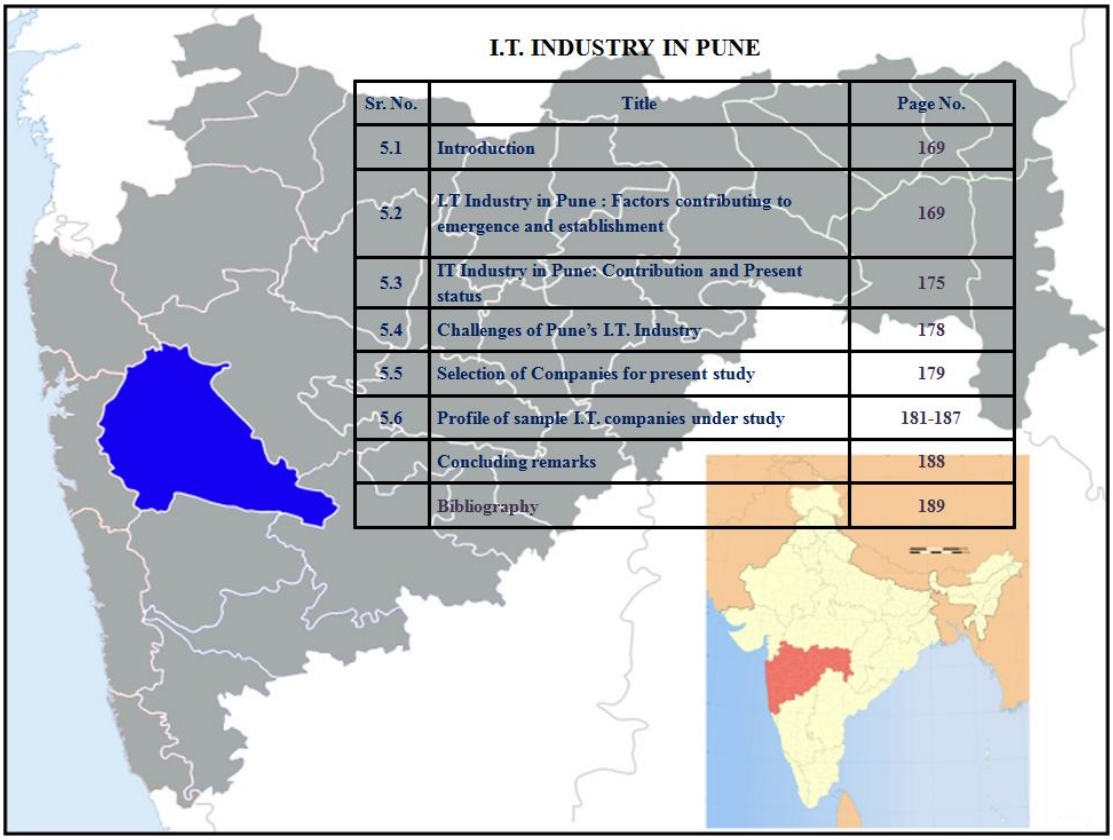
Chapter V



I.T. INDUSTRY IN PUNE

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5.1 Introduction:

Pune, a major industrial city, located roughly 150 km east of Mumbai, is the seventh largest city in India and second largest in Maharashtra that has experienced automobile industry's prominence over last six decades and hence was called as 'Detroit of India'.

The city's long urban tradition includes being:

- First, an historical centre of pre-colonial urbanism,
- Then, an important military centre during British rule;
- After independence a rapidly growing contemporary 'Industrial centre and auto hub', and
- Today identified as a growing 'IT hub'.

The academic background of Pune includes housing of nine Universities with about 600 functional higher education centers catering to an estimated 5 lakh student population bequeathing Pune as 'Oxford of India'. Additionally, its location, pleasant climate, historical importance, vibrant culture and upcoming IT-BT Centers have given the city nicknames like 'Queen of Deccan', 'Pensioners Paradise', 'Cultural Capital of Maharashtra', 'Cyber City' etc. As per the Ministry of external affairs[189], Tier II and III cities are increasingly gaining traction among IT companies aiming to establish business in India. One such tier II destination in Maharashtra is Pune having cheap labor, affordable real estate, favorable government regulations, tax breaks and special economic zone (SEZ) schemes that have facilitated its emergence as a favorite IT destination. Today, Pune boasts of automobile majors; engineering goods industries; a rapidly growing service sector spanning banking; finance; insurance; real estate and hospitality industry and last but not the least a flourishing IT sector taking it towards becoming a metro city. The IT sector's growth has also spilled over other sectors giving a multiplier effect to Pune's economy.

