’t their dream job. The most coveted job, especially among the men folk, was a place in the army. There was a long history of the men of the community joining the army.

I always wanted to join the army. It has been my dream since childhood. I sat for the entrance exams a couple of times, but I couldn’t manage to clear it, which is why I’m here. (IVA informant #7M)

For these individuals a job at IVA was an opportunity to pick up a few transferable skills. They too cognitively reframed their jobs positively to give it a bigger purpose than a mere fall back option. As informant #4 asserted:
I think of this job as a stepping-stone to a better life. What I can potentially learn here will hopefully give me the experience that will reward me later on. This is why this job is so important to me. I want to learn and absorb as much as I can. Whichever job I end up in the future will also have similar aspects like working with computers, working in teams, the whole workplace environment. I think this is a good start. (IVA informant #4M)

And

In the army leadership skills are very important. I can expose myself to situations here too. I try to take up leadership roles in every small way like organizing events, taking initiative during team meetings. This way I also know where I am lacking and where I need to improve. (IVA informant #7M)

While the new environment and new experiences proved daunting, the employees kept themselves motivated by cognitively reframing the meaning of their jobs. Literature refers to such reconfiguration of jobs as *job crafting* (Wrzesniewski & Dutton, 2001; Berg et al., 2010). Such cognitive reframing of jobs gave our informants a renewed sense of purpose and duty, which displaced their fears and apprehensions.

**4.5.3 Impact of sociocultural transitions**

The empirical material further demonstrated that in the process of managing transitions between the community space and workplace, our informants developed new ‘capabilities’. We conceptualize capabilities as newly acquired behaviours, skills and attitudes that individuals develop as they go through the process of sociocultural transitions. These capabilities, as we observed during our fieldwork were developed both at the individual and the collective level. We now elaborate on these two broad categories of capabilities.
4.5.3.1 Individual capabilities

Our informants acquired and developed a set of individual-level capabilities as they adapted to new unfolding social and cultural situations. By individual-level capabilities we refer to those capabilities which primarily served interests of the self. We outline some of the key capabilities that emerged through our analysis.

Managing relationships

Through the transition process, our informants had developed the capability to manage relationships with others, or were at different stages of learning to do so. Informants learnt to manage relationships with different groups such as their parents, community members, team members at work and IVA management. Our informants developed the capability to manage relationships as they navigated the challenges of making sociocultural transitions.

I’ve realised that different people have different opinions about everything…there are always differences. I cannot try to please everyone. I cannot change for everyone. But at the same time I know who matter and who I should hurt. If my behaviour does not suit everyone then that is too bad. I am not going overboard to please everyone.  (IVA informant #10F)

And

There is always a way of making things work out. You have to find out what everyone is OK with. Last week we were discussing how to allocate work in the team meeting. But I had some work at home which needed my attention…my TL told me that I could take a couple of days off but my other team members had to agree since they would have to take my work load…and I managed to convince them. (IVA informant#24M)
Working at IVA introduced our informants to situations where learning how to manage relationships was crucial for their own survival. Knowing how to manage relationships gave our informants a sense of control over their surroundings. In this process they also learnt a great deal about their own selves. As many of our informants recounted, they had very little experience of interacting with a diverse set of people from unfamiliar backgrounds, and working in teams at IVA introduced them to situations where they learnt to manage relationships with others.

**Communication**

Many of the informants have seen substantial improvements in their communication skills. To them, learning to communicate well was of paramount importance in the process of managing sociocultural transition. Invariably they had to interact with multiple audience groups, as previously mentioned. Our informants had also learnt to use different types of communication for different contexts. As one of our informants noted:

> Earlier I used to talk like how I used to talk at my home. But soon enough understood how different the environment is at work. You have leave some of that childishness behind when you are in team meetings…to convey that you are serious and here for work and not just to enjoy. (IVA informant#4M)

And

> I found it strange to talk differently to my friends who I have known for ages. But I feel it is good. Today I’m with my friends, but in the future I may find a job somewhere else where I’m with complete strangers. I will have to be different with them…like an officer [a professional]. Less nonsense, more substance! (IVA informant #10F)
Communicating professionally was a skill which our informants seemed to value. More crucially perhaps, our informants understood the importance of projecting a professional image at the workplace and also the negative repercussions of not doing so.

**Problem solving**

> Sometimes I think life was so simple earlier! Now, there are issues on a day to day basis – mostly at work that demands constant attention. Of course this is more fun… I am not idle at all. Even when I go back home I’m thinking about the open issues at work. (IVA informant#17F)

During their employment at IVA our informants came face to face with situations that demanded problem solving skills. The constant inflow of problematic situations at the workplace proved to be a fertile ground for our informants to develop their cognitive abilities – opportunities that they did not have earlier. Informants reported that their cognitive abilities had vastly improved.

> I can organize my thinking better. Whenever there is an issue now I know how to go about coming up with a solution. Last year I was working on a project in publishing area. I realised that we were unnecessarily spending time on one process where actually there was a shortcut which could save time. So I told my TL that we can do more than what we are doing and that we are doing stuff routinely. Why don’t we do it differently? We need to look for shortcuts. (IVA informant #6F)

In sum, our informants developed problem solving skills which were useful in different life situations, both at work and at home. Informants reported that their social standing within
their community had also favourably improved as they were now perceived as someone who could offer advice on a variety of matters.

Parents of other children and even my own friends look to me for advice. They think that I understand the world better! I am more than happy to help them if they really think so. Even in my own family now I get asked my opinions before they come to any decision. (IVA informant#24M)

4.5.3.2 Collective capabilities

Our empirical material also suggested a second type of capability developed by our informants - collective capability. Collective capabilities are developed socially through social interactions (Comim and Carey, 2001). In our conceptualization, collective capabilities are not mere aggregates or averages of individuals’ capabilities in a group, but are capabilities which are developed collectively as a group. Here we highlight two collective capabilities that emerged through our analysis – group decision making and collective bargaining.

Group decision-making

A key capability which our informants developed at IVA was working as a team and taking decisions as a group. Group decision-making turned out to be important in many instances in the organizational life of our informants. Most of the informants had very little experience of working together and socializing in a team.

