

The Importance of Talent and Skill Building in the Indian IT-BPO Context

Findings of the NASSCOM-McKinsey Report 2005 indicate that, while more than three million students graduate from Indian colleges and the nation produces 500,000 engineers annually, only a very small percentage are directly employable by the industry. Only around 25 per cent of technical graduates and 10-15 per cent of general graduates are estimated to be suitable for employment in the offshore IT and Business Process Outsourcing industries. NASSCOM Newline spoke to industry players to get a first-hand sense of the issue and the steps being taken to address it.

“At Genpact, we can only hire six-eight per cent of the people who apply to us. The rest may not meet hiring specifications. This clearly indicates that India currently faces a gap between talent availability and requirement in the industry.”

Piyush Mehta
Senior Vice President and Head of HR, Genpact

Grappling with the reality of skills shortages

This conundrum can only be explained by the fact that our education system is still inadequate and does not ensure 100 per cent literacy for the country's population. The situation is made worse by the absence of relevant and updated curriculum that takes into account the requirements of the industry and prepares students accordingly.

Educationists like Professor S Sadagopan, Founder Director of the International Institute of Information Technology (IIIT) in Bangalore believe that skills shortages are a multi-pronged problem for the IT-BPO industry, and a result of low investment by the government in building relevantly equipped, employable people. “India has not invested in skills development. We still do not have ‘fair’ private investment in education, which has led to ‘unfair’ agencies investing in skills development and achieving little,” the Professor comments. The need of the hour, Professor Sadagopan adds, is for the government to create an enabling environment where high quality, independent, private institutions can come up, grow, thrive and excel.

According to Pradeep Bahirwani, Vice President, Talent Acquisition, Wipro Technologies, “quality talent is always in demand in India and not easily found. With the risks of fraudulent candidates within the IT-BPO industry increasing by the day, the focus is no longer only on volumes. For some time now, IT people have been talking about the quality of hires.”

Ganesh Natarajan, Global CEO, Zensar Technologies agrees that there is serious concern among IT-BPO companies over the increasing gap in demand and supply of skilled human resources. “The Indian IT industry, even under current economic conditions, has not stopped hiring. And while on this vertical trajectory,

there continues to be hiring especially for existing contract requirements while the pace has reduced on new project hires. This current situation, if not tackled immediately will lead to nations of close competitive advantage such as China and the Philippines challenging India's dominance."

Specialist engineering and technology solutions company Neilsoft also feels that in certain areas like architecture and structural engineering, it is confronted with a paucity of suitable talent, which is reflected in its rejection rates in interviews! The company is facing a difficulty in finding people with fundamentally strong engineering backgrounds, good problem solving, team and project management skills and the ability to work in a distributed environment. On the positive side, Neilsoft, which services the construction, manufacturing and process, capital goods, transportation and software industries, has managed to attract premier engineering professionals on account of its own robust credentials and branding in the market.

Infosys too has not been particularly challenged by manpower shortfalls. "We have not faced any shortage of talent yet. In fact, we received 1.3 million resumes last year (of which we hired only 10 per cent). We have made 25,000 offers this year of which 17,300 people have joined us already. Of the 25,000 offers, 18,000 were made to campuses and we have sent letters to 11,700 students in Q1 and Q2. Therefore, we are not seeing a talent shortage and have stuck to the commitments we made at the beginning of the year. This is true across geographies," informs Nandita Gurjar, Group Head - HR, Infosys Technologies.

Initiatives by industry to bridge the manpower availability gap

Industry players understand the problem most accurately and in the current scheme of things, will need to address these even though on their own, if they are to continue business and fulfill manpower requirements. Organisations operating in this sector are taking steps both individually and collectively to redress the situation.

Keeping in mind the quality of the labour available today and future demand, Infosys began an industry-academia programme in 2004 called 'Campus Connect,' aimed at enhancing the quality of education in the IT arena. Today, over 490 engineering colleges, primarily from India and select universities in Malaysia and China are a part of this programme. In addition, 1,891 faculty members and over 26,000 students have benefited from this initiative.

The 'Campus Connect' programme prepares graduates in subjects such as computer science and software engineering, and also helps them apply and integrate their learning to practical situations. It enables people to hone their professional skills to effectively compete in the IT marketplace with special emphasis on teamwork, project management, cross-functional networking and effective communication. In order to expand the pool of skilled professionals for the BPO industry, Infosys announced Project Genesis in 2005, which trains youth from Tier-2 and 3 cities for employment in the BPO sector. Today, Project Genesis has spread to 407 colleges across five Indian states. "Under Project Genesis, lecturers from various colleges in India are also trained in the 'Global Skill Enhancement' curriculum, and subsequently pass on this knowledge to final year graduation students," Gurjar says.