5.2 IT Industry in Pune: Factors contributing to the emergence and establishment

Pune has witnessed rapid Urbanization and Growth owing to population growth, territorial expansion and infrastructure development which are determinants of

[189] www.**indiainbusiness**.nic.in

urbanization. These determinants bring the status of 'metro' to a city. All these trends can be distinctly linked to the city of Pune.

- **Population growth:**

Population is the number of people residing in a city at any given point of time. Population includes local as well as migrated population. Pune has witnessed an exponential increase in its population.

Table 5.1: Population growth in Pune

Year	Total Population	Percent increase
1991	1,566,651	30.2%
2001	2,540,069	62.1%
2011	6,226,959	145.1%
2014	8,242,142	24.45%

(Source: http://www.indiaonlinepages.com/population/pune-population.html**)**

As seen in the table above, Pune experienced an increase in population by more than 100% during last 15 years (2001-2014) owing to a more than 100% increase in migratory population during the short period of 2001-2005. This trend can be attributed to the overall development of various industrial sectors, information technology sector and education sector. Presently, Pune is witnessing a population growth rate of around 12% every year. As per Shri.Anant Sardeshmukh, Executive Director-General of the Mahratha Chamber of Commerce Industries and Agriculture (MCCIA) Pune, growth in Information Technology and increase in multinational companies has attracted talent and resulted in population growth in Pune.

- **Territorial Expansion**:

Pune has experienced both planned and unplanned growth in its territory. This territorial expansion is increasingly recognizing the city as **Metropolitan Region** (covering around 700sq.km). The change in identity is seen since 1970's when the Central Govt. recognized Pune and Pimpri-Chinchwad corporations as **Pune urban agglomeration[190].** Pune Metropolitan Region (PMR) consists of:

[190] An urban agglomeration (UA) is the continuous urban spread constituting a town and its adjoining outgrowths, or two or more physically continuous towns together with or without outgrowths.

- Pune city administered by **Pune Municipal Corporation (PMC)** covering 243.31 sq. km in 14 administrative wards and
- Pimpri Chinchwad town administered by the **Pimpri Chinchwad Municipal Corporation (PCMC)** covering 171.59 sq. km having 4 administrative wards that include the areas located to the northwest of Pune city.

The approval of inclusion of 38 fringe villages in Pune by PMC and the state govt. in 2012 has increased the geographical area from 243 to 450 sq km which has bought acres of farmland under realty and show further signs of urbanization.

- **Economic growth**:

Pune's GDP continues to grow at an impressive rate of 8% and ranks second in terms of per capita income in Maharashtra, according to the Economic Survey of Maharashtra, which is an indicator of economic growth. Further, Pune also ranks third on a City Vibrancy Index **(CVI)**[191]**.**

In addition to the above mentioned drivers there are other factors that have formed the ecosystem for a burgeoning IT sector in Pune.

- **The Industrial Sector**:

From 1960 till 2000, Pune has been a major industrial centre with automobile companies like Bajaj Auto, Tata Motors establishing their manufacturing plant at Pimpri. Continuing with the trend, global automobile giants like General Motors, Volkswagen and Fiat also followed suit. The organized industrial growth was facilitated by establishment of:

- The Maharashtra Industrial Development Corporation (MIDC) at Pimpri-Chinchwad during (1960) and
- MIDC at Hadapsar during (1980), made Pune a manufacturing hub.
- The 90's saw the development of Hinjewadi's MIDC, which supports both the IT and manufacturing industries.
- The MIDC at Ranjangaon is the most recent organized area representing evolutionary steps towards providing five star standards.

[191] Morgan Stanley Quarterly Report, February 2016, titled "City Vibrancy Index: A Guide to India's Urbanization"

These industrial zones together hint towards industrial development that has made Pune the most preferred industrial location for Indian and international company's alike and propelled urbanization further.

- **Education Sector**:

Pune's renowned educational institutions providing engineering, management, and liberal arts education attracted entrepreneurial streak of people from all over. The city demonstrates its business orientation through its famous research and teaching institutions for Economics (Gokhale Institute) and Banking (NIBM). Establishment of nationally known institutions like NCL, NIV and IUCCA took root and thrived. Today, PMR is attracting many citizens to varied educational centers from all over India into the city like the University of Pune, College of Engineering, Symbiosis and C-DAC. A further feather in the cap is the proposed 'Indian Institute of Software Engineering' coming up in association with Carnegie Mellon University, USA and the very recently announced IIIT(Indian Institute of Information technology) by the Government of India.