We listen to everyone’s opinion here. Decision making is democratic. We do not follow anybody’s orders. (IVA informant#23F)

And
The day we start telling ourselves, “well, this won’t affect me, why should I bother”… thinking selfishly only about ourselves and not collectively for the whole group, we cannot progress. We have to move forward as a group by listening to each other, and understanding each other’s fears and desires.

(IVA informant #8M)

Through the experience at IVA our informants learnt to understand the ideas of consensus and democracy, and appreciate differences of opinions. Most importantly perhaps they understood the importance of deliberation and reaching a common ground which was beneficial for the group.

**Collective bargaining**

The personal development of informants reflected in how they performed collectively as a group. With improved self-confidence and group solidarity individuals began to question the status quos both at work and in their community. Individuals realised that they had greater leverage if they held together as a group. Informants #19 and #17 narrated how some of the employees deliberated the issue of work timings:

For some of us reaching office early in the morning is difficult. There are people who live 10 kilometres away and finishing household chores and making it to the office on time is a big issue. Even our parents are not comfortable with this. Those of us who felt this was a problem got together, discussed this issue and decided to talk to the management about making the working hours a little more flexible. (IVA informants #19F & 17F)

Through these experiences informants had developed the capability of “bargaining” and taking collective action to resolve their grievances. They realised the benefits of discussing
the issue of work timings with the management as a group rather than taking it up individually. Such group solidarity also trickled into the community space. Recalling one such instance our informant noted:

One time one of our friends told us that her parents wanted her to quit the job as they were not happy with what some of the elders were saying about the company. We took this up with her parents and over many conversations convinced them that there was nothing to be suspicious about the work we do. It always works out when they actually come and see the place…the ambience of the place. (IVA informant #20F)

Informants recounted many such occasions where they came together as a group and represented the interests of the group and its members during times of need.

4.6 Discussion

Invariably, sociocultural transitions entail some kind of cognitive challenge and psychological toll on individuals. These challenges arise from the changes implicated in the transitions as individuals switch from one context to the other. Specifically in this study, the distinct and often contrasting sociocultural norms and practices embodied in the IVA space and the community space created challenges for IVA employees. Experiencing new technology, engaging in social interactions with the other gender and a culturally alien environment placed further demands on our informants.

4.6.1 Management of sociocultural transitions

Informants at IVA managed broadly two types of transitions: (1) transitions between IVA and the community space and (2) within the IVA space.
4.6.1.1 Managing transitions between work and non-work context

To negotiate *community-related challenges*, IVA employees employed two strategies: (1) *compartmentalization*, i.e. a strict separation of cultural identities associated with the workplace and the community space, and (2) *integration*, i.e. weaving together aspects of work and community cultures to create a ‘personalized’ culture. These findings resonate with Raghuram’s (2013) study of Indian call centre agents where she observed similar patterns of behaviour, viz. a ‘segmentation’ approach where individuals reinforced boundaries between their work and non-work contexts and a “hybridization” approach where individuals absorbed aspects of their customers’ culture into their daily routine. Of course, the context of this study is different, and the reasons for which our informants invoked boundary management strategies also differed. Informants adopting the compartmentalization strategy were driven by the motivation to minimize internal and external conflicts arising from the acquisition of norms and practices that conflicted with their culturally ingrained values and beliefs. As Goffman (1959, p. 57) suggests individuals sometimes segregate their audience such that “those before whom he plays one of his parts will not be the same individuals before whom he plays a different part in another setting”. Furthermore, such ‘code switching’, as LaFromboise et al. (1993) suggest, is an indication of superior cognitive ability and individuals with the ability to switch between two cultures are more likely to experience less stress compared to those individuals who try to integrate two cultures. Indeed, as our case study revealed, individuals who tried to integrate the two cultures were subject to further psychological tolls. The primary motivation of informants invoking the integration approach was to feel a sense of authenticity. They liked their changed selves and preferred to enact their changed selves even at the cost of public scrutiny. But why did some choose to compartmentalize and others chose to integrate? Raghuram’s (2013) study suggests that employees with a longer tenure developed the confidence to experiment with hybrid
identities through an integration approach, while the more recent hires tended to compartmentalize cultural identities. Our study adds to these findings by demonstrating that an individual’s approach to reconciling differences arising from work and non-work contexts may also depend on their motivation. In our study our informants’ motivation to compartmentalize was to avoid external and internal conflict whereas the motivation to integrate was to assert their new selves.

4.6.1.2 Managing transitions within the workplace

To manage transitions within the workplace our informants adopted three different informal socialization strategies: creating fictive kinships (Ogbu, 1991), experimenting with provisional selves (Ibarra, 1999) and engaging in cognitive job crafting (Berg et al., 2010). We discuss some implications below.

Organizations invariably prescribe norms for “appropriate mannerisms, attitudes and social rituals” (Van Maanen and Schein, 1979, p.226), which new entrants are expected to pick up and follow. While organizations state broad objectives that need to be achieved in a role, rarely do they specify how to go about accomplishing them (Liu et al., 2015). This invariably places cognitive demands on the individual. Likewise, ImS employees faced the predicament of adapting to new roles, without initial knowledge. However, behavioural skills are acquired through a process of experimenting and refinement as opposed to factual knowledge (Bandura, 1977; Ibarra, 1999). This suggests that sociocultural transitions are an on-going accomplishment where the individuals learn to negotiate with oneself and with his or her environment. The other strategy that individuals used to aid in their transition efforts was cognitively crafting jobs. Through this process individuals learnt to assign greater value to their jobs and framed their jobs in a positive light. Our findings support extant research that claims that job crafting is equally prevalent in lower rank employees (Berg et al., 2010). The third strategy used by employees to manage transitions within the organization was
through the creation of fictive kinships. The family-like social network gave employees emotional and job-related support. These fictive kinship bonds played a crucial role in the process of managing sociocultural transitions by creating psychological safety nets for individuals.

Overall, the various coping strategies developed and deployed by IVA employees can provide clues to how marginalized individuals recruited by ImS companies manage sociocultural transitions. The coping strategies, not only helped IVA employees address immediate transition challenges, but also influenced their personal development in crucial ways, which we elaborate in the next section.

