

# [High expansion it industry business essay](https://assignbuster.com/high-expansion-it-industry-business-essay/)

According to one estimate India produces 500, 000 engineers every year when the market needs 250, 000. So there should be plenty, however, because only one in five of them are employable, India actually has a shortfall of 150, 000 engineers. Hiring a right talent from the pool of manpower both at entrance level and lateral level is a challenge. The companies have developed ways and means to attract the right talent.

## RESEARCH OBJECTIVE:

The research will highlight the significance of “ Recruitment & Selection” in high expansion IT Industry

The research aims to signify the importance to resourcing the right applicant which will act as profit making unit for an organizational growth.

## SCOPE OF THE WORK:

A demographically young India will be the largest contributor to the global labour force in the coming decades, and will add about 110 million workers by 2020, a study by Goldman Sachs said.

The study said that India’s labour force is expanding at a time when many other countries are facing “ ageing-related issues” (older populations) and shrinking workforce.

India’s workforce growth, it added, will be driven by people in their 30s and 40s, urbanisation, and rise in number of working women.

“ India will likely provide the largest increase to the global labour force over the next few decades. Our projections suggest that its labour force may rise by 110 million this decade,” said the study, India’s Rising Labour Force.

“ Our projections take into account increases to the labour force participation rate due to a favourable age structure. Thus, our labour force projections are higher than those of the ILO (80 million),” it added.

The study said that nearly half of the increase in the labour force in the next 20 years will come from the “ thorites” (people in their 30s and 40s) age group, which tends to be the peak years for earnings, savings and productivity.

Besides, increasing urbanisation and a large number of women potentially entering the workforce will stoke the trend, it added.” We estimate that an additional 290 million Indians may urbanize by 2030, and a staggering 640 million by 2050,” the study said.

However, it added that to be able to absorb such a large labour force, especially one that will move from agriculture into industry and services, the Indian industry would need to create 40 million jobs over the next decade.

It also cautioned that to be able to reap dividends from favourable demographics, India will have to overhaul its labour laws that restrict hire-and-fire policies and invest heavily in education and skills training.

It said that with the right policies in place, demographics alone may contribute to about 4 percentage points of the annual GDP growth for the next two decades.

“ If India gets its policies towards demographics wrong, it could potentially lose annually about 1. 5 percentage points from our base case of 8 per cent plus GDP growth till 2020,” the study warned.

“ On the other hand, `good’ policies could push potential annual GDP growth to well above 9 per cent over the next decade,” it added.

Spurred by such favourable demographics and economic growth, the study predicts that there would be a rise in demand for risky assets. It said the share of equities in household savings could double from 5 per cent today to 10 per cent in 2020, with annual inflows into them rising six times by then, compared to a 2. 5-fold increase in bank deposits.

As for consumption patterns, the study said that spending on health and education may increase five-fold in 10 years, compared to 2. 5 times on food and beverages. Similarly, demand for autos and transportation as well as housing and appliances may also increase due to the overall rise in spending.

On the downside, the study stated that such a large workforce will increase demand for commodities at a time when resources are stretched and environment issues have become dominant.

## METHODOLOGY:

Mode of data collection or generation- My thesis consist of combination of Primary , secondary and qualitative data .

## Primary Data

The primary data consisted of questionnaires:

The questionnaires will have both open ended and close ended questions. Through telephonic interviews. Face- to-Face interviews – which will really help me to have a clear understanding of my research work.

## Secondary data

Related websites of various companies, study material provided to me by my guide , books etc

## JUSTIFICATION FOR CHOOSING THE PROPOSAL:

India is a preferred destination for companies looking to offshore their IT and back-office functions. It also retains its low-cost advantage and is a financially attractive location when viewed in combination with the business environment it offers and the availability of skilled people.

With the first quarter of the new fiscal 2011-12 offering positive business outlook, hiring sentiments for sectors like IT, ITeS and telecom have risen by over 20 per cent, says a study by TeamLease Services Pvt. Ltd. As per the Employment Outlook Report for the period April-June 2011, released by TeamLease Services Pvt. Ltd., hiring intent from IT and ITeS was the highest in cities like New Delhi, Mumbai, Hyderabad and Pune.

India’s top technology firms like TCS, Infosys, Wipro and HCL are readying plans to gain a bigger share of their largest market, US, by aggressively chasing contracts being served by multinational rivals. Analysts expect the top IT firms to grow between 23-27 per cent in the FY2012 on the back of more number of discretionary projects, improved pricing, and robust business volumes.