However rapid growth of the city earlier was mainly attributed to the industrialization of PMC/PCMC after 1960 and now to the expansion of Information Technology (IT) industry in the last two decades. A change in the occupational pattern of the community is observed from agriculture and allied livelihoods to industrial and other non-agriculture occupations that have morphed Pune from a city of *wadas* (ancient houses from the Peshwa era) to a city of stellar business achievements.

As seen above, a flourishing auto industry; development of large industrial areas within a radius of 50kms and the existing educational Institutes encouraged emergence of IT sector in Pune during last decade of the 20^{th} century (1990-2000). Further, the intellectual and entrepreneurial setting; Stable law and order situation; Lower real-estate rates and cost of living; better electricity/water infrastructure; Cosmopolitan atmosphere and higher quality of life due to access to a variety of cultural, educational and entertainment facilities and talent availability with necessary skill sets substantially contributed towards setting up of IT companies. A Gartner survey in 2006 found Pune to be

- 'Excellent' for skills availability and retention;
- 'Very good' for cost of living and quality of life;
- 'Good' for customers who want to access the IT services and

- 'Fair' for infrastructure.

In the last decade of twentieth century, IT companies were established in all the geographical zones across Pune city i.e Central; North; South; East and West Pune as seen in **Table 5.2** .

Table 5.2: Zone wise growth of I.T. Companies in Pune

Zones	Areas covered by the zone	Major IT Companies	Area/s in Pune having offices	Year of Establishment	(HQ) / (DC) at Pune
Central	Narayan Peth, BhawaniPeth, Shaniwar Peth, Swargate, Deccan, Prabhat Road, Shivaji Nagar, Senapati Bapat Road	BMC software	Senapati Bapat Road, and Yerawada	2001	DC
		Persistent Systems	Senapati Bapat Road and Hinjewadi	1990	HQ
North	Hinjewadi, Pimpri Chinchwad, Akurdi, Pradhikaran	Tata Consultancy Services	Hinjewadi, Hadapsar	1980	DC
		Infosys	Hinjewadi	1999	DC
		Wipro	Hinjewadi	2000	DC
		Tata Technologies	Hinjewadi	1989	Regional HQ
		Cognizant Technologies	Hinjewadi	1999	DC
West*	Karve Nagar, Kothrud, Paud Road and Warje	Cympac Software Solutions Pvt. Ltd	Karve Road	2005	HQ
		Param Technologies	Karve Nagar	2011	HQ
East	Hadapsar, Kalyani Nagar, Kharadi, Koregaon Park,Wagholi, Viman Nagar, Bund Garden, Camp	HSBC GLT	Kalyaninagar	2002	DC
		Amdocs	Hadapsar	2004	DC
		Sungard	Kharadi	1993	DC
		Zensar Technologies Ltd.	Kharadi	1991	HQ
		Cybage	Kalyani Nagar	2000	HQ
South	Ambegaon, Katraj, Kondhwa, Parvati, Bibwewadi, Salisbury Park, NIBM, Wanowrie	IT Cube Solutions	Bibwewadi	2003	HQ

Source: researchers own compilation (HQ)- Head Quarter, (DC)- Development Center

*Areas like Baner and Baner road come in North West zone that have experienced a huge influx of IT companies like Symantec Corporation, Enzigma software, Mithi software technologies and Talentica software India.

As seen in the table 5.2, the zone-wise spread of IT companies in Pune shows number of Large, Medium and small I.T. companies of which some are headquartered at Pune whereas some are development centers of already established companies in India scattered across the city. Noteworthy Pune based I.T. companies amongst the above are 'Persistent Systems' established by Shri.Anand Deshpande and 'KPIT Cummins' by Shri.Ravi Pandit. These companies have got established during the period 1990-2010.

The initial scattered and convenience based establishment of the I.T. Companies in the city got an organized setting through establishment of government I.T. Parks in the North-West and private I.T. Parks in the Eastern zone of Pune since 2002. The IT parks provided organized commercial offices as compared to the previous prominent locations in Central Pune which comprised of old format commercial offices.

The MIDC promoted Rajiv Gandhi InfoTech Park (Phase I to IV) at Hinjewadi is the biggest Government IT Park in Pune Metropolitan Region spread over 684 Hectares (1800 acre). This I.T. Park has 201 IT industries comprising 104 global multinational companies like Cognizant, Amdocs, BMC software and 97 Indian IT companies like Infosys, Wipro that has given a new dimension to Pune's geography; civic development and culture and transformed it from a tier II city to India's seventh biggest metropolis. Divided into four phases, three of which are already developed whereas the fourth phase is under construction, it is one of the largest SEZ created by the government in Pune with an estimate budget of 9.2 billion dollars.

