# Financial Inclusion, Participation of Scheduled Castes in the Information Technology and IT-Enabled Services Industry: A Study in Tamil Nadu

## Abstract

India's labour market has changed as a result of the Information Technology (IT) and Information Technology Enabled Services (ITES) industry's explosive growth, which has opened up new avenues for migration, socioeconomic mobility, and skilled employment. Tamil Nadu, notably Chennai, has developed as one of the country's top IT centers, drawing experts from varied socio-economic backgrounds. Financial inclusion and financial intelligence have become more crucial in ensuring that job opportunities convert into long-term economic stability and equitable growth. The current research explores the employment dynamics of the IT and ITES industry, with specific focus on financial inclusion and the involvement of Scheduled Castes in Tamil Nadu. The survey reveals that career progression, competitive remuneration, technical innovation, skill development, and worldwide job prospects are the primary drivers impacting employment in the IT and ITES industry. Additionally, access to high-quality education, digital skills, financial literacy, institutional support, and inclusive workplace practices are all necessary for Scheduled Castes to participate fairly. The research comes to the conclusion that attaining equitable and sustainable development in India's digital economy requires bolstering financial inclusion and advancing equal opportunities for Scheduled Castates.

Keywords: Financial Intelligence, Inclusive Growth, Employment, Scheduled Castes, Information Technology, IT-Enabled Services, Digital Economy, and Tamil Nadu.

## Introduction

Global labour mobility, skill requirements, and the nature of work have all changed as a result of the rise of the digital economy. One of India's fastest-growing industries, the information technology (IT) and information technology enabled services (ITES) sector significantly boosts exports, job creation, national revenue, and innovation. Tamil Nadu has positioned itself as a key technology destination thanks to its excellent educational institutions, competent people, industrial infrastructure, and friendly investment environment. Even while the IT and ITES industries have produced a lot of opportunity for economic development, not all socioeconomic groups have benefited equally from this expansion. Historically underprivileged groups, especially Scheduled Castates (SCs), must have fair access to higher education, technical skills, formal employment, career promotion, and financial resources in order for inclusive development to take place. It is becoming more widely accepted that their involvement in knowledge-based sectors is a key sign of economic empowerment and social inclusion. By giving people access to suitable and reasonably priced financial services, such as savings accounts, institutional credit, insurance, pensions, investment products, and digital payment systems, financial inclusion enhances employment. In the current digital economy, financial inclusion is strongly related with financial intelligence, which helps people to make educated choices about budgeting, savings, investments, taxes, retirement planning, and asset development.

Financial inclusion is more than just having access to banking services for Scheduled Castes; it offers chances for asset development, entrepreneurship, economic security, and intergenerational mobility. Access to formal financial institutions has been enhanced by government programs that support digital finance, financial literacy, skill development, entrepreneurship, and social welfare. Disparities in investing behavior, job advancement, and financial literacy nevertheless exist, underscoring the need for more policy initiatives.In light of this, the current research investigates, in the context of an increasingly globalized and technologically advanced economy, the link between employment in the IT and ITES industry, financial inclusion, financial intelligence, and the involvement of Scheduled Castates in Tamil Nadu.

**Concept of Financial Inclusion and Participation of Scheduled Castes**

The process of guaranteeing that everyone has access to timely, suitable, and reasonably priced financial services and products from official financial institutions is known as financial inclusion. These services include savings accounts, credit facilities, insurance, pension plans, investment products, digital payment systems, and financial advising services. Because it helps people manage financial risks, build assets, participate in entrepreneurship and education, and enhance long-term financial well-being, financial inclusion has emerged as a crucial element of inclusive economic growth. Financial knowledge is just as important to the success of financial inclusion as access to financial services. The information, abilities, attitudes, and behaviors necessary to make wise financial choices are all included in financial intelligence. Planning expenses, managing debt, diversifying assets, accumulating wealth, and anticipating future financial risks are all made possible by higher levels of financial intelligence. The engagement of Scheduled Castes in the IT and ITES sector constitutes an essential feature of inclusive development in the knowledge economy. Opportunities for increased income, professional growth, social mobility, and better living conditions are presented by employment in technology-intensive businesses. Nevertheless, structural disparities in education, digital skills, professional networking, and financial capabilities continue to impact job outcomes and career growth. Strengthening financial inclusion among Scheduled Castes through digital financial literacy, access to institutional credit, investment awareness, insurance coverage, retirement planning, and entrepreneurship support can significantly improve economic resilience and reduce socio-economic disparities. Therefore, increasing the involvement of Scheduled Castes in India's growing digital economy requires inclusive employment regulations, workplace diversity efforts, ongoing skill development, and financial competence programs.

