

NASSCOM Announces Ranking of Top 15 Exciting Emerging Companies to Work For

Recognising the high performance, proliferation and increasing importance of emerging companies within the IT-BPO ecosystem, NASSCOM has been actively tracking their evolution and growth. In the last three years, around 371 start-ups have become operational in the products arena alone.

As a part of this activity, NASSCOM has been coming out with an annual survey on the best practices deployed by emerging companies in the area of HR, that make them exciting career destinations.

Based on the 2008 Study, NASSCOM has announced key findings, alongside the rankings of the Top 15 emerging companies within the IT-BPO space in India.

The 'Exciting Emerging Companies to Work For' Survey, now in its second addition, has been conducted in partnership with Right Management India and benchmarks small and mid-sized IT-BPO players in the area of HR. Over 13,000 employees from 61 companies participated in the annual study.

The objective of this survey was to identify the best small and medium-sized IT-BPO companies to work for. It was also to provide companies with insights (based on employee perceptions) on their work environment, work culture, degree of staff satisfaction as well as the robustness of their HR systems and processes.

The survey ranked the participant companies on a composite score known as the Excitement Index, which was arrived at after analysing both the employee perception inputs (captured by an online perception survey) and the HR diagnosis inputs (captured by HR diagnostic study conducted for each of the participating companies).

Here's what the NASSCOM Study indicated

- Employees across participant organisations value an open and caring relationship with their supervisors; personal recognition, the existence of career growth paths; training for existing and future roles and open relationships with peers
- There is a significant difference between the career development scores of the Top 15 companies and rest of the companies, with those sharing career

development plans with employees scoring higher on the excitement index as compared to companies which don't

- Employees of small companies (having less than 100 employees) have a better perception of their workplace with regards to fairness and equity
- The difference between the scores of the Top 15 companies and the rest of the companies is the maximum in the area of rewards and recognitions. The main reason being the fairness and transparency of the processes adopted by the Top 15 companies while deciding on the benefit schemes for its employees
- Organisations which are smaller in size have been able to meet their employees' expectations on work environment better than mid-sized organisations
- HR systems and processes in the Top 15 companies are significantly better than the rest of the companies and that is the main distinguishing factor in the Excitement Index of the Exciting Emerging Companies 2008.

Top 15 Exciting Emerging Companies to Work For

1. HeroITES
2. Corbus (India) Pvt. Ltd.
3. AgreeYa Solutions India Pvt. Ltd.
4. Nagarro Software Pvt. Ltd.
5. R Systems International Ltd.
6. Synogy India Pvt. Ltd.
7. Acclaris Business Solutions Pvt. Ltd.
8. Infogain India (P) Ltd.
9. Hytech Professionals India Pvt. Ltd.
10. Nucleus Software Exports Ltd.
11. Sopra India Pvt. Ltd.
12. Cactus Communications Pvt. Ltd.
13. Interglobe Technologies Pvt. Ltd.
14. H5 Asia Pacific Pvt. Ltd.
15. Saba Software India Pvt. Ltd.

Building a Case for Telecommuting

The government's decision to make changes in the 'work-from-home' policy is a welcome step, says NASSCOM.

The August 2008 announcement by the Government of India regarding a change in the 'work-from-home' policy is expected to transform the IT-BPO landscape, providing a big boost to telecommuting. The IT-BPO industry, along with NASSCOM, has been urging the government to relook at the 'work-from-home' policy working towards this.

As per the altered rules, the Other Service Provider (OSP) licence can now be granted to an individual, instead of a new unit, which had to be set up by the organisation earlier. As per NASSCOM estimates, from 20 lakh employees, around 5 per cent employees are availing of the 'work-from-home' policy. "The changed policy will lead to an exponential rise in home-agents, though organisations need to address issues like security, level of flexibility and proper training," comments Raju Bhatnagar, Vice President, NASSCOM.

Driving costs and attrition down with telecommuting

Among the key reasons why organisations embrace telecommuting is to reduce costs and retain valuable talent. A number of companies use the 'work-from-home' policy to hire or retain highly qualified agents, who may otherwise leave. The aim is to provide employees with a work-life balance, while reducing costs at the same time. Telecommuting is known to reduce attrition, a major benefit for the IT-BPO sector.

