Chapter 3

Overview of the Sector
Chapter III

Sector Profile: Information Technology (IT/ITES)

3.1 Introduction

Information technology (IT) industry\(^\text{32}\) in India has played a key role in putting India on the global map. IT industry in India has been one of the most significant growth contributors for the Indian economy. The industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The industry has helped India transform from a rural and agriculture-based economy to a knowledge based economy.

Information Technology has made possible information access at gigabit speeds. It has made tremendous impact on the lives of millions of people who are poor, marginalized and living in rural and far flung topographies. Internet has made revolutionary changes with possibilities of e-government measures like e-health, e-education, e-agriculture, etc. Today, whether it is filing Income Tax returns or applying for passports online or railway e-ticketing, it just needs a few clicks of the mouse. India's IT potential is on a steady march towards global competitiveness, improving defense capabilities and meeting up energy and environmental challenges amongst others.

\(^{32}\) www.ficci.com
IT-ITES sector \textsuperscript{33} in India, with the main focus on increasing technology adoption, and developing new delivery platforms, had aggregate revenue of USD 88.1 billion in FY2011, while generating direct employment for over 2.5 million people. Out of 88.1 billion, export revenues (including Hardware) had reached USD 59.4 billion in FY2011 while domestic revenues (including Hardware) of about USD 28.8 billion.

From the human resources perspective, India’s ITeS sector is facing stiff competition from the likes of Mexico, Philippines, Malaysia, China, Canada and Ireland that are posing a grave threat to the growth of India’s IT/ITeS sector. This industry is facing serious challenges vis-à-vis shortage of skilled and educated workers. The attrition rate in India’s IT/ITeS sector has raised phenomenally at the rate of 24 per cent (BPO industry 55%) with a significant visible movement in mid and senior management levels, according to an industry specific analysis of the Associated Chamber of Commerce and Industry of India (ASSOCHAM)\textsuperscript{34}.

Although, the IT/ITeS sector in India has been very popular since the beginning, as it has opened up plenty of job opportunities and has created huge revenue, the awfully high attrition rate coupled with talent crisis has plagued the sector since the very beginning”, underlined by Secretary General of ASSOCHAM.

As per the ASSOCHAM analysis, BPO-ITeS sector has emerged at the top with highest attrition rate of 65 per cent during the course of last two years (2009-10, 2010-11), giving a serious jolt to India’s prospects which was till recently the most sought after BPO destination.

\textsuperscript{33} \texttt{www.nasscom.org}
\textsuperscript{34} \texttt{www.assocham.org}
Services offered by the IT/ITeS in the domains of pharma and BFSI (Banking, Financial Services and Insurance) have registered an attrition rate of around 60 per cent. In the domains of retail and IT sector an attrition rate of around 55 per cent has been recorded.

Auto, FMCG, Manufacturing and infrastructure sectors have registered an attrition rate ranging between 45 to 50 per cent. Amongst all the relevant sectors the services offered by the IT/ITES in the domain of energy sector has recorded an attrition rate of 45 per cent.

The growing trend of job-switching in the industry might prove to be fatal for the survival and growth of India’s IT sector. Companies these days do not put much focus on enhancing individuals’ performance; this might hamper India’s rapid ascension on the world economic stage in the long run as stressed by officials of ASSOCHAM.

Rapid job hops prove to be a disadvantage both for the companies who pay higher wages and those individuals who benefit from higher wages in the short-run, as the rise in package is not keeping up with the rise in knowledge/skill levels of the individuals. To establish a substantial lead over competing countries acquiring a larger market share in the ITeS sector and to remain globally competitive, India’s rising wages must reflect rising skill levels. Rapid job switches amongst professionals have certainly raised the wages but there’s hardly any development of expertise amongst knowledge workers which is significant to justify their attractive compensation globally.”
If employers continue to promote job hopping, they would be doing a disservice to themselves and their employees as it translates into huge losses for the organization where a considerable investment has gone in to training the new employees.

Rapid increase in job-switching has compelled people to question India’s competitiveness in the IT/ITeS sector and thus, it is imperative that companies must provide adequate training and work experience to employees, underlined by the study conducted by ASSOCHAM.