4.6.2 A ‘spatial’ interpretation of sociocultural transitions

A closer examination of the lived experience of our informants revealed how ‘space’ can influence sociocultural transitions. By space, we refer to both the physical space such as land and built areas and social space (Bourdieu, 1996), i.e. the space created by human agents for social relations and interactions. In the context of this study, physical space can refer to the ImS workplace, public and private spaces in the community, whereas social space can refer to any physical space individuals “bring to life” through social interactions.

Georg Simmel, the eminent classical sociologist, in his essay titled The sociology of space (translated version: Frisby & Featherstone, 1997) examined the interplay between social interactions and spatial forms. In the main, Simmel’s project proposes that social interactions take spatial forms and these spatial forms shape how social interactions are structured – suggesting a structurational dynamic between space, and the human agents and material artifacts which constitute space (Lechner, 1991). In his work he outlines certain fundamental qualities of spatial forms that influence social interactions and communal life. Drawing on these insights and building on this study, we now try to tease out how space can influence social interactions and with it the sociocultural transitions of ImS employees. A
spatial examination can unearth some of the reasons why ImS employees even may have to make these transitions. Table 4.2 below summarizes how different aspects of space affected sociocultural transitions of IVA employees.

**Table 4.2: Characteristics of space and its influence on sociocultural transitions of IVA employees**

<table>
<thead>
<tr>
<th>Characteristic of space</th>
<th>Transition implications for IVA employees</th>
<th>Response of IVA employees</th>
<th>“Experienced” impact of IVA employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space creates exclusivity or inclusivity</td>
<td>Exclusive spaces create boundaries: IVA-Home &amp; IVA-Community boundary</td>
<td>Boundaries managed through the activation of compartmentalization or integration strategies</td>
<td>Development of individual and collective capabilities</td>
</tr>
<tr>
<td>Space creates proximity</td>
<td>New spaces create new types of threats and psychological safety nets</td>
<td>Fictive kinships developed; Provisional selves experimented with; Jobs cognitively crafted</td>
<td></td>
</tr>
<tr>
<td>Space provides stability</td>
<td>Emancipatory space creates opportunities</td>
<td>Fictive kinships strengthened; Identities renegotiated</td>
<td></td>
</tr>
</tbody>
</table>

Simmel suggests that spaces can either be mutually exclusive or mutually permeable. Evidently, in our case, the IVA case and the community space embodied contrasting sociocultural values, beliefs and practices. In a sense these two spaces were at odds with each other and the mutually exclusive nature of these distinct spheres had consequences - the creation of a boundary between IVA and community (see Table 4.2, Row 2). These boundaries however were not just physical ones. In fact, as Simmel suggests boundaries are “sociological facts with spatial consequences” (Frisby & Featherstone, 1997, p.143). Therefore while physical boundaries may exist, it is the psychological nature of boundaries that delimit areas of influence, implying that boundaries may get stretched beyond their
geographical confines (Massey, 1984). Indeed, as many of our informants noted, their work-identities stretched beyond the confines of the IVA workplace and into the community space - this introduced the ‘burden’ of managing boundaries. As noted earlier, some chose to manage this boundary either through a compartmentalization approach, where they switched their behaviours and practices appropriate to the context, or through an integration approach, where they hybridized their behaviours and practices to meet the demands of the two distinct sociocultural spaces. It is also worthwhile to note here that if not for the boundaries, created as a result of distinct, mutually exclusive spaces, the need for sociocultural transitions may not have arisen at all.

The findings also suggest how space not only influences social interactions, but can also be in turn shaped by social interactions. Individuals who adopted the integration approach can be viewed as sociocultural bridges (see Figure 4.1 below) between the community space and the IVA space. They were the carriers of new behaviours and practices into the community, effectively creating a new space for a hybrid form of culture within the community space. In this manner, the interaction between the IVA space and the community space led to ‘sociocultural spill overs’ creating hybrid spaces within the community.

**Figure 4.1: Pictorial representation of IVA, community and hybrid spaces**
Simmel further notes that space can create ‘sensory proximity’ which has important implications for the unity of social groups. Social groups may or may not require contents, i.e. human agents and associated material artifacts, within close proximity. For instance, virtual groups may not require individuals to occupy the same physical space, whereas a theatre group requires its members and their props to be present within the same confines. As Simmel notes, conversational, face-to-face proximity creates a much more intense, individualized relationship as opposed to just visual proximity. In the IVA space, there was an obvious need for people to congregate in one place and work together, socializing formally and informally. This proximity afforded individuals with challenges and opportunities (see Table 4.2, Row 3). There were threats such as having to interact and work with the other gender, with unfamiliar people, adopting unfamiliar practices. However at the same time, space also afforded psychological safety nets which helped individuals manage sociocultural transitions – more accurately, individuals utilized the space to their own advantage, creating fictive kinship networks, engaged in job crafting and experimented with provisional selves.

Lastly, Simmel notes that space has the capacity to provide stability to social interactions. For instance, places of worship such as a church, a temple, a mosque or a synagogue, which are spatially fixed, can serve as pivot points in and around which social interactions take shape, eventually providing stability to social groups. Likewise, IVA space became the focal point of interaction for many IVA employees and in the process, engendered a sense of community. In this newly created social space, inherited social structures of caste and creed, and gendered roles were questioned and renegotiated (see Table 4.2, Row 4). “We finally have the chance to get to know each other as men and women!” exclaimed one of our informants; “it doesn’t matter which family you come from, what matters is your performance and how well you get along with each other”, explained another.
The ‘egalitarian’ space gave IVA employees ample opportunities to renegotiate their identities with themselves and their surrounding environment (see Table 4.2, Row 4). “Here, I can try to be myself...I feel that I’m someone here.”

An outcome of managing sociocultural transition was the development of individual and collective capabilities (see Table 4.2, Column 4). The exclusivity of space, the proximity created by space and the stability provided by space created opportunities for IVA employees to improve their problem solving skills, communication skills and relationship management abilities. At a more collective level, they also learnt to bargain collectively and make decisions as a group. IVA employees “experienced” these impacts as they lived and worked in their communities.