**Objectives of the Study**

- To investigate Scheduled Castes' (SCs') involvement in the IT and ITES industries and pinpoint the institutional and socioeconomic elements affecting their employment and professional advancement.
- To assess the financial intelligence of the SCs in the selected industries

**Data Source and Methodology**

In order to investigate employment dynamics, financial inclusion, financial intelligence, and the involvement of Scheduled Castes (SCs) in the Information Technology (IT) and Information Technology Enabled Services (ITES) sector in Chennai, the current study uses a descriptive and analytical research approach. A standardized, pre-tested questionnaire was used to gather primary data from 300 workers of certain IT and ITES organizations in Chennai. To choose respondents with varying job categories, educational backgrounds, income brackets, and degrees of work experience, a purposive sample approach was used. The questionnaire included information on demographic factors, job profile, career objectives, financial inclusion, financial literacy, digital financial behavior, savings, investing habits, and attitudes related career possibilities and workplace inclusion. The Ministry of Electronics and Information Technology (MeitY), the National Association of Software and Service Companies (NASSCOM), the Reserve Bank of India (RBI), the National Bank for Agriculture and Rural Development (NABARD), and the Government of Tamil Nadu were among the organizations whose publications provided secondary data.

**Analysis**

The Principal Component Technique was used to identify the most important factors influencing the socio-economic condition of the employees as detailed below:

$Z = a_1X_1 + a_2X_2 + a_3X_3 \ldots\ldots.. + a_nX_p$

Where $x_1$, $x_2$, $x_3 \ldots..x_p$ re the P variates considered for the study and i=1, 2, 3…p were the components.

X1= Career Growth
X2 = Salary and Benefits
X3 = Work Environment
X4 = Grievance Redressal
X5 = Team and Supervisor Support
X6 = Skill Development
X7 = Work–Life Balance
X8 = Digital Infrastructure

**Table.1 (a) Principal Components and Factor Loadings**

| Sl.No. | | I PC Factor | II PC Factor | III PC Factor | IV PC Factor |
|---|---|---|---|---|---|

| | | Loadings | Loading | Loadings | Loadings |
|---|---|---|---|---|---|
| **1** | Career Growth | 0.793 | 0.23 | -0.048 | -0.22 |
| **2** | Salary and Benefits | 0.687 | -0.219 | -0.221 | 0.229 |
| **3** | Work Environment | 0.767 | 0.214 | 0.0428 | 0.392 |
| **4** | Grievance Redressal | 0.15 | -0.177 | 0.901 | 0.326 |
| **5** | Team and Supervisor Support | -0.16 | 0.044 | 0.899 | -0.189 |
| **6** | Skill Development | -0.33 | 0.602 | -0.462 | 0.363 |
| **7** | Work–Life Balance | 0.809 | -0.291 | 0.166 | 0.139 |
| **8** | Digital Infrastructure | -0.74 | 0.306 | -0.117 | 0.351 |
| | Eigen values | 3.427 | 2.875 | 2.081 | 1.458 |
| | Variation explained | 28.55 | 23.957 | 17.339 | 12.147 |
| | Cumulative variation explained | 28.55 | 52.511 | 69.85 | 81.997 |

Source: Survey

**Table. (b) Result of PCA**

| Sl.No. | Indicators | I PC Factor Loadings | II PC Factor loadings | III PC Factor Loadings | IV PC Factor Loadings |
|---|---|---|---|---|---|
| **1** | Career Growth | 0.793 | -- | -- | -- |
| **2** | Salary and Benefits | 0.687 | -- | -- | -- |
| **3** | Work Environment | | 0.767 | -- | -- |
| **4** | Grievance Redressal | | 0.809 | -- | -- |
| **5** | Team and Supervisor Support | -- | 0.602 | -- | -- |
| **6** | Skill Development | -- | | 0.961 | -- |
| **7** | Work–Life Balance | -- | | 0.837 | -- |
| **8** | Digital Infrastructure | -- | -- | | 0.901 |
| | Eigen values | 3.427 | 2.875 | 2.081 | 1.458 |
| | Variation explained | 28.554 | 23.957 | 17.339 | 12.147 |
| | Cumulative variation explained | 28.554 | 52.511 | 69.85 | 81.997 |

## Results

Approximately 15 percent of the respondents reported an annual family income of less than ₹3 lakh, while 48 percent had an annual household income between ₹3 lakh and ₹6 lakh. Eighty-one percent of the workers were in the economically active age range of twenty-two to forty. Nearly 88 percent of the respondents claimed that greater career opportunities, competitive remuneration, and professional progress inspired them to join the IT and IT-enabled services (ITES) industry. About 72% of them had moved to Chennai in search of work from other Tamil Nadu districts or nearby states. Additionally, 84% of respondents said they were happy with their workplace, and 86% said they were happy with the chances for professional advancement that their companies offered. About 82% of respondents said they were happy with their pay and perks, and 79% said they were happy with their companies' training and skill-development initiatives. Nearly 81 percent thought that their firms maintained appropriate grievance redressal systems and supportive team cultures. Approximately 77% of respondents said they were happy with work-life balance, while 85% said they were happy with the technology and digital infrastructure that allowed them to carry out their duties effectively.