The Eastern zone is dominated by private IT parks like the Magarpatta Cyber City, Marisoft IT Park, Kumar Cerebrum IT Park, Commerzone and EON IT park at Kharadi. The Governments support to hi-tech industries[192] has evidenced in the growth of such private IT Parks. The IT parks offering world class facilities saw major influx during 2004-2005. This resulted into a virtual metamorphosis and transformed the area into a key commercial hub. Especially Magarpatta City and Kharadi are the most developing areas in the eastern corridor that have become a touted destination for major IT players. Magarpatta Cyber City at Hadapsar, built over 400 acres of 'future urbanizable zone'[193] in 2000, is a satellite township by private investors as a self-contained city. Kharadi, another area in Eastern zone has shown

[192] IT and ITES Policy (2003): By waiving stamp duties for owned and leased properties built on MIDC Land

[193] Pune's draft development plan; 1982

phenomenal growth that can be attributed to 'EON': a 4 million square feet. I.T. Special Economic Zone.

5.3 Pune: A Global IT hub

The Contributions of the I.T. Industry of Pune can be evidenced from its growth rate; revenues and employment opportunities generated. According to **NASSCOM (2012)**[194] the industry growth rate is @12-15 %. Further, PMR's outstanding revenue contribution can be seen as in table 5.3

Table 5.3: Revenue contribution of I.T. Industry in Pune

Year	Revenues in USD
2004-05	1 Bn
2008-09	5 Bn
2011-12	8 Bn
2012-13	9 Bn expected

Source : Sakal Times dated August 12,2012

The trend of annual turnover of the IT sector in Pune city shows an increase from around $200 million in 2001 to $7 billion in 2010 and is expected to reach $15-16 billion by 2025. The industry provides employment to approximately 3 lakh employees in 600 companies of which 20% are large companies employing more than 700 employees and the job opportunities of the PMR region in IT sector are 26 percent of available jobs[195].

Software exports of companies in Pune too show an increasing trend from a meager Rs. 8 crores in 1994-95 to Rs. 15,00crores in 2008; Rs. 28,000 crores in 2009-2010; Rs. 30,000 crores in 2010-11whereas in 2012-13 it was Rs. 29,590 crores. Further, some distinct features of the IT Industry in Pune can be enumerated as:

- A city with highest PC penetration[196] per household in the nation.
- Existence of CDAC (Center for Development of Advanced Computing), shows the intellectual streak and supercomputing initiative in IT.
- India's first Wi-Fi City under the 'Project Unwiring' in 2006 even before the national capital, New Delhi.
- Existence of Silicon Valley returnees who have 'reversed the brain drain' by setting up Start ups[197]

[194] NASSCOM; Pune release in August 2012
[195] The Economic Survey of Maharashtra, 2014
[196] International Data Corporation Report, 2012
[197] A survey confirmed 1/5th of India's product start-ups are from Pune city of which 11 % are under the NASSCOM'S 10,000 program of which almost 50 % of the start-ups belong to the mobile, web or cloud segment

Presently, Pune is aspiring to transform into a knowledge city. The Government of Maharashtra' initiatives to develop Mumbai-Pune corridor as knowledge corridor and the investment in I.T clusters have seen expansion in various directions around Pune like Hinjewadi to lonavala (Mumbai-Pune expressway), Kharadi and Ranjangaon, Khed-Shivapur and Shirwal (Pune Bangalore Highway) which is an evidence of future development of the IT sector and growth prospects for Pune as a knowledge city.

Research study conducted by **The SEAP and Zinnov management (2011)**[198] gives evidence of IT industry's status, contribution in all-round development; improved job opportunities and improved standard of life for citizens in Pune. The study finds:

- Availability of diversified pool from 40 engineering colleges
- A government approval for 18 IT-BPO SEZs with a total area of 568 hectares
- Start-up ecosystem (125 indigenous startups) that has created the "Brand Pune"
- 112 MNC R&D centers (15 of the top global 40 R&D service providers), 17 SEZ's and IT Parks
- Birthplace of 'Outsourcing' which proved a boon to the core engineering; R&D; manufacturing and BFSI (Banking, Financial Services and Insurance) companies for shared services.
- Headquarters of 85% of India's software product companies' R&D centers, 61% of India's R&D employee base for software product companies.
- Areas of strength are Product Engineering, Product Maintenance, Software Testing, System Integration, Custom Application Development, BFSI IT services, Automotive Engineering and Enterprise Software product engineering, and Professional Services.