Understanding the present scenario, the Researcher made an attempt address the challenges of talent attraction and retention through this study by bringing in the Employer Branding concept in Indian Industry, in particular, Information technology and allied sectors.

3.2 Profile of the organizations

3.2.1 Accenture India Private Limited

Accenture is a global management consulting, technology services and outsourcing organization, with more than 249,000 personnel serving clients in more than 120 countries as on 2011. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.

The story begins with Accenture’s plans for India. It was in the year 2005 that Accenture starting ramping up its workforce in India, a step that saw it reach strength of nearly 70,000 employees by 2011. Till 2005, the main source of recruiting for Accenture was laterals or experienced hires.
In 2005 it made its first major foray into Tier-I colleges across India. This was already the time when Infosys, TCS, Wipro and Satyam (now Mahindra Satyam) were household names and Information Technology was becoming a very common job option for thousands of graduates across India. Though Accenture was entering with the promise of higher salaries and a global brand, selling itself in India was a huge challenge. India is a country where a career choice is still mostly a family decision and so selling itself to parents of future employees would be crucial towards making or breaking any organization.

So Accenture launched its series of ads featuring Tiger Woods playing golf, a game which in India was still considered an elitist obsession and the positioning was of a high value brand which promises not only High Performance but also a High Standard of Living to its employees. Each ad ended with a message “For Information on careers please visit our website” and mentioned the recruitment page on the Accenture India website.

The main aim was to make the quintessential Indian parents or sibling feel proud of the member of their family who is associated with Brand Accenture. “The advertising campaign also helps the parents know that their child (children) is working for a blue-chip organization and raises the self-esteem of everyone involved in the process,” claimed by Ms. Rekha Menon, Head, Geographical Services, Accenture India pointed.out. In addition these ads also helped target existing employees and potential clients and showcase Accenture as an organization where performance is delivered35.

3.2.2 CA Technologies

CA Technologies is an IT management software and solutions company with a deep expertise across all IT environments—from mainframe and distributed, to virtual and cloud. Solutions from CA Technologies enable customers to manage and secure IT environments and deliver more flexible IT services to the business faster.

Solutions from CA Technologies are the critical foundation for helping customers gain deep insight into and exceptional control over their complex, mixed IT environments. Its solutions enable customers to support changing business models at the right time, the right place, and from the best sources, and flexibly deliver IT services in the manner that best serves business needs.

CA Technologies’ solutions and services are the foundational elements for the deep insight and exceptional control necessary to make the promise of flexible IT and agile business a reality.

CA started the India Technology Centre in Hyderabad on December 10, 2003 with an initial group of engineers recruited in the first batch of 50 employees; now the company has close to 2000 employees at Indian operations and 13000 in global operations. CA Technologies offers opportunities in a broad range of disciplines. Because the company is determined to stay ahead of the curve and keep our team motivated, the company is focused on nurturing talent — increasing skills, deepening knowledge, and providing the tools and opportunities you need to succeed.

36 http://www.ca.com/in/default.aspx
3.2.3 Deloitte Touché Tohmatsu India Private Limited

Deloitte provides audit, tax, consulting and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's more than 182,000 professionals are committed to becoming the standard of excellence. Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Deloitte India established in the year 1995 and spread across 13 locations and its 18000 professionals take pride in their ability to deliver to clients the right combination of local insight and international expertise.

3.2.4 HCL\textsuperscript{37}

The product of a vision founded in a small garage in 1976, HCL is a $6 billion global technology enterprise and a name to reckon with in the industry. The passion of its founder and the entrepreneurial zeal of its employees have made its Information Technology and Services arm, HCL Technologies, a leading provider of business transformation, enterprise & custom applications, infrastructure management, business process outsourcing, and engineering services.

\textsuperscript{37} http://www.hcltech.com/about-us
HCL delivers solutions across a wide range of verticals like Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare. Its global delivery model is spread across 31 countries around the globe.

Change has been the winning formula at HCL. The ability to transform businesses across the world comes from the organization’s own readiness to transform itself in its relentless drive to better serve its customers. This in turn has led to extraordinary growth; HCL has successfully tripled revenues and income in the last 5 years, doubled its market cap and increased customer satisfaction by nearly 73%.