4.6.3 Theoretical implications

Broadly, the study contributes to the discourse on ImS by exploring the sociocultural transition challenges of ImS employees. Specifically, the findings of our in depth case study demonstrate how ImS employees craft coping strategies to navigate culturally alien contexts as well as the reasons for which sociocultural transitions were necessary in the first place.

The study contributes to the literature on ImS in the following different ways. Firstly, this study demonstrates how ImS employees manage sociocultural transitions. The study identified five different strategies: compartmentalization and integration to manage transitions between work and non-work context; cognitive job crafting, creating fictive kinships and experimenting with provisional selves, to manage transitions within the work context. Secondly, the study also examined why the need for sociocultural transition arose in the first instance. Primarily, the findings revealed that distinct and often contrasting values, beliefs and practices embodied in the local community and the ImS workplace give rise to transitioning challenges. Moreover, the culturally alien environment of ImS workplace also introduced a number of impediments for ImS employees. Thirdly, the findings of the study
are also suggestive of the transformative potential of ImS workplaces. ImS companies can be viewed as producers of *physical space* that function as spaces for change. ImS workplaces functioned as a hybrid of ‘place of work’ and ‘place of play’ (Oldenburg, 1989). While workplaces can be intimidating on the one hand, placing cognitive demands on individuals, equally on the other hand the new space can give individuals the opportunity and freedom to experiment with their identities and form deep social bonds with their colleagues. The newly created space opened marginalized individuals to new experiences, exploration and learning.

Drawing from our findings, we make the claim that the coping strategies developed by marginalized individuals in response to their new environment had implications for their personal development where individuals developed *individual* and *collective* capabilities.

This study also makes contributions to the organizational socialization literature. The study focuses attention on the lived experiences of marginalized individuals in workplaces, an under-researched population in organizational socialization literature. While individuals moving to new work settings inevitably face sociocultural transition demands peculiar to the place, these demands are particularly enhanced for marginalized individuals. The contrasting beliefs, values and practices embodied in the community and IVA space, and the novelty of working in a professional environment, all made the process of managing sociocultural transitions especially challenging for IVA employees. The peculiar challenges confronted by marginalized individuals are probably best illustrated by the coping strategies they developed. While forming social bonds with colleagues is one way through which individuals overcome anxieties of a new work-environment (Feldman & Brett, 1983; Cooper-Thomas et al., 2011; Kammeyer-Mueller et al., 2013), in this study our informants developed bonds that had features of a fictive kinship. The nature of these social bonds went beyond the typical collegial relationships characteristic of a workplace. Individuals provided each other with emotional, financial and job-related support. Indeed, these findings support extant research
that underscores the crucial role co-workers and supervisors play in the process of organizational socialization (e.g. Kammeyer-Mueller et al., 2013). The study also extends these studies by highlighting that the support and influence of co-workers may in fact last for much longer than what current literature seems to suggest.

4.6.4 Practical implications

Our case study has a few implications for practitioners of ImS. From an ImS company’s perspective, our study highlights the benefits of understanding the nature of sociocultural transitions undertaken by marginalized individuals. Such an understanding may be useful in mainly three ways. First, recent research in organizational socialization suggests that both organizations and its employees are better off when employees’ authentic self-expression is encouraged, i.e. where developing individual identity is given prominence over developing organizational identity (Cable et al., 2013). Informal socialization is one way of encouraging individuals to explore authentic self-expressions. As our findings indicate, ImS employees may have their own methods of learning and coping with a new environment, not so much because of the absence of formal rules and guidelines, but more so because they may feel the need to craft their own strategies.

Second, following from the previous point, ImS companies may want to identify coping strategies used by their employees. Our case study identified five different coping strategies. Knowledge of such strategies may help organizations to facilitate employee socialization and improve employee satisfaction and well-being. For instance, organizations may want to encourage and facilitate mentoring relationships among co-workers. Furthermore, acknowledging and identifying the presence of fictive kinship groups may also prove crucial to understand social networks work within the organization. This understanding may guide organizations to develop and manage project teams better.
Lastly, as the findings of our study suggested, ImS employees who carry new cultural material back to their communities may create hybrid spaces within the community. As some of these practices and beliefs may be antithetical to the community members, relationships with the local community may well be affected. Managing relationships with the local community can be crucial for the sustainability of ImS companies (Sinkovics et al., 2014; Sandeep and Ravishankar, 2015) and knowledge of how employees make sociocultural transitions may inform ImS companies of potential consequences.

4.7 Conclusions, limitations and future research

As the ImS model grows in popularity, scholars have begun to study its different facets. The study adds to this growing stream of literature on ImS models. Specifically it explores the lived experience of marginalized individuals employed in an ImS company and examines their everyday sociocultural transition challenges and coping strategies. The findings suggest that ImS employees develop a range of self-initiated socialization techniques to overcome the challenges of a culturally alien environment. These have important implications for ImS companies that work with marginalized individuals. As ImS companies grow and expand rapidly in the global south, the study encourages practitioners and academics to understand how marginalized individuals are managing sociocultural transitions and how this is impacting the individual and the community.

The study, of course, has its limitations. First, the study focuses on understanding the informal socialization strategies from the lived experience of the employees. The study however does not discuss the findings in light of the formal socialization efforts of the organization. Indeed, future research on ImS companies may look into the influence of formal socialization efforts on sociocultural transition of individuals. Second, the case study deals with marginalized communities in rural areas. Therefore inferences from the case may be restricted to similar contexts. The sociocultural transition experience of ImS employees in
other contexts may be different, which we believe is another useful area for future research. Future research may also in detail explore the impact such coping strategies have on individuals. While our findings did indicate broad improvements to cognitive capabilities of individuals, future studies may try to specifically study the impact of sociocultural transitions on ImS employees.
CHAPTER 5: REFLECTIONS AND CONCLUDING REMARKS

In this thesis we explored various aspects of the phenomenon of Impact Sourcing, an emerging social innovation in IT-BPO. The thesis presented three empirical chapters, each one of them dealing with a particular aspect of ImS. Chapter 1 focused on understanding the reasons why individuals chose to start ImS companies, how they went about building and operating them, and what kind of institutional support helped them in this journey. Building on some of the key findings of Chapter 1, Chapter 2 delved deeper into how ImS ventures managed relationships with the local community. Specifically the chapter explored how ImS companies framed their ventures to gain local acceptance. In Chapter 3, the focus shifted to the ImS employees, delineating how ImS employees managed the process of transitioning into the culturally-alien workplaces of ImS companies. All three chapters drew from a variety of theoretical concepts to understand the ImS phenomenon.