The sprawling government and private software parks housing Indian and multinational companies all over the region engaged in research and development, engineering services and embedded technology-related work indicate that PMR region is gradually emerging as a Global IT center. **Table 5.4** shows facts that establish Pune as a global IT hub:

Table 5.4: Transformation of Pune into a global I.T. Hub

Type of Business	**Name of the Company**	**Total Employees***	**Revenues*** FY13-14	**Appearance in various geographies**

[198] Zinnov Management Consulting and Software Exporters' Association of Pune (2011) 'Advantage Pune – The Innovation Frontier' accessed from : http://www.indiainfoline.com/article/news

		Sept.2014	US $	
IT Services & BPO [Indian Companies]	TCS	3,13,757	14.44 Bn	Africa, Asia, Australia, Europe, North and South America
	Infosys	1,65,411	8.25 Bn	US, India, China, Australia, Japan, Middle East, and Europe
	Wipro	1,54,297	7.3 Bn	US, Europe and Japan
	Zensar	6,800	380 Mn	UK and US
	KPIT	9296	444 Mn	US, UK, Germany, France and Japan
Outsourced Product Development	Persistent Systems	8,000	274.06 Mn	Europe, America and Asia
	Cybage	5000	N.A	US and UK
Foreign Corporations	IBM India	1,50,000	3.2 Bn	Across the globe
	Amdocs India	6,700	N.A.	Brazil, Canada, Cyprus, India, Ireland, Israel and the USA.
	Symantec	20,402	6.67 Bn	U.S, Singapore, Ireland, Japan
	Cognizant	1,66,400	9 Bn	US, UK, India, Hungary, china, Brazil, Argentina, Mexico
	HSBC	8,000	87.6 Mn	India, China, Canada, Poland, Brazil, Malaysia
	BMC Software	6,900	2.2 Bn	North America, Australia, Europe, and Asia
Product Development	Harbinger Systems	200-500	N.A	US
	Clarice Technologies	100-250	N.A.	US
Start-up Companies	Druva	200-500	20 Mn	US and UK
	Quick Heal Technologies	1200	41Mn	Japan, Africa, Middle East
	PubMatic	400	N.A	US ,Europe, Asia Pacific

***Data retrieved by researcher from annual reports of 2013-14**

It can be seen from the table 5.4 above that Pune has strong presence of Multinational and Indian Software Services, BPO, Software Product and R&D companies. Pune has GIC's and Captives of global companies; Development centers of large multinational Indian Software Companies and a large number of startups in the I.T. sector demonstrating the entrepreneurial streak of the city. The average growth rate of these companies lies between 20% - 40% and the city continues to attract new entrants every day who intend to explore partnerships with local companies for IT design/development. A study by **GIREM (2012)** [199] found Pune city a good destination for IT and ITeS sector with potential for future growth as it has existence of 500 MNC's, 66 Global fortune 500 companies and more than 100 R&D organizations in the state of Maharashtra, with concentration of IT and ITeS sector in Pune.

[199] GIREM Report (2012) Can Pune become the next future city?

5.4 Challenges faced by the I.T. industry of Pune:

It is evident that IT & ITES has contributed significantly to the growth of Pune city in the last one and half decade but the unprecedented growth is also positing following challenges according to the GIREM (2012) [200] report that restrict the dream of long-term IT growth and competitiveness:

- **Growth related challenges:**
  - The industry shows over dependency on volume business, instead it needs promotion of start-ups for experimenting innovative ideas.
  - Pune's IT industry is majorly export oriented and needs to find ways to boost the domestic and local IT market too.
- **Infrastructure related challenges:**

  An increasing demand for infrastructure for office spaces and services (schools and colleges; entertainment and shopping centers, and consumer-oriented market segments) is burdening the existing construction, healthcare, and hospitality facilities. The unprecedented realty development is adversely affecting road-infrastructure and pollution levels.
- **Human Resource Challenges:**

  The unprecedented growth of the IT companies in the first decade of new millennium is characterised by attractive pay and lucrative career opportunities. This has attracted young professionals at the cost of heavy work schedules and lifestyle problems. The GDM and 24x7 working of BPO companies requires employees to work in shifts bringing issues of work life balance, health and safety, especially of the diversity populace

Further, Pune is facing paucity of skilled professionals resulting in dearth of middle management employees (Managers). These mid-sized IT organizations are facing a talent crisis as they have to compete with the large IT companies. The Managers of these companies are getting promoted to senior positions, which has bestowed authority but seen to lack the necessary skills, experience, and confidence to handle complex business situations. Managers of these companies on one side have the responsibility to deliver the business performance and on the other side have to

[200] GIREM (2012): The report compiled by the Institute for Competitiveness (IFC) shows that Pune has slipped from No. 4 position in 2011 to no. 9 in 2013.

engage, lead and develop their team of a cross cultural background. The changing organization structures and shrinking management levels make middle management employees a major contributor as they take up decision making responsibilities and need to demonstrate the behavior that interconnects the organizational values and vision in front of their teams at an early stage.