Poised to become a US$ 225 billion industry by 2020, the Indian information technology (IT) industry has played a key role in putting India on the global map. The IT-BPO sector has become one of the most significant growth catalysts for the Indian economy. In addition to fuelling India’s economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to various socio-economic parameters such as employment, standard of living and diversity. 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, according to National Association of Software and Service Companies (NASSCOM).

The sector is estimated to have grown by 19 per cent in the FY2011, clocking revenue of almost US$ 76 billion. India’s outsourcing industry has witnessed a rebound and registered better than expected growth according to NASSCOM.

## ABSTRACT

HCL Technologies Ltd. (BSE: 532281, NSE: HCLTECH) is a global IT Services company headquartered in Noida, India. The company is led by its Vice Chairman and CEO Vineet Nayar. It is the IT services arm of HCL Enterprise, a US$6. 0 billion global Technology and IT Enterprise. HCL Technologies is fourth largest IT company in India and is ranked 48 in the global list of IT services providers.[1] HCL Technologies, along with its subsidiaries, had consolidated revenues of US$3. 5 billion, as on 30 June 2011, and employs more than 85, 000 people of diverse nationalities. HCL Technologies has global network of offices in 26 countries. The company is listed on the National Stock Exchange and Bombay Stock Exchange of India.

HCL provides services across SIX Business Lines –

Engineering and R&D Services (ERS) – offering services in Hardware, Embedded, Mechanical and Software Product Engineering.

Enterprise Transformation Services (ETS) – offering services in the areas of Process Transformation, Data Management, Integration Services, Architecture Services, Disruptive Technology Services, IT Strategy, and Change Management.

Business Processing Outsourcing (BPO) – division of HCL Technologies Limited has delivery offices across India, UK and USA.[3]

Custom Application Services, – includes customized IT Applications development, support & maintenance.

IT Infrastructure Management – focuses on End User Computing Services, Data Center Services, Cross Functional Services, Enterprise Network Services, Security Services, Integrated Operation Management, and Mainframe & AS400 Services.

Enterprise Application Services (EAS) – focuses on areas like in ERP, SCM, CRM, HCM, EPM, BI and Middleware. This group is now part of HCL AXON, subsidiary of HCL Technologies, formed after HCL Tech acquired Axon Group plc for £440m cash offer in 2008

Industries

HCL serves a broad range of industries including Financial Services, Education, Hi-tech & Manufacturing, Aerospace & Defense, Telecom, Retail & CPG, Life Sciences, Healthcare, Media & Entertainment, Travel, Transportation & Logistics, Automotive, Government, Energy & Utilities.

Management Philosophy

In 2005, HCL Technologies commenced on an internal management transformation program. Vineet Nayar, President in 2005, introduced a new working model & philosophy ‘ Employees First’, making employees at the center of the change in the organization. The philosophy recognizes employees as strategic elements of an organization. It democratizes the company’s functions and its way of working. Today, this unique management philosophy has been recognized and praised worldwide for empowering employees to become the drivers of growth.

The philosophy has been the subject of a Harvard Business School case study and have prompted Fortune magazine to characterize the company under his leadership as having “ the world’s most modern management.” HCL has been cited by BusinessWeek as one of five “ most influential emerging companies,” and it was named Best Employer in India by the global human resources services company Hewitt Associates.

Recently, HCL ws announced as one of the most Democratic Workplaces by WorldBlu.

Acquisitions and joint ventures

The company acquired Capitalstream, a US BFSI product company for US$40 million in February 2008. Capitalstream’s FinanceCenter product is an addition to HCL’s current product addressing the BFSI market – Penstock, the product that HCL launched in 2007.

On 15 December 2008, HCLT acquired the UK based AXON Group for US$658 million, which was renamed HCL Axon

HCL Technologies is a leading global IT services company, working with clients in the areas that impact and redefine the core of their businesses. Since its inception into the global landscape after its IPO in 1999, HCL focuses on ‘ transformational outsourcing’, underlined by innovation and value creation, and offers integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services and BPO. HCL leverages its extensive global offshore infrastructure and network of offices in 26 countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare. HCL takes pride in its philosophy of ‘ Employees First, Customers Second’ which empowers our 77, 046 transformers to create a real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US$ 3. 5 billion (Rs. 16, 034 crores), as on 30 June 2011 (on LTM basis). For more information, please visit http://www. hcltech. com

Specialties

Manufacturing, Aerospace & Defense, Financial Services, Telecom, Retail & CPG, Life Sciences & Healthcare, Media & Entertainment, Travel, Transportation & Logistics, Automotive, Government, Energy & Utilities, Consumer Electronics, Healthcare

## INTRODUCTION

The key differentiating factor in today competitive environment is its people. Thus it is important to hire right people who fit in their organization and leverage their strengths as well as develop them on areas where there are gaps not only to become future leaders but also to become successful in their jobs, in the current career stage. For greater productivity enhancements, the organizations need to pay attention to their human asset, instead of just enabling change to take place, this is the major challenges faced by organization today.