Evidently, outsourcing models have the potential to kick-start growth, generate disposable incomes and create wealth not only in urban cities, but also in towns and villages that have for long remained on the periphery of economic development. Both domestic and global clients are watching the growth of ImS companies with great interest. It is only fair to say that the ImS model is well-poised to change current thinking about where and how outsourced IT-enabled work can be accomplished. However, important challenges remain. As the thesis detailed, there are a number of stumbling blocks for the ImS model. This concluding chapter focuses on drawing out further implications for the ImS model. Specifically, in the following sections, we reflect on the impact sourcing entrepreneurship process model that we presented in Chapter 2, taking into consideration some of the findings that emerged in Chapters 3 and 4. We conclude the section with a note on the challenges of ‘intentional’ impact sourcing.
5.1 Reflections: revisiting the impact sourcing entrepreneurship process model

In Chapter 2 we presented an ImS entrepreneurship process model that detailed how entrepreneurs conceived and operationalized ImS companies. Three ‘individual-level’ triggers were identified namely: spirituality-religiosity, guilt and compassion, which initially sparked the entrepreneurial journey. Furthermore, we also detailed the actions undertaken in the different phases of ideation, formalization and operationalization.

On further reflection, we realized that the addition of certain elements to the model (which we will elaborate in this section) can provide insights into the outcomes of, and highlight the impact of the ImS entrepreneurship process. The revised model is presented pictorially in Figure 5.1 below. We elaborate on these additions in the remaining parts of the section.

**Figure 5.1 The revised impact sourcing process model of individual-level triggers, organizational processes and institutional influences**

Firstly, the model now draws a distinction between individual-level triggers that are ‘highly context-dependent’ (i.e. triggers which may be unique to the empirical context) from those that are ‘less context-dependent’ (i.e. triggers common to other empirical contexts). Going back and reflecting on our conversations with our informants, we felt that perhaps ‘spirituality-religiosity’ as an individual-level trigger was unique to the empirical context of India and therefore ‘highly context-dependent’. Although we would like to submit that this distinction is slightly speculative in nature. By drawing this distinction, we do suggest that
non-Indian ImS entrepreneurs may not be inspired by spirituality-religiosity. We are only suggesting that in our search of ImS and outsourcing literature we did not come across evidence of individuals initiating ventures for spiritual or religious reasons.

Secondly, the revised model now extends the ImS entrepreneurship process to include ‘outcomes’, which signifies the impact of ImS entrepreneurship. Three broad outcomes are identified at the levels of the individual, organization and the community to reflect the findings of Chapters 3 and 4. Outcomes at the individual-level relate to how ImS ventures in rural communities impacted the lives of ImS employees. As Chapter 4 suggests, the workplaces of ImS companies served as spaces for learning and personal development. The chapter found that ImS employees developed ‘individual’ capabilities such as managing relationships, communication and problem solving, and ‘collective’ capabilities such as group decision making and collective bargaining. As our informants recounted, development of these capabilities boosted their self-confidence, self-efficacy and self-esteem.

ImS entrepreneurship also presented important outcomes for the communities where they operated. Our in-depth study of IVA revealed that ImS companies altered status quos within the community. ImS ventures (1) improved the status of women, (2) provided gainful employment and (3) introduced new values, altering the social fabric of communities. By ‘taking jobs to their doorsteps’, ImS companies provided important livelihood alternatives to youth in rural communities, especially to women, who are otherwise faced with limited opportunities for gainful employment in their communities. Without viable livelihood options, youth are forced to migrate to cities to look for jobs - however, very rarely do women have this freedom to migrate. In this scenario, employment at ImS can be a great opportunity for women to derive social and economic benefits. Indeed, our informants, both men and women noted significant life-changes as a result of employment at ImS ventures. Employment not only provided monetary benefits, but as noted earlier, greatly improved the
social standing of women in their communities. Perhaps a note of caution on the ‘impact’ of ImS companies is appropriate at this juncture. While our study has largely noted positive outcomes of ImS entrepreneurship, ‘impact’ could indeed spell both positive and negative outcomes. Instead of dislodging long standing social inequities, interventions could indeed end up reinforcing them. However, ImS companies’ meritocratic model of recruitment perhaps ensures a ‘fair’ albeit competitive system of allocation of benefits (with employment being the benefit). Nevertheless, there is always the danger of continued accrual of benefits by historically privileged individuals.

Finally, in relation to the ImS companies, the success of their missions was hinged heavily and equally on how well they could manage relationships with the community and with their clients. Essentially, ImS ventures were faced with two big challenges: (1) convincing their clients that the ImS model was a viable outsourcing model and (2) convincing the communities that they indeed cared deeply about providing sustainable livelihood opportunities for their youth. Through actions such as ‘social’ encoding and mimicry, in the ‘formalization’ phase; and audience segregation, frame alignment, demythologizing, and building alliances in the ‘operationalization’ phase, ImS companies were able to overcome these challenges, although in varying degrees (as we noted in Chapter 2). During our fieldwork, we observed that ImS companies had enjoyed moderate success in their businesses, with some ventures heading towards break-even, others raking in moderate profits and with some trying to generate enough revenue to keep the company in operation. And indeed, by providing employment opportunities and engaging in community development work, ImS companies were fulfilling their social mission.

In summary, the revised ImS entrepreneurship process model (depicted in Figure 5.1) makes modest extensions to the model presented in Chapter 2. It draws attention to the ‘context-dependent’ nature of triggers, and includes ‘outcomes’, which describes the impact
of ImS entrepreneurship on individuals, communities and ImS companies. In the next section we conclude the thesis by further reflecting on the challenge of ‘intentional’ impact sourcing.