As per NASSCOM, for the 'work-from-home' policy to work, the government will have to take the following additional steps:

- Develop appropriate policies for home agents. Some aspects will be common for telecommuting employees and in-office agents (those who work in offices) like email discipline, expense claims, privacy, information security, etc. However, there would be some add-ons that would be needed specifically for home agents
- Create effective mechanisms to provide training on an ongoing basis as well as regular updates which the client or the process requires
- Structure the agent's workspace at home. The work area would need to be secluded and away from normal household activities/disturbances
- Create new employment practices and engagement models – where agents would move from a monthly salary model to an hourly wage model
- Introduce mechanisms to alert the data centre of the organisation about any changes being made to the computer configuration, etc.
- Introduce methods and metrics for monitoring and tracking the performance of home agents.

At the same time, the changes in the 'work-from-home' policy is a positive step for the industry.

Making the Move into LPO

A number of leading BPOs in India are adding Legal Process Outsourcing services into their portfolio. Here's why.

Wipro and Infosys foraying into the Legal Process Outsourcing (LPO) business may sound a bit out of place initially, but when viewed as part of a business strategy for the flat world, they appear to be key moves in an increasingly globalised world. Wipro is understood to have introduced Legal Process Outsourcing (LPO) services, including offerings such as patents and contract management, as a part of its Knowledge Services business. Infosys on the other hand has plans to launch services in the traditional legal domain including paralegal services and litigation support.

The outsourcing industry has been predominantly voice-based in the past, though many non-voice based processes have been incorporated into the portfolio of BPOs over the last few years. This broadening of the horizon by BPO organisations is a welcome value-addition for global customers. The debut of Legal Process Outsourcing services by BPOs has to be viewed in the same context.

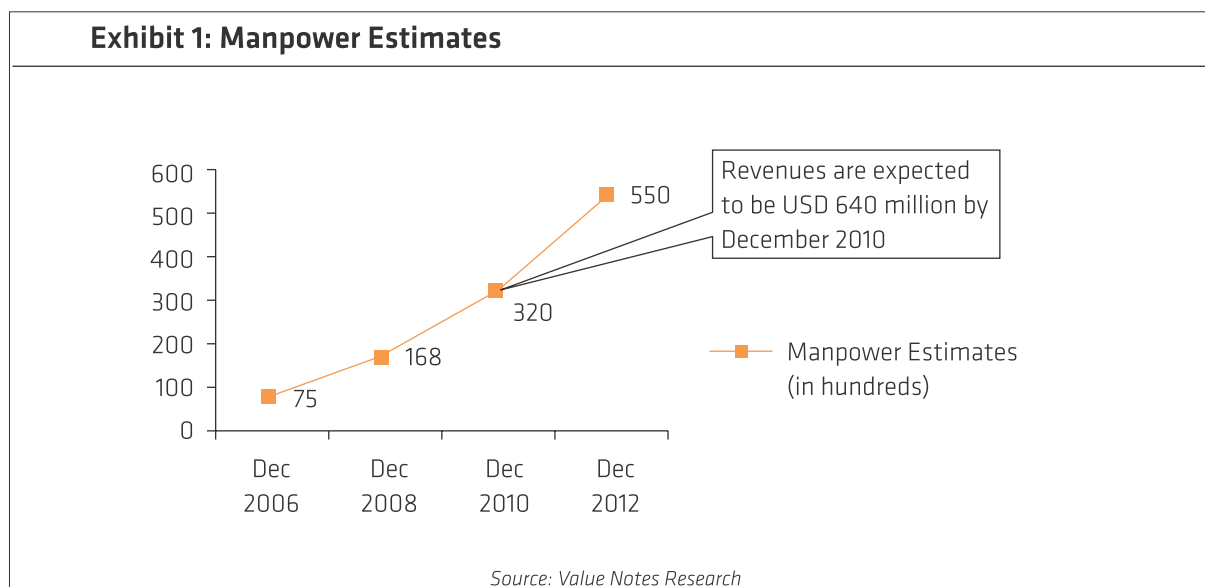
According to a study by the US-based Forrester Research, the current annual value of legal outsourcing, which is worth USD 80 million, can go up to USD 4 billion and generate over 79,000 jobs in India by 2015. A study by Value Notes indicates that in a span of five years, the offshore legal services industry has grown remarkably (at a CAGR of over 40 per cent). There are more than 100 vendors in the offshore legal services industry employing around

10,000 people as of November 2008. The employee count is expected to reach 55,000 by the end of 2012. Revenues from the offshore legal services are estimated to be USD 325 million for 2008 and are expected to grow over three times by 2012 to cross a billion dollars.