For Genpact, which invests six million hours annually in employee training, looking at the manpower development from the broader industry perspective has been very important. It is for this reason that the company has joined hands with NIIT to launch the NIIT Institute of Process Excellence Ltd., to meet the demand for skilled resources in the business and technology services industry by providing training programmes in relevant areas. The JV is currently offering training under the brand name 'Uniqua' in areas such as business processes, language skills and business communication.

At the IIIT Bangalore, the focus is on addressing manpower shortages in the R&D sector, which requires large numbers of MTechs and PhDs. Within eight years, the institute has graduated 1,000 high-quality MTech students, most of whom are working in the industry today.

Focus on talent acquisition and development

Zensar meanwhile has unveiled a robust and

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focused talent acquisition programme to enable it to meet its resource requirements. The result is that the company's headquarters in Pune and delivery centre in Hyderabad are both placed comfortably for recruitment, owing to the quality of resources and skills availability these cities have to offer as well as their unique educational and social infrastructure. Zensar's industry-academia initiatives too are well-entrenched in both Pune and Hyderabad.

At the same time, in order to protect itself from the vagaries of the talent market, Zensar has also launched a spate of initiatives including the Talent-On-Demand programme, an integral part of its own manpower acquisition strategy also aimed at creating employable talent for the industry at large. As a part of 'Talent-On-Demand,' Zensar is working with academic institutions to form Centres of Excellence, where it is training faculty using its own homegrown frameworks and methodologies in software development and experience in real business projects. Today, Zensar hires nearly 30 per cent of its people through this initiative.

Nielsoft meanwhile is taking a two-pronged approach - where it is developing talent, rather than poaching it, and attempting to hire from Class B and C towns and has built facilities in these areas to attract engineers.

In order to address the larger concerns of the engineering industry, Nielsoft has launched the 'HeadStart Programme' under the aegis of NASSCOM to build many more industry-ready engineers. The company has chosen three engineering schools - OEP, Pune, BVB College of Engineering, Hubli and Faculty of Technology and Engineering, MSU, Baroda, and selected students from the core mechanical, civil and electrical disciplines, for this

“It is a multi-pronged problem. For too long (decades) the country ignored to invest in creating skilled manpower in sufficiently large quantities. The government has not been able to invest; even the recent investment has lots of leakages. The over-bearing 'control raj' ensures the return on investment is low. The government refuses to allow fair private investment in education; this leads to much of 'unfair' agencies investing in skill development; because of their agenda (diverting money) they achieve little. It is a problem; it is a BIG problem; everyone knows about it; much has been written; sadly though nothing has been done!”

S Sadagopan
Director, IIIT-B

pilot project. The HeadStart Programme is expected to transform the structure of engineering education in the country and place future Indian engineers on the global map.

With a view to improving the quality of the talent it hires and prevents fraudulent candidates from entering its selection system, Wipro has kick started a major initiative to weed out the chaff from the grain. Vendor Managed Inventory is another means Wipro has adopted to provide just-in-time trained resources.

Developing faculty first

“This is one of NASSCOM's key focus areas. We have recently prepared a blueprint on the National Faculty Development Programme, which will soon be submitted to the government. The findings indicate that teachers need special training to update their knowledge in emerging areas. As teachers are poor in their own field, quality of teaching is affected in the majority of the technical institutes of the country. Around 15,000 teachers from IT and Computer Sciences, all from Tier-2 and Tier-3 institutes, need to be provided special training. In these institutes, the faculty members are not in touch with the industry. They are not updated on the emerging areas. These teachers need to update their knowledge through training.

According to AICTE data, there were 1,668 engineering institutes in the country in 2006. About 15-20 per cent of these institutes come under Tier-1 category, which have all advanced facilities and good teachers. “The standard of teaching is a matter of concern in these institutes. NASSCOM has prepared a three-pronged strategy which emphasises on first-time education, offline material and mentoring and refresher' programme,” says Rajdeep Sahrawat, Vice President, NASSCOM.

“In addition to faculty training, NASSCOM's efforts are focused on minimising the training time at a company to a few weeks, down from the current 14-18 weeks,” he added.

Clearly, the IT-BPO industry is working actively to address the manpower issues dogging the sector. Government and academia are also getting together with industry to transform the education system, overhaul learning and create talent with a higher employability quotient. Today, this has become an imperative for all the stakeholders in the country's education system.