5.2 Concluding remarks: the challenge of ‘intentional’ impact sourcing

Invariably, practitioner reports on ImS carry an ‘estimated impact’ figure—a figure running into the tens of thousands, highlighting the number of lives that the ImS model can potentially impact across the so-called global south. As noted in Chapter 2, a recent Everest Group study reveals a somewhat more accurate figure of the ‘actuals’—the number of ImS workers in the global south total to nearly 235,000 (Everest, 2014). Not in the millions, but still a number to reckon with. This figure is calculated by adding up ImS employees from what the report terms ‘intentional’ and ‘unintentional’ impact sourcing. Here, ‘intentional’ impact sourcing refers to the purposeful hiring of marginalized individuals by ImS companies, traditional IT-BPOs or Global Multinational Corporations (as outlined in Appendix A). On the other hand, ‘unintentional’ impact sourcing refers to the hiring of marginalized individuals by companies, although not as a policy of the organization—it is, unintentional (for e.g. by virtue of the company’s location—IT-BPO companies located in Kenya).

Breaking up 235,000, we see that the vast majority, nearly 63% of the ImS employees are unintentional hires (Everest, 2014). Furthermore, of the 80,000 or so ‘intentional’ hires, 88% of the ImS workers are hired by traditional IT-BPOs and Global MNCs. Only 12%, i.e. around 10,000 ImS workers are hired by ImS companies of the variety discussed in this thesis, i.e. companies started by well-meaning entrepreneurs driven by a mission to provide life opportunities to marginalized individuals. While it is welcome that the definition of ImS has been broadened to include the (charitable) work of traditional BPOs and Global MNCs, which decidedly “brings in” more numbers, it does little to change the ground realities of the kind of ImS entrepreneurship discussed in this thesis. The data all point to one troubling fact: ‘intentional’ impact sourcing is difficult to scale.
Indeed, the insights gained from the thesis (most notably in Chapter 2) highlight the daunting nature of ImS entrepreneurship. As the findings revealed it is the personal values of entrepreneurs that appear crucial for impact sourcing companies to take shape. The individual-level triggers identified in the study (i.e. spiritual-religious, guilt and compassion) suggest that rational and logical considerations may not always underpin the genesis of ImS companies. Therefore, ImS entrepreneurship may be difficult to plan for, as it takes more than just a good business opportunity for entrepreneurs to consider establishing ImS companies. Moreover, even for motivated ImS entrepreneurs, the going is not easy. As Chapter 2 further noted, ImS companies face immense challenges in operationalizing their dual mission. Most crucially perhaps, potential clients may harbor detrimental notions of what the ImS model is all about, some considering it to be charity work more than business (Gino and Staats, 2012; Heeks, 2013). Quite obviously, the extent to which such well-meaning entrepreneurs can scale and impact marginalized individuals is closely tied to the quantity of business they can generate.

Equally crucial is how well ImS companies manage relationships with the local community. Chapter 3 outlined important implications for ImS companies operating in local communities. Community-held perceptions and beliefs can, as Chapter 3 pointed out, majorly influence the prospects of ImS companies. Evidently, local communities may resist ImS ventures for reasons as such as (1) perceived incompatibility of the ImS model with local norms and belief systems and (2) perceptions of inequality stemming from the merit-based recruitment strategies underpinning the model (Sandeep and Ravishankar, 2015). Indeed, ImS companies may have to exercise caution on various fronts while operating in marginalized communities. As emphasized in the discussion of Chapter 3, local (marginalized) communities are of course not a homogenous entity, and certainly not in the least a romanticised, exotic group of downtrodden individuals in need of ‘saving’. They are a
microcosm of the social and political life typical of any other society. They have their social structures, power and political relationships, governed by norms that are complexly constructed. There is every chance that ImS activities may end up privileging the already privileged even within marginalized communities, abetting inequality instead of disrupting and dislodging it. Therefore, understanding the socio-political structures of these communities may prove to be of great value for ImS companies (see Thompson and Macmillan, 2010). The cost of unintended consequences of ImS company’s actions may be too high not only for the community, but for the company’s own self-interests. For these reasons, the process of embedding oneself in the milieu of the community and disembedding from one’s own context may prove to be crucial. The contextual intelligence (Khanna, 2014) accrued in this process may help ImS companies craft better, sustainable operational strategies within the local community.

If the raison d’etre of ImS is provisioning sustainable livelihoods for marginalized individuals in the global south, then perhaps it is the ImS companies that are best placed, within the given constellation, to impact marginalized individuals. While traditional IT-BPOs and Global MNCs do hire a large number of marginalized individuals, it is rarely done so with a missionary zeal and focus. On the other hand ImS company founders’ vision and the organizations’ ‘social’ encoding can specifically help target marginalized populations and bring them into mainstream employment. Amidst the challenges that are confronting ImS companies, the role played by institutional actors such as The Rockefeller Foundation, NASSCOM Foundation and most prominently traditional IT-BPOs is difficult to ignore. While planning for ImS growth may indeed be difficult for reasons stated earlier, actors in the institutional environment can play a crucial role in helping ImS companies enhance credibility, improve legitimacy, and connect them to business-enhancing networks (aspects that were outlined in the thesis).
In summary, ImS companies at the moment are precariously positioned – it remains to be seen how successfully they’ll fulfill the mission of providing livelihood opportunities to thousands of semi-skilled and skilled workers in the global south. Ultimately, the future of these ImS companies in India will depend on their capability to match their urban counterparts on quality, while operating at significantly lower costs. It is of course impossible to take a purely transactional view of ImS. With growing economic inequality between rural and urban areas in most emerging markets, the logic of trickle-down economics has taken a real beating in recent times. Disillusionment with free market regimes and the liberalization agendas of governments is rife. Against this background, ImS companies can provide a modest but important opportunity for marginalized communities to plug into the global outsourcing phenomenon and to derive tangible economic benefits from it.
REFERENCES


Beach, K.D. (1999) Consequential transitions: A sociocultural expedition beyond transfer in


Bourdieu, P. (1996) Vilhelm Aubert memorial lecture: Physical Space, Social Space and Habitus. Available at:


Kubzansky, M., Cooper, A. & Barbary, V. (2011) *Beyond Aid*. Monitor Group, Boston.