Given the situation of 'War for talent' in these IT companies, innovative HR practices are introduced by them to motivate, engage and retain their managers. The researcher assumes that development needs of these managers need to be assessed proactively by these companies. Designing development initiatives for these managers will significantly see them staying with the same company. Further, this will ensure a good leadership pipeline and result into sustainable development of these companies.
This brings the focus on study of HR practices like PAS on leadership development specifically in Pune's I.T. Industry.

5.5 Selection of Companies for Present study:

The present study considers mid-sized I.T. companies head quartered in Pune. The selection of companies is based on following criteria's:

i. IT Services Companies: Software services sector is the major contributor to the overall revenues of the IT industry in India.
ii. Mid Sized Companies: These are companies having annual revenues between USD 100 Million– USD 1 Billion and are major players contributing an equal share of revenue as large players in Pune's IT Industry.
iii. Companies Head Quartered at Pune: Companies established in Pune having a presence for at least 10 years in Pune were considered ideal for the study.

The researcher found 10 I.T. Companies satisfying the criteria's established of which 6 (six) i.e. 60% of the population has been considered for the present study. The companies selected have major presence in Pune other than being headquartered at Pune. Further, all the companies are registered with NASSCOM, which is an industry body of I.T. companies in India.

The researcher has selected the managerial employees out of the total employees as they are the future leaders of the companies and also responsible for developing their subordinates. The table below gives a clear picture about companies selected and respondents of this study:

Table 5.5: Sample of Companies and Managers for study

Sr. No.	Name of Company	Yr. of Establishment	Total No. of Employees	Employees at middle and senior level	Manager respondents selected
1.	Persistent Systems	1990	8000+	450	80
2.	Zensar Technologies	1991	6800+	440	64
3.	KPIT Technologies	1990	10,210	500	90
4.	Cybage	1995	5,000+	300	43
5.	Tata Technologies Ltd.	1989	6,300	430	54
6.	Nihilent Technologies	2000	1500	50	8
	Total			**2170**	**339**

5.6 Profile of sample IT companies under present study:

PERSISTENT
Hinjewadi
TATA
TATA TECHNOLOGIES
KPIT
ZenSar

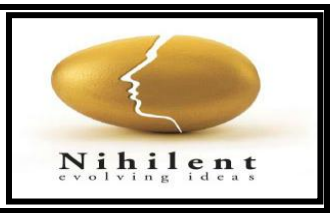
I. Persistent Systems Limited **Bhageerath, 402,** **Senapati Bapat Road,** **Pune 411016** Hinjewadi Phase I : Rigweda, Atharvaved, Yajurveda and Samveda	
Total Employees	8000+
Date of Incorporation	May 30, 1990 (Became Persistent Systems Limited in September 2007)
Revenues	300 million USD (Rs. 19.85 billion)
Geographies covered	First company in Pune to be registered with STPI, Persistent has facilities in Europe, America and Asia across nine development centers. Its other offices in India are spread across Nagpur, Goa, Hyderabad and Bangalore.
Verticals of Business	Telecom, Life Sciences, BFSI, Product development Services, IP led services and technology consulting
HR Philosophy	The company believes that software business is about productive teams who are assets of the company and aspires to build a culture that encourages the best in its employees. It has developed HR policies that are sensitive to employee needs and is differentiated in the technology industry on the basis of its award winning people processes.
Noteworthy HR Initiatives	• It has a Persistent university that serves the purpose of centralized continuous learning to enhance technical; business communication; management and behavior skills through various learning methodologies. • The 'Change Makers' program identifies a core group to be trained and mentored for leadership positions and provided exposure to management meetings. • 'Voice of Youth' initiative selects a group of employees below 30 yrs. with leadership skills and encourages them to observe, check and critique policies so as to make recommendations to senior management. • Training courses in Leadership skills, team building and personal effectiveness are conducted. • 'Arjuna' and 'LEAP' program–for leadership development of 70 mid management employees. • Adoption of massive online courses facilitated continuous and 'Anytime anywhere learning'
PAS	The company has gaming software - 'EMEE', a next generation performance appraisal system that facilitates continuous evaluation and people engagement.