In the case of LPO activity within Knowledge Services, the entire gamut of work is divided into two separate, yet conjoined sectors. While companies require a high-end legal team for the more complex projects work, a lot of the background work involving research, analysis and proofreading of documents can be undertaken by relevantly skilled people who just need to be told what to do.

The BPOs handle the heavy lifting part and pass it on to the Knowledge Services to develop the same into a thought leadership piece. Service lines at the lower end within a Legal Process Unit include legal transcription, litigation support i.e. in e-discovery and coding and indexing, legal research, document review, secretarial services like statutory reports and filings, legal billing and word processing. At the higher end of the spectrum are services such as legal publishing consisting of database creation and compilation, writing head notes, synopsis, directories, newsletters and contract-related services such as contract drafting, contract review, contract abstraction, corporate governance and corporate due diligence.

Contributed by Clairvortex Research



Managing in the Economic Downturn: A Human Resources Perspective on IT-BPO Organisations

The developments in the global financial and banking sector in the last year have had a profound impact on the global financial system including the outsourcing industry in India.

In partnership with NASSCOM, Hewitt Associates has conducted a dip-stick study of large and medium IT-BPO companies to understand the preliminary impact of the downturn. According to the survey, organisations in the IT-BPO sector are facing an uncertain environment where areas such as cost of delivery (pressure on pricing and billing rates) revenue realisation are getting impacted.

The primary points of focus for companies in the current environment are cost efficiencies, performance and productivity, employee engagement, innovative business practices and gearing up for the upturn. According to Hewitt, companies expect HR to play a strategic role in these areas and support the business.

HR challenges and market practices

Each focus area for business poses distinct HR challenges. HR managers have to look at how they can drive utilisation, control discretionary spending and HR budgets, improve employee productivity, tighten the linkage between performance and pay, understand what engagement means in today's context, explore new work design models, drive and reward innovation and recognise and retain key talent.

Future Outlook for HR

We believe the following is the short to medium-term outlook for HR practices across Indian IT-BPO firms based on the revised business focus areas:

- a. Hiring:** Cautiousness in hiring is expected to continue. Employees with high-end technical knowledge or in-depth domain expertise will continue to demand premium salaries
- b. Compensation and Benefits:** The possibility of employees in the IT-BPO sector taking single digit hikes or no hikes is for the next fiscal is very real. Any increases will be linked even more strongly to performance
- c. Training and Development:** Large organisations will invest strategically in training, as experience

shows that cutting back blindly on T&D budgets is counter-productive in the long-term. Medium-sized companies are more likely to place T&D on the backburner in order to conserve cash

- d. The Role of the HR Function:** HR is now at a stage to be a true partner to business. During growth, delivery teams were comfortable taking a lead role in managing business HR functions. As the downturn brings in fresh challenges and tougher targets, delivery leaders are now turning to internal HR specialists for advice in improving productivity and cost efficiencies.

Organisations should see the time of the downturn as an opportunity for making changes that are needed or introducing initiatives that got neglected during boom-time. These may span HR interventions (such as training programmes for re-skilling / multi-skilling employees, developing an impactful employee value proposition or changes in the HR function itself); and business aspects (such as refining customer relationship and go-to-market strategy). It may also be an opportune time for selective hiring from the market to fill skill gaps that may have been difficult to recruit during the boom years.

Metrics		
Voluntary Attrition	Decrease	★
Utilisation	Decrease	★
Bench Strength	Decrease	★
Billing Rates	Remain Constant or Decrease	★
Employee Costs as a Percentage of Operating Costs	Decrease	★

(This article has been contributed by Hewitt Associates LLC).