HCL ensures a dynamic and vibrant work environment for HCLites walk in every morning with a smile, and leave at the end of the day feeling valued and enriched. HCL’s “Employees First” philosophy is aimed at placing every employee at the forefront of transformation, empowering them with knowledge, resources and infrastructure in a workplace that nurtures innovation.

At the same time, HCL strongly believes that helping employees find work-life continuity, advancing their social and cultural aspirations and providing them an opportunity to connect with each other reduces stress, builds team spirit and optimizes performance. From embracing diversity to offering “miles” that can earn recognition and rewards, HCL Technologies provides its employees a workplace that is more than just a place to work. More importantly the company has zero-lay-off policy which ensures greater security of employment to employee.
3.2.5 IBM

IBM is a global technology and innovation company that stands for progress. With operations in over 170 countries, IBMers around the world invent and integrate hardware, software and services to help forward-thinking enterprises, institutions and people everywhere succeed in building a smarter planet.

IBM has been present in India since 1992. The diversity and breadth of the entire IBM portfolio of research, consulting, solutions, services, systems and software, uniquely distinguishes IBM India from other companies in the industry. IBM India's solutions and services span all major industries including financial services, healthcare, government, automotive, telecommunications and education, among others. As a trusted partner with wide-ranging service capabilities, IBM helps clients transform and succeed in challenging circumstances.

IBM has been expanding its footprint in India - and has a presence in over 200 cities and towns across the country - either directly or through its strong business partner network. IBM India has clearly established itself as one of the leaders in the Indian Information Technology (IT) Industry - and continues to transform itself to align with global markets and geographies to grow to this leadership position. Widely recognized as an employer of choice, IBM holds numerous awards for its industry-leading employment practices and policies.

3.2.6 Infotech Enterprises

Infotech Enterprises provides leading-edge engineering solutions, including product development and life-cycle support, process, network and content engineering to major organizations worldwide. With over two decades of continuous growth, Infotech leverages a

39 http://www.infotech-enterprises.com/careers/
global delivery and collaborative engineering model to achieve measurable and substantial benefits for clients. Infotech partners with the organizations who are in need of designing innovative products faster, optimizing R&D costs, increasing market share, enhancing operational efficiency or maximizing the return on investment etc.

Infotech has 10,000+ associates across 36 global locations. They adopt a proactive approach to serve clients with best-in-class delivery centers in North America, Europe, Middle East and Asia Pacific. The clients span multiple industries such as Aerospace, Consumer, Energy, Medical, Oil and Gas, Mining, Heavy Equipment, HiTech, Transportation, Telecom and Utilities and include 22 'Fortune 500' and 27 'Global 500' blue chip organizations.

In order to create and deliver services that exceed clients' expectations consistently and enhance their business agility, Infotech employs a framework of robust internal processes to ensure IP security, quality of solution and on-time delivery. Infotech aligns with industry best practices and internationally renowned standards and frameworks including International Standards Organization (ISO) 9001:2008, Information Security 27001:2005, Aerospace (AS9100 C), and Medical Devices (ISO 13485). Infotech Enterprises Limited is a public limited company and listed on the NSE/BSE stock exchange.

3.2.7 Ittiam Systems (P) Ltd

Ittiam Systems was established on January 1, 2001 and singularly focused on Digital Signal Processing (DSP) Systems. Ittiam Systems has a team of 180 DSP professionals. This team represents world class DSP talent, selected on the basis of a rigorous procedure with one offer
made for every 500 applications. Ittiam is headquartered in Bangalore, India, with offices in the US, UK and Taiwan and representation through Authorized Associates in the US, Japan, Israel, Taiwan, Korea and Singapore.

3.2.8 Microsemi (P) Ltd

Microsemi Corporation offers a comprehensive portfolio of semiconductor and system solutions for communications, defense & security, aerospace and industrial markets. Products include high-performance, radiation-hardened and highly reliable analog mixed-signal integrated circuits, FPGAs, SoCs and ASICs; power management products; timing and voice processing devices; RF solutions; discrete components; security technologies and scalable anti-tamper products; Power-over-Ethernet ICs and midspans; as well as custom design capabilities and services. Microsemi is headquartered in Aliso Viejo, California, and has approximately 3,000 employees globally.