II. Zensar Technologies Private Limited **Zensar Knowledge Park** **Kharadi, Plot #4, MIDC** **PUNE 411014**	
Total Employees	**8000 Associates**
Date of Incorporation	**1991**
Revenues (2014)	**350 million USD (Rs.23.15 Billion)**
About the Company and Geographies covered	Zensar is a software wing of RPG Group and a global information technology services and infrastructure services provider having five Delivery Centres: three locations in India and two in the UK and US and on-site offices in the US, UK, Sweden, Finland, Germany, South Africa, Singapore, Hong Kong and Australia.
Verticals of Business	Manufacturing, Banking Financial Services and Insurance, Retail, and Healthcare. The Company delivers comprehensive services in mission-critical applications, enterprise applications, infrastructure management, e-business, BPO and Knowledge Services.
HR Philosophy	The company has a People Management Framework called "Attract- Enable- Retain" model. It believes it derives competitiveness from the multiple CSR opportunities provided to its associates.
Noteworthy HR Initiatives	The RPG group has a Corporate University to support manager learning. The university introduces programmes that provide inputs to equip and influence managerial and leadership abilities to create a pool of managers and leaders. The learning programs have interventions like class room training, a RPG virtual gurukul for e learning opportunities, Customized LDP's and sponsorship programs to imbibe right leadership behaviour; create a pool of contemporary talent and enhance employment experience. Recipient of the Excellence in Global HR Strategy award at the World HRD Congress 2012, which recognizes exemplary HR practices in talent management.
PAS	Zensar is using the Customized SAP Successfactors Performance Management Software to measure competencies.

III. Cybage Software Private Ltd. **Cybage Towers** **Survey No 13A/ 1+2+3/1** **Vadgaon Sheri** **Pune 411014**	
Total Employees:	**5500 +**
Date of Incorporation	**9th December 1995 by Arun Nathani**
Revenues	**Rs. 5 billion in 2013**
About the Company and Geographies covered	**Cybage Software** is a product engineering and IT Services company based in Pune, India. Cybage is a global information technology provider of outsourced software product development, application development and maintenance. It has received **Best Mature Workforce Practices Award by Shine.com in 2011.** It has offices in eight countries across US, UK and Australia
Verticals of Business	The company caters to Entertainment, Travel & hospitality, Retail and distribution, Healthcare & life sciences, legal and telecommunication domains
HR Philosophy	At Cybage, Human resources are considered most valuable assets and employees' satisfaction, suggestions and concerns are given highest priority. "HR" as an abbreviation signifies as **H**uman **R**espect; **H**uman **R**esponsibility; **H**uman **R**esponse and **H**uman **R**easoning **The HR mission statement includes:** • To build and retain a pool of talented professionals within Cybage • To provide opportunities for continuous professional and personal growth to the employees at Cybage • To respect individual opinion while boosting team spirit across the organization • To operate with a strong belief in an all-level employee participation for continuous knowledge and process up-gradation
Noteworthy HR Initiatives	Cybagians are encouraged to grow at a mutually decided pace. Soft skills enhancement is seen critical to employee encouragement, motivation, and to be equipped to take up bigger roles in the organization.
PAS	The appraisal process measures employees on their approach and not on 'results'. Employees are not marked on any scale but are compared in their team.

IV. Tata Technologies Limited **25, Rajiv Gandhi Infotech Park** **Hinjewadi, Pune 411057**	
Total Employees	**8,000 +**
Date of Incorporation	
Revenues	**388 million USD (Rs. 2644 crores)**
About the Company Geographies covered	**Tata Technologies Limited** is a Tata Group company that provides services in engineering and design, product lifecycle management; manufacturing, product development and IT service management to automotive and aerospace original equipment manufacturers and their suppliers. The company is active in North America, Europe, the Middle East and the Asia Pacific region having operations in 14 countries
Verticals of Business	Automotive, Aerospace and Industrial machinery designs
HR Philosophy	The company believes their business is a people business and hence skill development and passion of the global team will make the difference. It views HR as facilitators and enablers in their roles as Change agent, strategic business partner, functional expert and employee champion. Its HR processes are associated with measurable metrics to track continuous improvement in performance. HR MIS facilitates monthly reporting on the metrics. It calculates a return on human capital YOY. People processes are owned by Line function and facilitated by HR. The company is presently focusing on maturing people practices as per P-CMM model.
Noteworthy HR Initiatives	In 2014-2015, a LDP designed to identify tomorrow's leaders was launched. The selection process of 100 participants included a rigorous six month assessment. The LDP introduced with a purpose of succession planning included challenging training and development exercise and continued education based on patented method by Aon Hewitt management consultants. The company plans increased investment in learning and development in 2015-16 as it aspires to become a high performance organization. The learning and development programs are customized for specific levels of technical and managerial personnel.
PAS	The company uses a structured process of cascading corporate performance measures into employees' KPI's in its continuous appraisal system that enables performance based compensation and individual development plans.