NASSCOM (2014) Next generation outsourcing: opportunities through Impact Sourcing. [pdf] Available at:


APPENDICES
Appendix A: Organizations using Impact Sourcing
Organizations using impact sourcing include large global MNCs (e.g., Microsoft), traditional BPOs (e.g., Infosys), governments (e.g., Government of Kerala, India) and focused impact sourcing companies (e.g., Digital Divide Data). The table below has been compiled using insights from the Everest Group report (Everest Group, 2014, p.28) on impact sourcing.

Table A.1: Organizations using Impact sourcing

<table>
<thead>
<tr>
<th>Buyers: Companies</th>
<th>Buyers: Governments</th>
<th>Traditional IT-BPOs</th>
<th>Impact sourcing companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies</td>
<td>Governments</td>
<td>They hire marginalized individuals either directly or use impact sourcing companies for servicing the clients (typically through sub-contracting)</td>
<td>Organizations that hire and train marginalized individuals. Provide outsourcing services directly to buyers, traditional IT-BPOs or intermediaries (as described below).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organizations which act as intermediaries between the buyers and providers (typically other impact sourcing companies) of outsourcing services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Companies either hire marginalized individuals directly as part of their workforce, or source work from organizations that hire marginalized individuals
- Governments buying services from impact sourcing companies
- Organizations which act as intermediaries between the buyers and providers (typically other impact sourcing companies) of outsourcing services
- Microsoft, Standard Bank, Metropolitan Health
- Government of Kerala, India
- Government of Karnataka, India
- Teleperformance
- Infosys
- Fullcircle
- Aegis
- Serco
- DDD
- Cloudfactory
- SimplyGrameen
- Samasource
- Head Held High
Appendix B: Illustrations of well-known impact sourcing companies

Table B.1: Illustrations of well-known impact sourcing companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Cloudfactory</th>
<th>Samasource</th>
<th>SimplyGrameen</th>
<th>Digital Data Divide</th>
<th>Rural Sourcing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who is impacted?</strong></td>
<td>Youth from low income families in Nepal and Kenya</td>
<td>Youth from low income families in Kenya, Uganda, Haiti, Ghana and India</td>
<td>Youth from low income families in Karnataka, India</td>
<td>Youth from low income families in Laos, Kenya &amp; Cambodia</td>
<td>Youth from towns in rural USA</td>
</tr>
<tr>
<td><strong>Where are they located?</strong></td>
<td>Head quartered in USA with regional centers in Nepal, Kenya, Hong Kong</td>
<td>Head quartered in USA with partners in India, Kenya, Ghana, Haiti, Uganda</td>
<td>Head quartered in Bangalore with centers in Karnataka, India</td>
<td>Head quartered in Bangalore, India with franchises in south India</td>
<td>Head quartered in Atlanta, USA with centers in Mobile, Augusta, Jonesboro</td>
</tr>
<tr>
<td><strong>Who are the typical clients?</strong></td>
<td>Clients include Ooyala, Business Insider, SureHire, FieldAgent among others.</td>
<td>Clients include eBay, Google, Trip Advisor, Walmart and Microsoft among others.</td>
<td>Large IT-BPO companies in India, small and medium companies in India and abroad</td>
<td>Clients include Brown university, Fossil, World Vision, GTZ among others.</td>
<td>Small and large companies in USA</td>
</tr>
<tr>
<td><strong>Who owns the outsourcing contract?</strong></td>
<td>Cloudfactory HQ</td>
<td>Samasource</td>
<td>SimplyGrameen</td>
<td>Digital Data Divide HQ</td>
<td>Rural Sourcing HQ</td>
</tr>
<tr>
<td><strong>How are they operationally organized?</strong></td>
<td>Cloudfactory sources its workers from the crowd; they screen, hire, train and manage the workers.</td>
<td>Samasource breaks down large projects into smaller chunks of work that are assigned to partner organizations. These organizations can be other impact sourcing companies.</td>
<td>SimplyGrameen follows the hub and spoke model; hub in Bangalore, India with ‘delivery centres’, or spokes, in rural locations.</td>
<td>NextWealth HQ manages marketing and business development functions, while the franchises are responsible for hiring, training and executing projects.</td>
<td>Rural sourcing follows the hub and spoke model; hub in Atlanta with development centres in rural USA.</td>
</tr>
</tbody>
</table>
Appendix C: Overview of the seven cases

