CHAPTER- VI

PROFILE OF SELECTED IT ORGANIZATIONS

Since last few decades, technology is persistently capturing the world by surprise and brought industrial revolution, economic upgradation as well as social change. The fast paced advancements and spread of Information technology have increased the dependence of humanity on it. The wide spread and fast paced advancement has made the global spending and global IT services’ demand important despite the global uncertainties, low consumer confidence and natural disasters in the past years.

The IT industry in India has acted a very crucial role in posing India on the world map. The capability to integrate with global movement and the goal to develop and serve a global delivery model has significantly increased the market share of India in the global sourcing setting. The market share in 2010 was 55 per cent which increased to 58 per cent in 2011 (Source: IT-BPO SECTOR IN INDIA, STRATEGIC REVIEW 2012 by NASSCOM). Despite the global recession in the year 2009, the industry had shown a steady growth of 5.5 percent. The global sourcing expend is tend to outpace the growth in IT spend which is expected to be steady over the next two-three years. The Indian supply base with rich experience, established service capabilities, global footprint and an abundant talent pool promises to be an emerging landmark for full fledged IT advancements.

4.1 Structure of Information Technology (IT) Industry in India

The Indian IT sector has four segments IT services, Business Process Management, Software and Hardware. The IT services have three components project-oriented, outsourcing and training and support. Business process management * has three applications enterprise resource management, human resource management and customer relationship management. The Software segment comprises application integration and application development. Personal
computers, Network equipment, Storage and security are fall into Hardware segment of the sector. The structure of the IT industry is presented below:

**Figure 4.1: Structure of Indian IT Industry**

*Source: IT/ITES/BPM Sector in India, 2014*

*Note: ERM- Enterprise Resource Management, HRM- Human Resource Management, CRM- Customer Relationship Management*

### 4.2 The Present Scenario of IT Industry in India

The Financial Year 2014 is a landmark year. The sector had contributed to national GDP by 1.2 per cent in Financial Year 1998 which has been increased to 8.1 (estimated) per cent in Financial Year 2014. This shows the marvelous growth in the sector and its vitality of the sectors for the Indian economy. The domestic IT products segment has grown to 31.6 USD billion in Financial Year 2014. The replacement of the legacy systems and technology
progression with respect to cloud, mobility, etc are the primary needs of this segment. Export revenue during Financial Year 2014 is reached to USD 86.4 billion (Refer Figure 4.2). The major revenue generated segment of the IT industry is IT services which generated 54% of the total revenue of the industry (Refer Figure 4.3).

![Figure 4.2: Growth in Total Revenue of Indian IT Industry](image)

*Source: IT/ITES/BPM Sector in India, 2014*

![Figure 4.3: Revenue by Indian IT Industry Segments](image)

*Source: IT/ITES/BPM Sector in India, 2014*

### 4.3 Impact of IT Sector of Indian Economy

The sector has vital impact on Indian economy. The IT industry in India has contributed to India’s Gross Domestic Production (GDP) by 9.5% in the FY 2014. The IT exports comprised of 23-25% of India’s total exports. The IT industry’s Foreign Direct Investment
(FDI) constitutes 7% of total FDI in India. The wide range of IT solutions and effective delivery reduces technological gaps in the society. The industry is also concerned with its corporate social responsibility towards the society. The sector also contributes to India’s education system, employment generation and infrastructure. This sector is the largest private sector employer in India (Refer Figure 4.2). The industry has its global footprints in 75 countries (Source: IT/ITES/BPM SECTOR IN INDIA, 2014). The sector has provided employment to more than 3 million people in the FY 2014 and became largest employer of the Indian economy (Refer Figure 4.4). Consequently, the growth of the Indian economy leads to growth in IT markets nationally and/or globally.

![Figure 4.4: Indian IT Sector is a Largest Employer](Source: IT/ITES/BPM Sector in India, 2014)

### 4.4 The Leading IT Companies in India

There are several agencies who identify every year the leading IT Companies based on some criteria such as: sales turnover, profitability and, headcounts etc. The National Association of Software and Services Companies (NASSCOM) is same type of agency and almost all IT Companies in India are member of this association. NASSCOM has been ranking its member companies on the basis of their financial performance since the past few years. NASSCOM gathers information related to solvency, profitability, headcount and other important issues from its member companies through a survey conducted annually and then
member companies are ranked based on the data collected. The leading IT Companies in India (2011-12) as surveyed by the NASSCOM is tabulated below:

Table 4.1 - Leading Indian IT Companies in 2011-12

<table>
<thead>
<tr>
<th>S.No</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tata Consultancy Services Ltd*</td>
</tr>
<tr>
<td>2</td>
<td>Infosys Ltd*</td>
</tr>
<tr>
<td>3</td>
<td>Wipro Ltd*</td>
</tr>
</tbody>
</table>

* indicates the selected IT Companies for the research

Source: NASSCOM (http://www.nasscom.in/industry-ranking, accessed on 01 December 2012)

A brief about the three selected IT Companies: Tata Consultancy Services Limited, Infosys Limited, and Wipro Limited is described below:

4.4.1 Profile of Tata Consultancy Services (TCS) Limited

In the year 1968, TCS Limited was established as a branch of the Tata Group. It is a public limited company headquartered in Mumbai, India. TCS Ltd. is a consultancy company also provides Information Technology (IT) and IT-enabled services and recognized as an industry leader in the domain of distributed software development. The company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) of India. In FY 2014, TCS accounted consolidated revenues of USD 13.44 billion. The company has over 3,00,000 of the world’s best-trained IT professionals in 45 countries and this making it a global brand.

4.4.1.1 Business Overview

TCS is a business solution, IT services and outsourcing organization that renders quality products and services to the enterprises across the globe. The IT services portfolio of the company includes “Application Development and Maintenance, IT Infrastructure Services, Assurance Services, Business Process Outsourcing, Business Intelligence, Engineering and Industrial Services, Consulting and Asset leveraged solutions”. The company delivers its
services to the key sectors and these are: Banking, Financial Services and Insurance (BFSI), Healthcare, Retail and Consumer Packaged Goods, Telecom, Hi-Tech, Manufacturing, Energy, Resources & Utilities (ERU), Travel, Transportation & Hospitality (TTH).

4.4.1.2 Financial Sustainability

TCS’s outstanding revenue growth track-record set the benchmark for the industry. The 9-years Compounded Annual Growth Rate of revenues is 22% and for the FY 2014 the company has reported the revenue of USD 13.44 Bn. The growth rate of revenue was 16.2% Year on Year (YoY). The Volume growth was 17.4% YoY. The growth can be sustained due to the growth in IT services global market. (Source: Tata Consultancy Services Limited - Corporate Sustainability Report 2013-14)

4.4.1.3 Human Capital

Human capital is the prominent factor in business for sustaining the revenue growth of TCS Ltd. TCS has highly skilled workforce. Considering the vitality of the workforce TCS has placed many processes and programs with the aim to encourage and expand the range of skills and capabilities of its human resource. The total number of employees at the end of the FY 2014 was 3,00,464 which shows a huge addition in the headcounts because the total number of employees at the end of the FY 2013 was 2,76,196 (Source: Tata Consultancy Services Limited - Corporate Sustainability Report 2013-14). The executive level- wise breakup of workforce is below:

![Figure 4.5: Break-up of TCS's Employees by Executive Level](image)

Source: Tata Consultancy Services Limited- Corporate Sustainability Report 2013-14
The company is an Employer provides equal chances and establishes the Tata code of conduct to embrace diversity in nationality, gender, physical ability, religion, age, marital status and ancestry. TCS gives Compensation based on merits which is developed on the ground of qualification, experience, skills and performance. Other factors do not determine the compensation level of employees. Some of the initiatives have been taken under the Diversity & Inclusion Policy which are:

- Participation in Second Career Initiative of Tata Group, offers opportunity to women who had break in the career and want to return to the workplace.
- A support group named DAWN (Diversity and Women’s Network) for women cultivates inclusivity through collaborative dialog.
- To appreciate different cultures across the globe through quizzes, online resources, and mailers, TCS has an initiative called ‘Culture Meter’.

![Figure 4.6: Break-up of TCS's Workforce by Gender](image)

**Figure 4.6: Break-up of TCS's Workforce by Gender**

Source: Tata Consultancy Services Limited- Corporate Sustainability Report 2013-14

![Figure 4.7: Break-up of TCS's Workforce by Age](image)

**Figure 4.7: Break-up of TCS's Workforce by Age**

Source: Tata Consultancy Services Limited- Corporate Sustainability Report 2013-14
As on 31st March, 2014 the company has young workforce with the average age of 28.7 years. In the total workforce 32.7% are women. The company has non-Indian workforce representing 118 different countries such as British, Chilean, Filipinos, Ecuadorian, Chinese, American and others. The break-ups of permanent employees by gender, age and nationality are presented in Figure 4.2, 4.3 and 4.4 respectively.

For the systematic tracking of the training plans and to provide information about the learning and development needs of the employees TCS Ltd. has established Integrated Competency and Management System.