Through the vision, achievement, ingenuity, and excellence of its employees, Microsemi has become a leading semiconductor provider to the world industry. The company strives to create a workplace that inspires and empowers its employees to excel, making Microsemi a great place to thrive both personally and professionally. In November 2010, the company has acquired Actel Corp and expanded its presence in India.

3.2.9 Symphony Services

Symphony Services is a leading global specialist providing software product engineering outsourcing services. Symphony services is headquartered in Palo Alto, CA., with major global
operations centers in China, India and US. Symphony services utilize a multi-shore delivery approach to maximize quality and efficiency with minimizing cost mechanism. The uniqueness of symphony is that, regardless of its clients’ location, it guarantees local expertise to manage relationships and facilitate governance. In the year 2002, Symphony Services Corp India Private Limited established

- **Career with Symphony**

**Work with the Best:** The organization claims high about its customers and the best in the business. To meet their requirements, organization must offer them the best people. Organization has a reputation of being the best provider of solutions and services to customers. That reputation is based on the dedication, skills and abilities of their global teams. When an employee work with such organization, it is like working with most skilled talent in the world, and organization help create a career path to ensure employee quickly becomes successful in creating good enterprise.

**International Teams:** Symphony has presence in Argentina, Australia, China, Finland, Germany, India, Japan, Korea, Poland, Russia, Sweden, UK or USA. Projects are often based in several places. That is because organization offers tailor-made solutions that exactly match the needs of customers - so they get the best solution in the shortest time and at the most competitive price. When employees work with such organization like this, working across boundaries, working with in international teams may give first-hand experience of working in an international environment.
**Training:** Organization strongly believes in providing best training possible for its employees. They maintain their lead in the marketplace by offering good training programs to all employees that may enable employee to succeed in his / her professional role - so employee may become one of the best at what his / she does. The tailor-made training programs that help to perform in respective domains and this may help in the future of employee, especially in the areas like project management, testing, program expertise, and management development for potential line managers.

**Remuneration:** Organization claims that they offer a competitive base salary that matches industry standards to its employees.

**Awards:** Award programs are designed to inspire the most valued asset – i.e employees, to achieve extraordinary things. Employees are rewarded for innovation, creativity, customer service, and leadership as an individual contributor and as a team.

**Opportunities:** Symphony Services being a global organization, which rewards excellence. Organization quotes that ‘the sky is the limit for high performing employees’. They also offer a personal performance plan that brings out the best in employees’ skills and enhance further.

**Equal Employment Opportunity (EEO)**

Symphony Teleca claims that they adhere to the principles of an equal opportunity employer by treating people with respect and protecting human rights. Symphony Teleca employees and prospective job applicants are not discriminated against race, color, sex, marital status, parental
status, religion, political opinion, nationality, ethnic background, social origin, social status, disability or age.

3.2.10 Tata Consultancy Services Limited

TCS incorporated in the year 1968 and operates across 42 countries and has more than 142 offices worldwide. Tata Consultancy Services (TCS) is one of the world's leading information technology companies. Through its Global Network Delivery Model™, Innovation Network, and Solution Accelerators, TCS focuses on helping global organizations address their business challenges effectively.

TCS continues to invest in new technologies, processes, and people which can help its customers succeed. From generating novel concepts through TCS Innovation Labs and academic alliances, to drawing on the expertise of key partners, it keeps clients operating at the very edge of technological possibility.

3.2.11 Volvo IT

Volvo IT is a wholly-owned subsidiary of the Volvo Group, one of the world's largest suppliers of commercial transport solutions. With over 40 years of experience in supplying IT solutions to the Volvo Group, Volvo IT has a strong heritage in the automotive industry. Over the years, they have helped make Volvo a leading user of information technology in the automotive industry.
Today, Volvo IT is a global company, offering top quality IT solutions, competitive telematics services, and insightful consulting services. The committed and motivated team of around 5,500 employees in more than 35 locations around the world is delivering reliable IT solutions to customers across multiple industries. Indian operations have started in the year 2006. The company’s motto is “let’s make sure”, affirming their belief that no problem is solved until the solution has been proven to work in practice. Volvo IT works in an open and enthusiastic atmosphere where human diversity, mutual respect and the highest professional standards are essential components.