Table C.1: Overview of the seven cases

<table>
<thead>
<tr>
<th>Company details</th>
<th>IVA</th>
<th>IVB</th>
<th>IVC</th>
<th>IVD</th>
<th>IVE</th>
<th>IVF</th>
<th>IVG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vendor-owned, founded in 2009; Centers in north India</strong></td>
<td>Vendor-owned and operated by franchises, founded in 2007; centers all over India</td>
<td>Vendor-owned, founded in 2010; centers in south India</td>
<td>Operated by franchise, founded in 2008; centers in south India</td>
<td>Vendor-owned, founded in 2012; centers in north India</td>
<td>Vendor-owned, founded in 2007; centers in south India</td>
<td>Vendor-owned, founded in 2007; centers in south India</td>
<td></td>
</tr>
<tr>
<td><strong>For-profit; funded by social venture capital</strong></td>
<td>For-profit; funded by social venture capital; few centers financially supported by the provincial government</td>
<td>For-profit; private equity</td>
<td>For-profit; private equity</td>
<td>For-profit; privately funded by social venture capital</td>
<td>For-profit; funded by social venture capital</td>
<td>For-profit; private equity</td>
<td></td>
</tr>
<tr>
<td><strong>XML tagging, Creating publishable content, Digitization, Claims processing, XBRL, managing backend processes</strong></td>
<td>Software testing, voice-based services, Social marketing, Data processing, Digitization, managing backend processes for different functions</td>
<td>Digitization, web-content management, managing backend processes for different functions</td>
<td>Web-testing, software testing, tech support, digitization, social media analytics, quality testing, backend process for banking and finance, computer aided design</td>
<td>Image tagging, digitization of content, voice based support, transcription services</td>
<td>Data entry, digitization, Web-testing, content management, customer support</td>
<td>Managing backend processes of banking and finance services</td>
<td></td>
</tr>
<tr>
<td><strong>Traditional IT-BPO companies in India, Large</strong></td>
<td>Traditional IT-BPO companies in India, Large</td>
<td>Traditional IT-BPO companies in India</td>
<td>Traditional IT-BPO companies in India, small and medium</td>
<td>Small and medium companies,</td>
<td>Traditional IT-BPO companies in</td>
<td>Medium and Indian companies</td>
<td></td>
</tr>
<tr>
<td><strong>How are they operationally organized?</strong></td>
<td>India; small and medium companies, both in India and abroad</td>
<td>Multinational Corporations (MNCs), governments</td>
<td>companies, both in India and abroad</td>
<td>both in India and abroad</td>
<td>India, Large MNCs, Governments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hub and spoke model; Hub in New Delhi with “delivery centers” in remote rural locations</strong></td>
<td>Hub and spoke; spokes are either owned by the company or are franchises run by local entrepreneurs</td>
<td>Hub and spoke; owned and operated by the vendor</td>
<td>Franchise model; franchises run by local entrepreneurs</td>
<td>Hub and spoke model; both Hub and spoke in rural areas</td>
<td>Hub and spoke model</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td><strong>Who do they impact?</strong></td>
<td>500-1000</td>
<td>1000-1500</td>
<td>100-500</td>
<td>100-500</td>
<td>100-500</td>
<td>100-500</td>
</tr>
<tr>
<td><strong>Youth from low-income families in villages</strong></td>
<td>Youth from low-income families in small towns and villages</td>
<td>Youth from low-income families in small towns</td>
<td>Youth from low-income families in small towns</td>
<td>Women from low-income families in small towns</td>
<td>Youth from low-income families in small towns and villages</td>
<td>Youth from low-income families in small towns and villages</td>
<td></td>
</tr>
<tr>
<td><strong>How do they impact?</strong></td>
<td>Livelihood generation; community development programs</td>
<td>Livelihood generation</td>
<td>Livelihood generation</td>
<td>Livelihood generation</td>
<td>Livelihood generation</td>
<td>Livelihood generation</td>
<td>Livelihood generation; community development programs</td>
</tr>
<tr>
<td><strong>What is the training process?</strong></td>
<td>Six months of training in soft skills and technical skills</td>
<td>Six months of training in soft skills and technical skills</td>
<td>Three months of training in soft skills and technical skills</td>
<td>Three months of training in soft skills and technical skills</td>
<td>Two months of training in soft-skills and technical skills</td>
<td>Six months of training in soft skills and technical skills</td>
<td>Four months of training in soft skills and technical skills</td>
</tr>
</tbody>
</table>
Appendix D: Overview of informants

Table D.1: Overview of informants

<table>
<thead>
<tr>
<th>Impact sourcing company</th>
<th>Designation of the Informant</th>
<th>No. of Interviews</th>
<th>Total No. of Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVA</td>
<td>Chief Executive Officer (CEO)/Co-Founder</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Co-Founder</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business Development Manager (BDM)</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Chief Technology Officer (CTO)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Centre Manager</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team Leader</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>IVB</td>
<td>Chief Executive Officer (CEO)/Co-Founder</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Chief Technology Officer (CTO)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business Development Manager (BDM)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Associate Vice-President- Human Resources (AVP-HR)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager (HR)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Centre Manager</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team Leader</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>IVC</td>
<td>CEO/Founder</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Chief Operating Officer (COO)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team Leader</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>IVD</td>
<td>CEO/Co-Founder</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Centre Manager</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager - Training</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team Leader</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>IVE</td>
<td>Managing Director/Founder</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Executive Director/Co-founder</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>IVF</td>
<td>CEO/Co-Founder</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Business Development Manager</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>IVG</td>
<td>Co-Founder/CEO</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>NASSCOM Foundation</td>
<td>Senior Manager</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appendix E: Interview protocol

Sample interview guides

a. For the Founders of impact sourcing companies

1. Can you please talk about your professional life so far?

2. When did you start considering changing careers?
   a. Were there any critical incidents that made a difference? How did they influence you?

3. How did you start developing this idea? What were your motivations?
   a. Did you consider other options?
   b. Why did you decide to stick with this option?

4. Did you have any doubts or apprehensions before starting the venture?
   a. How did you deal with them? How were you convinced?

5. How was the shift from being an employee to an entrepreneur?
   a. What challenges did you face in making this shift?
   b. How did the reality stack up to your imagination?

6. Did you have to acquire new skills in this process? Can you give examples?
   a. How did you go about doing this?

7. What were the major challenges that you faced in the first year?

8. Overall, how has the past year been?

9. What is your typical sales pitch when you are meeting investors?

10. How do you convince clients about the value proposition?

11. Where do you see this organization five years from now?
   a. What challenges are you anticipating?

12. How have your goals and aspirations changed over the past few years?
13. What in your opinion is the future of impact sourcing?

b. For the Senior Management of impact sourcing companies (Business development/Marketing)
   1. Can you please talk about your professional life so far?
   2. What were your motivations to join this company?
   3. How has your experience been so far?
      a. How is it different from you previous work?
   4. What is your typical sales pitch?
   5. How do you convince clients about the viability of the relationship?
      a. What according to you are some of the key advantages and disadvantages of the Impact sourcing model?
   6. Where do you see this organization five years from now?
      a. What challenges are you anticipating?
   7. What in your opinion is the future of impact sourcing?

c. For the Senior Management of Impact sourcing companies (Centre Managers/Operations)
   1. Can you please talk about your professional life so far?
   2. What were your motivations to join this company?
   3. How has your experience been so far?
      a. How is it different from you previous work?
   4. What are the typical challenges of managing a center?
      a. How do you work around these challenges?
   5. Where do you see this organization five years from now?
      a. What challenges are you anticipating?
d. For NASSCOM Foundation (NF)

1. How did NF get involved in impact sourcing?

2. How would you describe NF’s role in impact sourcing?

3. What are the main activities of NF?
   a. What were the major challenges?

4. What is your outlook for the Impact sourcing model in India?
   a. What do you see as the main enablers and impediments of impact sourcing in India?