At the beginning of the year, every employee needs to develop a learning and development plan in consultation with his/her head. The plan is based on their interest and specific requirements of the project. Then, employees are provided various trainings as per the pre-specified plan. The evaluation against the plan is done biannually.

The total number of days spent in FY 2014 on competency development and training was 3,152,707. The break-up of learning days by executive levels is below:
TCS invests heavily in developing environment-friendly culture and mature people-processes to retain employees. Challenging assignments, career growth options, role mobility, wide range of competency enhancement, flexible working hours, a cooperative work culture, recognition through reward and benefits are the critical practices of the company that enhance employee retention. The company has assessed its retention programs and practices at PCMM Level 5 and found them best in class in the industry.

The attrition rate of the company is continued to be lowest in the industry that is 10.4% in IT services for the FY 2014. The employee turnover is higher at junior level that is 12.5%. The attrition level is higher in males than females. The departure of IT professionals by gender and age is given below:
TCS is very considerate for the career growth of its employees. To facilitate employees’ career growth Career Management Process is operated in the company. The company has also launched CareerHub encompasses a framework which help employees in learning and growing, timely updates are also provided to increase the pace of career growth of the employees.

Inspire is an integral part of CareerHub which has two components these are Hi Potential Program (HiPo) and CareerHub Process. The program consists of several initiatives for the senior and middle level employees with high potential to bring more visibility to their high potential. HiPo program helps employees who are moving to higher levels through focused leadership programs. CareerHub process undergoes based on competency approach for the all other employees at the senior and middle level. TCS also has a social media called My Career Eureka which gives platform to its employees to connect and plan their career in TCS. They can also give their view and suggestions to improve the career processes by using this media.

To retain employees TCS has highly competitive compensation plans. To make sure that the compensation provided by the TCS is competitive, it regularly standardizes its compensation plans and benefits considering the offerings by peer companies. Skill-based allowance provided by the company to the employees equipped with niche skills. Employees get motivated to acquire such skills which benefit them as well as organization.

Figure 4.11: Break-up of Attrition by Age

Source: Tata Consultancy Services Limited- Corporate Sustainability Report 2013-14
TCS has built a performance based culture, thus, has several schemes to reward and recognize the employees. TCS Gems is a formal and global online framework of employee recognition, established to manage reward and recognition mechanism operated at TCS. Some of the popular awards at TCS are Star of the Month and Quarter Awards, Best Program and Project Manager Awards, Star Team Award. Reward to recognize beyond the formal job has also been given such as Beyond Performance Award, Service Awards and appreciation certificates. “Fast-track promotions, sponsorship of external training and certification programs, assignment to key positions, membership to professional bodies, sponsorship to international conferences, public announcements of individual/team achievements on the intranet, internal magazines, town hall meetings” are some other forms of rewarding outstanding performance.

The company knows the importance of work content to serve the self-actualization need of the employees. TCS has global footprints across the nations and industries. Therefore, TCS has wide range of opportunities for those employees who look for challenging assignment and revelation of new and different types of roles, geographies and technologies. This is the Best Class approach of TCS which ameliorate its ability to retain talented employees.

TCS has an internal social networking portal called Knome which enable TCS’s IT professionals to connect across the globe. The senior leaders engage regularly at this portal with their associates to get aware about their problems and take action to resolve them. This provides strength to the leader-member relationship at TCS. Through activities outside the workplace such as picnics and social gatherings with family cultivate the spirit of community.

TCS sponsors athletic and sport events for the wellbeing of their employees and encourage them to participate in these events to stay fit. For the same purpose TCS has initiated TCS Fit4Life and Purpose4Life programs.

4.4.2 Profile of Infosys Limited

Infosys started in the year 1981 with an initial capital of US $250, has now become a global giant with revenues of US $6,994 million for the FY 2012. Infosys Limited is
headquartered in Bangalore, India. It is a multinational provider of “business consulting, technology, engineering, and outsourcing services”. It became the first IT Company from India to be listed on National Association of Securities Dealers Automated Quotations (NASDAQ). Infosys has over 145000 employees in 32 countries thus ensuring its global footprint.

4.4.2.1 Business Overview

The company has identified and takes endeavor to penetrate seven key areas those have great scope for IT innovation. The areas are emerging economies, smarter organizations, digital consumers, pervasive computing, sustainable tomorrow and healthcare economy. The company’s offerings include business and technology consulting, re-engineering, custom software development, IT infrastructure services, system integration, independent testing and validation services, product engineering, and business process outsourcing.