Principal Component Analysis (PCA) was performed to determine the underlying characteristics impacting workers' views of the nature of work in the Information Technology (IT) and IT-Enabled Services (ITES) industry. Eight variables were reduced into four main components with eigenvalues larger than one, jointly explaining 81.997% of the total variance. This suggests that the key elements impacting workers' views are sufficiently represented by the retrieved components. The first principal component (PC I) has an eigenvalue of 3.427 and explains 28.5% of the total variance. The component is characterized by strong factor loadings for Career Growth (0.793) and Salary and Benefits (0.687). These variables show that the most important factors influencing workers' choice for the IT and ITES industry are career progression possibilities and competitive salary. The results indicate that while assessing their jobs, workers prioritize long-term career possibilities, appealing compensation, and professional development. With an eigenvalue of 2.875, the second principal component (PC II) explains 23.9% of the overall variance. Work Environment (0.767), Grievance Redressal (0.809), and Team and Supervisor Support (0.602) make up this component. The organizational work environment is represented by these characteristics. The findings show that supportive leadership, efficient grievance procedures, and a favorable work atmosphere all have a major impact on employee engagement, satisfaction, and organizational commitment.

With an eigenvalue of 2.081, the third main component (PC III) accounts for 17.339% of the overall variance. It is exemplified by Work-Life Balance (0.837) and Skill Development (0.961). This component indicates staff growth and well-being. The high loadings show that professional upskilling, chances for ongoing education, and striking a good work-life balance are critical factors in determining employee productivity and retention in the IT and ITES sector. The fourth main component (PC IV) has an eigenvalue of 1.458 and explains 12.147% of the overall variance. The dominating variable is Digital Infrastructure (0.901). This element emphasizes how crucial dependable technology resources, cutting-edge digital tools, and a strong IT infrastructure are to facilitating effective work performance. Because the IT and ITES industries rely heavily on technology, having a sufficient digital infrastructure is crucial to enhancing service delivery, productivity, and teamwork. Overall, the PCA findings show that four major dimensions—career and financial incentives, organizational support, professional growth and work-life balance, and digital infrastructure—are the main factors influencing workers' opinions of the IT and ITES work environment. When taken as a whole, these variables account for about 82% of the variance, suggesting that they are the main factors influencing organizational success and employee happiness in the dynamic global market.

## Conclusion

According to the study's findings, financial inclusion is essential for improving Scheduled Caste (SC) workers' socioeconomic empowerment in the IT and IT-enabled Services (ITES) industries. Their financial security and involvement in the contemporary digital economy have greatly increased due to their access to formal banking services, digital payment methods, insurance, and investment options. However, differences in financial intelligence and literacy still have an impact on their long-term wealth generation, investment choices, and saving habits. The results show that while working in the IT/ITES industry raises income and improves living conditions, the full advantages of economic progress are only attained when significant financial competence and awareness are present. To increase SC workers' comprehension of digital banking, investment planning, credit management, and retirement security, specific financial literacy initiatives should be put into place. Employers should develop workplace-based financial advice and inclusion efforts. Government agencies and financial institutions could promote tailored programs such as low-cost loans, insurance coverage, and investment assistance. Strengthening SC-centric financial inclusion would guarantee fair development, minimize socio-economic gaps, and promote sustainable financial independence in the knowledge economy.

## References


Aparna, V., & Anthuvan, V. L. (2022). Determinants of financial inclusion among Dalit women in Kancheepuram district, Tamil Nadu. Journal of Social Inclusion Studies, 8(1), 26–43.

Bhuvana, M., & Vasantha, S. (2016). Dimensions for measuring financial inclusion in the rural areas of Tamil Nadu. Indian Journal of Science and Technology, 9(32).

Sundaram, N., & Sriram, M. (2016). Branchless banking technologies and financial inclusion: An investigation in Vellore District, Tamil Nadu, India. Indian Journal of Science and Technology, 9(40), 1–5.

Suresh, T. S. (2021). Access to digital means of financial inclusion by the Scheduled Castes and Scheduled Tribes. Research Review International Journal of Multidisciplinary, 6(9), 160–170.