V. KPIT Technologies Limited **Plot No. 35& 36,** **Rajiv Gandhi Infotech Park,** **Phase I, MIDC, Hinjewadi,** **Pune 411057**	
Total Employees	**10,800 +**
Date of Incorporation	**Co-founded in 1990 by Ravi Pandit and Kishor Patil** **In 2002: Merged with Cummins Infotech, and was named as KPIT Cummins Infosystems Ltd.** **In 2013: Name changed to "KPIT Technologies Limited".**
Revenues (2014-15)	**489 million USD**
About the Company and Geographies covered	**KPIT Technologies** Ltd. is an Indian multinational corporation in Pune that provides product engineering services and solutions, IT consulting services and technologies to create better automotive products. KPIT has filed more than 50 patents. The Company operates in the USA, UK & Europe segments. It has 10 development centers and 34 offices spread across 16 countries
Verticals of Business	KPIT operates in Automotive domain and has created well known solutions like REVOLO and India's first ARAI certified Intelligent Transportation System — On-bus ITS. It serves the Automotive, Manufacturing (Life Science, Medical Devices, Industrial Manufacturing), Energy & Utilities, Hi-Tech, Government & Defense industries
HR Philosophy	The company claims to be a technology company that cares for employees by providing them opportunities to grow both, professionally and personally. HR policies are pro innovation supporting both bottom-up and top-down approaches. Company has revamped HR policies to give freedom to the employees to nominate themselves for training programmes and certifications
Noteworthy HR Initiatives	The company has a following programs: 'ELEVATE' that includes mentoring and coaching by leadership members 'LIFT'- A leadership development program; 'ACCELERTE'- certification program for business functions. Leaders club meetings A certification program for competency development in technology; domain; process; project management; soft skills and leadership is being designed.
PAS	It introduced a new performance management framework (KPMS) in 2014-15 that entails a role based approach with a focus to fill 70% of new positions by mapping internal employees.

VI. Nihilent Technologies **4th Floor, Weikfield IT Citi,** **Nagar Road, Pune** **Maharashtra 411014**	
Total Employees:	**1500**
Date of Incorporation	**Founded in 2000 by L.C. Singh**
Revenues	**43.5 million USD**
About the Company and Geographies covered	**Nihilent** is a Pune-based midsized Indian IT company. It is a CMMI Institute partner and delivers services like CMMI trainings and appraisals. Nihilent has created and patented the change management framework MC^3 to bring a holistic approach to managing change. It has operations in Africa, Asia, Europe, Australia, the Middle East and the USA.
Verticals of Business	BFSI, Retail, Mobile computing, Media and entertainment, Government and Healthcare.
HR Philosophy	The company aspires to create a culture of learning, sharing, collaboration and innovation. It claims that urging associates to ideate and innovate is its differentiating factor. The Company encourages exponential individual growth in an exciting atmosphere of learning, experimentation and performance.
Noteworthy HR Initiatives	Under the skill and talent development initiative, Nihilent introduced a training programme for up-skilling South African talent.
PAS	It has a comprehensive performance management tool called **Lamat** based on Balanced Scorecard concept for the purpose of performance measurement. The Competency Assessment System (CAS), a module in Lamat, helps to calibrate the competencies of individuals and provides the organization with a well-defined development approach to bridge the gap. The company offers this software package to global customers for performance management.

Concluding Remarks:

The origin of I.T. Industry in Pune lies in companies being established during 1990's. These companies were established by people who had entrepreneurial streak. Over past two decades these companies have transformed into Mid-sized companies and contribute an equal revenue share in the total revenue of Pune's I.T. Industry. Further, Pune has received recognition as a global I.T. Hub owing to establishment of various multinational companies, GIC's and Large Indian IT companies in the Public [Hinjewadi] and Private I.T. parks in the city [Magarpatta, Kharadi]. All these developments have bought recognition to Pune as a metropolitan region.

The establishment of multinational and other companies has bought competition for highly skilled human resources. The indigenous or Pune based companies are facing a 'War for Talent' especially at the middle level (managerial level). The profile of the sample companies tells us about the global nature and different verticals of the selected companies. As talent has been identified to give a competitive advantage, retaining the critical talent becomes a significant factor towards sustainable development. These companies are undertaking HR initiatives to focus on retaining their managers in long run. Further, In order to retain talent, identifying the good performers and developing them for future is equally significant. In this regard, the present study attempts to relate Performance Appraisal System and its contribution towards Leadership Development initiatives in the select companies. This study aims to create the necessary awareness about PAS and challenges faced to use it for employee development purpose in the select I.T. companies. The researcher collected primary data from manager incumbents of these companies to know the details of their PAS and its link with LD. The next chapter provides the necessary insights from the primary data collected from the managers of these companies.

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