4.4.2.2 Financial Sustainability

Infosys has sustainable returns in its business. Figure 4.8 shows the consistent growth in Infosys’s revenues for the FY 2010 to 2012. For the FY 2010, 2011 and 2012 revenues were 4,804; 6,041 and 6,994. This shows the company’s growth for the FY 2011 (base FY 2010) was more prudent than for the FY 2012 (base FY 2011).

![Figure 4.12: Financial Sustainability of Infosys Ltd.](source: Infosys Ltd - Sustainability Report, 2011-12)
4.4.2.3 Human Capital

The year March, 2012 was ended with the 149,994 headcounts. The workforce working in 32 countries represents 89 nationalities out of which majority is of India. The workforce encompasses the diversity in terms of gender, age, race, religion and nationality. To derive diversity and inclusivity company has operated several programs and one of them is Creating Common Ground to build awareness about different cultures across the globe. Out of total workforce 34.7% are women. The break-up of workforce by gender, age, executive levels and nationality are given below:

![Figure 4.13: Break-up of Infosys's Workforce by Gender](source)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>65.3%</td>
</tr>
<tr>
<td>Female</td>
<td>34.7%</td>
</tr>
</tbody>
</table>

![Figure 4.14: Break-up of Infosys's Workforce by Age](source)

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=30 Years</td>
<td>91.5%</td>
</tr>
<tr>
<td>31-50 Years</td>
<td>8.5%</td>
</tr>
<tr>
<td>&lt;50 Years</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Source: Infosys Ltd - Sustainability Report, 2011-12*
To attract and retain high-potential employees Infosys focuses on the favorable work environment and culture of the company. The company has effective recruitment and human resource management process and also cultivates the workforce inclusivity and diversity. The attrition rate was 17% in 2011 which had been decreased to 14.7% in 2012. The break-up of attrition of employees by gender and age are given below:
Infosys lays emphasis on continuous learning and development of the employees. Therefore, along with the technical training sessions it has conducted several programs to create and provide learning opportunities for the employees such as Foundation Program, continuous education and outreach program. The Figure 4.15 depicts the growth in learning days for each category of training.
There are several initiatives started by the company to create and share knowledge in the organization. The knowledge collaboration channels of the company are KMPortal, Konnect and KMail which were established to leverage organizational knowledge.

Infosys identifies the need for competency development and set its goals based on half yearly and annual performance appraisal. The 360 degree appraisal’s feedback to managers and leaders enable them to track their growth and requirements for outstanding performance. To recognize the hardwork and work excellence of the employees’ bunch of awards were initiated in which new ones are continuously added such as value champion was added in the year 2011-12. The career development practices such as Enabling Choices and Building Talent are aimed at employees’ career guidance and development. Pathfinder is a web-based career development portal at Infosys to circulate information regarding career opportunities. Another initiative The Career Fair is also designed to share information about the various units and career opportunities.

To engage employees Infosys has recognized communication as a vital factor and launched many channels such as mailing lists, corporate intranet- Sparsh, LITMUS- The annual employee satisfaction survey, HRD blogs, Open house programs and so on. Employee forum
are set up to hear and resolve the conflict and issues transparently concerned with employees.

Women In Leadership is a program launched by Infosys to empower its women employees and build leadership development competency.

Some of the flagship programs for the year 2011-12 which were undertaken to motivate employees to generate positive impact on business success are Creating Common Ground (to assimilate different cultures), Family Matters (for young parents), Infosys Gay Lesbian Employees and You (IGLU; for employees belong to LGBT community), Infosys Women’s Inclusivity Network (IWIN; for gender inclusion) and Samaritans Network (counseling on life challenges). These employee resource groups build highly engaged and motivated workforce at Infosys.

Infosys is also concerned for the ability of its employees to strive work-life balance. Therefore, it’s HR policy includes measures that support work-life balance of the employees and they are paid maternity leave, paternity leave, adoption leave, part-time, flexi-hours and telecommuting, work from satellite offices and so on.

To make an employee productive in order to attain the competitive edge, his health and wellness is very essential. Thus, Infosys has undertaken the Health Assessment and Lifestyle Enrichment (HALE) initiative. It is to optimize the health, equality of life and work environment of employees. The initiative had sheltered many activities in 2011-12 such as HALE Anti-Tobacco Week, HALE Hobby Week, HALE Safety Week, HALE Diabetes Camp and HALE Heath Week. The information with respect to the Health and Safety issue is also published at Health Safety Environment (HRE) portal.