## Coping with the Demand-Supply Gap

Shortage of IT professionals is global in nature and not peculiar to the Indian software industry alone. W. Strigel, founder of Software Productivity Centre Inc. (1999) has projected the shortage of software professionals to be one million by 2006. In fact, a survey reports that 75 per cent of US companies planned to reengineer their applications using newer technologies, but found that 72 per cent of their existing staff lacked the skills needed in these technologies, and 14 per cent were not even re-trainable.

For India, it is predicted that in the year 2004 itself, the IT sector will need 1, 95, 000 professionals. This trend will continue, and in the year 2010 almost 3, 70, 000 IT professionals will be required (Strategic Review Reports, NASSCOM 1996-2001). Consequently, recruitment managers are exploring new sources of IT manpower from non-IT professional sectors, as well fresh, trainable science graduates.

Being the best place to work with

As with any other professional, what really matters to software professionals is selecting ‘ the best place to work with’ which is what every company is striving to be. The global nature of this industry and the ‘ project-environment’ (as opposed to product environment) has added new cultural dimensions to these firms. In a value-driven culture, values are determined and shared throughout the organization. Typically, areas in which values are expressed are: performance, competence, competitiveness, innovation, teamwork, quality, customer service, and care and consideration for people. Flat structure, open and informal culture, authority based on expertise and ability rather than position, and flexi-timings are some of the norms software firms follow. The idea is to make the work place a ‘ fun place’ with the hope of increasing loyalty and commitment.

Integrating HR strategy with Business Strategy

The strategic HR role focuses on aligning HR practices with business strategy. The HR professional is expected to be a strategic partner contributing to the success of business plans, which to a great extent depend on HR policies pertaining to recruitment, retention, motivation, and reward. The other major areas of concern for HR personnel in this context are, management of change, matching resources to future business requirements, organizational effectiveness, and employee development

## LITERATURE REVIEW

HCL Technologies, India’s fourth largest information technologies services company, with the revenue crossing $6 billion. HCL has posted a growth of 51% in the profit. In the last one year it has posted a better volume growth then TCS and Infosys. This is all because HCL is working very aggressively. Its all geographies and verticals have shown positive growth in the last one year. Apart from US and Europe, Asia market is growing very fast. HCL adopts different strategy for different Markets as demand is not consistent in all geographies. HCL has a employee strength of 77000 across the world. HCL has stepped up efforts to expand service offering across emerging markets. This expansion plan includes investment in human resource on new markets such as Asia Pacific, Latin America and Africa.

Given the pace of industry growth and its dependency on headcount, attracting, retaining and motivating talent is the top challenge for the industry. The traditional approach viewed employees as commodities and placed emphasis deploying entry-level talent and a factory-like approach for project execution. There were no unique engagement strategies centered on the employee.

HCL realized that the key to customer satisfaction was with the employee. Today, in an industry like software, which is knowledge intensive and relies heavily on manpower, this has become a powerful strategy. ‘ Employees First’ – a pioneering strategy envisaged by HCL places the needs of employees before the needs of customers and has provoked a sea-change at the company level, and, in turn, greater customer loyalty, better engagements and higher revenues.

‘ Employees First’ is an employee focused program that gives people whatever they need to succeed – be it space to grow, time to think or tools to use. Its about maximizing personal potential rather than monitoring professional performance.

HCL’s enlightened approach to employee development also focuses on giving people whatever they need to succeed: be it a virtual assistant or talent transformation sabbaticals; expert guidance or fast track growth; inner peace or democratic empowerment. ‘ Employees First’ is a five fold path to individual enlightenment. This ensures that people are given Support, Knowledge, Recognition, Empowerment, and Transformation.

‘ Employees First’ is gaining world wide recognition – It is now a case study at the Harvard Business School.

ORGANISATION STRUCTURE IN HCL

Below is the structure that is adopted in HCL, starting from the entry level.