4.4.3 Profile of Wipro Limited

Wipro was formerly incorporated in 1945 as Western India Products Limited and latter on Known as Wipro. “It is an Indian multinational provider of information technology (IT)
services, consulting and outsourcing services, headquartered in Bangalore, India”. Initially, Wipro had started its consumer products business, and then it expanded its business in to more innovative areas which also include hardware and services in IT industry. The total headcounts in Wipro is more than 140,000 and it has global presence in 54 nations through international centers.

4.4.3.1 Business Overview

Wipro offerings include IT Services, Business Consulting, Infrastructure Services, Business Process Services and Outsourced R&D. the clients of the company are served by a unique quality combined with six sigma, lean manufacturing, Kaizen and CMM practices. Wipro has more than 55 Centres of Excellence that helps to deliver best results to the clients by harnessing the latest technologies. The IT services of Wipro cater the prominent sectors of the India these are “Banking Financial Services & Insurance; Retail, Consumer Packaged Goods Transportation & Government; Manufacturing & Hi-tech; Healthcare, Life Science & Services; Energy Natural Resources Utilities and Engineering & Construction; Global Media & Telecom”.

4.4.3.2 Financial Sustainability

The revenue generated by the company for the financial years 2010-11, 2011-12, 2012-13 are shown in Figure 4.16. As per figure the revenue for the FY 2010-11 was Rs. 310.5 billion, for the FY 2011-12 was Rs. 372 billion and for the FY 2012-13 was 374.3. The financial position of Wipro Ltd. as on March 2013 is not comparable with the previous years’ financial performance because in the year 2012-13 Wipro had business of only IT services and other non-IT businesses were demerged.
4.4.3.3 Human Capital

Wipro has a global workforce and it strives to provide efficient environment for its holistic growth as what we put is what we get. It aims at increasing the magnitude of efforts and gives meaningful opportunities to its employees for learning and growth in an environment of openness, transparency and opportunity for development. In 2012-13 the CEOs of Wipro Ltd. divisions formulated the Wipro Sustainability Council which undermines to revise specific policies and to review its progress quarterly. The company is a believer of workforce equality as keeping fairness and meritocracy as the key indicators of talent management. The break-up of workforce by executive level is given below:
Wipro policies and practices are integrated to Wipro Code of Business Conduct and Ethics (COBCE) which prescribed the responsibility of an employer. The COBCE is aligned to the global principles and human rights. To strength the integration training sessions on Spirit of Wipro Values and COBCE are operated. Online module is also provided to update the clauses of the COBCE.

Wipro’s leaders engage with their employees through different collaborative forums at business unit level such as All Hands Meets, Functions Meets and at company level such as Wipro Meets. The forum used to share business performance, reward best performers, and receive feedback from employees. The company has several feedback mechanisms to secure feedback of the employees on policies and practices operated in the company with respect to career development, reward and recognition, leaders’ support and so on. The two of them that launched in 2011 are Employee Perception Survey and Employee Advocacy Group.

Wipro gives opportunity to its employees to connect across the world to other employees of the company through social media to foster a collaborative and knowledge creation culture. my Wipro World, Channel W and Knet are the prudent online portals to share knowledge and information critical to organization.

To retain employees the company offers a wide-range benefit package to its employees. The package consist of many advantages and some of them are economic security, medical benefits, retirement benefits, tax saving options, career enhancement by providing latest opportunity in the industry. The company has initiated Work from Home policy for the employees working at specific jobs. The policy facilitates employees in case of any personal or medical emergency by providing flexibility in attending the office and allowed to do work from home upto three times a month.
Diversity is a prominent feature that determines the culture of Wipro. Wipro’s Sustainability Council, Inclusive Interviewer Certification Programmes, creation of inclusive career opportunities, E-learning modules, leadership engagement with special focus on women enable the diversity and inclusion at the company.

Wipro provide training to its employees in different categories such as technical, domain, process and behavioral training. The development initiatives that enhance the worth and help them in grow are comprised of basic skill building, leadership building and middle management capability building. CarrerHub is an intranet portal of the company that provides information about different career opportunities and respective descriptions. During the annual performance appraisal an Individual Learning Plan is created for each employee that is executed using e-learning modules.

The company focuses on learning and development of the employees and therefore over 10,000 initiatives were taken in this respect in the FY 2012-13. On-boarding programs, leadership development programs and many others are launched to make employees better performer and their overall career enhancement. The Wipro Academy of Software Excellence (WASE) and Wipro Software Technology Academy (WiSTA) are the two initiatives through which entry level employees are trained and equipped with technical and soft skills. Leadership Training @ Wipro is a program aimed at leadership development through life-cycle training and consortium-based approach.