Band

Sub-band

Designation

E1

E1. 1

Associate Consultant

E1. 2

Consultant

E2

E2. 1

Sr Consultant

E2. 2

Lead Consultant

E3

E3. 1

Project Manager

E3. 2

Sr Project Manager

E4

E4. 1

Group Project Manager

E4. 2

AGM

E5

E5. 1

DGM

E5. 2

GM

E6

E6. 1

Associate Director

E6. 2

Global Director

E7

E7. 1

AVP

E7. 2

VP

RECRUITMENT & SELECTION PROCESS IN HCL

HCL has divided its recruitment process in broadly 3 categories. There are in all three departments which are functional in attracting talent, on boarding and finally absorbing them in the project. The teams are:

TPG Team: This is talent planning group. This group is responsible for placing the candidate in project and making them billable.

TAG Team: This is talent acquisition group. The primary function of the group is to invite application, conduct interviews, negotiate salary and offer the candidates.

EHS Team: This team is the responsible for on boarding of the new employee. They are responsible for completing the joining formalities.

HCL is a process driven organization and to manage and acquire the workforce across the world, the requirement has to be consolidated on the single portal. The requirement is uploaded by Sales team/Account Managers/Project Mangers in a system/portal called GRA (Global Resource Activity). TPG team has the access of this portal through which the activity of the entire resource such as billable, bench, resigned and on leaves candidates in all the projects can be tracked. This portal also shows the shortfall of resource in the ongoing project also the new requirement. GRA also serves as the platform to track the activity of the resource, their billability and their release date.

Once the requirement is published on the GRA portal the TPG team evaluates the requirement and if there is internal resource available it proposes the same. If the resource gets selected the requirement gets closed in GRA. In case of non availability of resource the requirements gets transferred to TAG team.

Recruitment Process In HCL Technologies:

Requirement after validation from TPG (Talent planning group)gets transferred to Recruitment Manager.

Position gets distributed in the team.

Executive generates profile.

Short listing of CV/profiles

Initial HR discussion by recruitment executive to validate the experience, communication skill, availability, notice period and salary discussion.

Technical discussion.

HR discussion, this mainly involves negotiation on salary and designation.

Offer letter released.

On boarding and handholding of the candidate from TAG to the TPG team.

Responsibilities of TAG Team:

Campus Recruitments

Some of the brightest minds from the elite engineering and graduate colleges from around the world join HCL every year. It is their continuous effort to build an organization where innovative methods of doing business and redefining customer satisfaction are a way of life. They believe in tapping the best talent from across campuses and molding them into future leaders.

And that is evident from the large number of business unit heads and members of their senior management who were all campus hires. In fact, their CEO Vineet Nayar was also a campus hire.

HCL hold campus recruitments in various campuses across the country, and share a long association with some of the most prestigious institutes/colleges/ universities.

Campus hiring in India: Throughout the country, HCL is associated with the best colleges – hiring fresh graduates, engineers as well as the crème de la crème from business schools, and has been hiring the brightest minds in to the organization. HCL is constantly on the lookout for students that, they feel, have what it takes to stand out from the crowd and lead HCL into a bright future.

Global Campus hiring: With a presence in 31 countries and 80, 000 people, HCL is a global giant in the true sense. They have been hiring from elite institutions across geographies, and are building a team that is driving them forward on to new heights.

Internship Programs:  HCL have instituted an Internship Program in Singapore, through which they recruit skilled lateral and fresh talent from universities in Singapore to perform surveys/benchmarks/POCs across platforms and industry domains for their global and regional customers. True to their commitment to engage with the best and the brightest in every field, these are proposals for a mutually beneficial professional alliance.

Through this Internship Program, they offer select students the professional experience of a lifetime. From an enviable work environment to innumerable learning opportunities, and the chance to work directly with eminent global clients – this internship program will acclimatize students with the corporate world and offer a first-hand glimpse of life at HCL.

There is a centralized TAG team which specializes in campus recruitment. The request from across the LOB is collated and shared with the campus hiring team. This data is shared well before the time. The team is now responsible for deciding the type of college, location etc and visits to various campuses to acquire these talents.

The criteria for hiring at campus level are aptitude, subject knowledge, communication skills and no location constraint. HCL has offices across India and abroad, preference is given to candidates who are open to relocation anywhere.

Lateral Hiring: HCL follows the model of 80: 20. Fresher becomes the part of 20% of the whole project the remaining 80 percent fulfillment is done with the help of lateral hiring.

Lateral hiring fulfillment is done in the following manner.

Profile Generation:

The first objective of TAG team is to invite application from the candidates. Below is the various ways to invite the application:

Advertisement (Paper/Job Portals)

Referral

Job portal

External Agencies

RPO (Recruitment Process Outsourcing)

Advertisements

These include advertisements in newspapers; trade, professional and technical journals; Job Portals, Networking sites etc. The ads generally give a brief outline of the job responsibilities, compensation package, prospects in organizations, etc. This is applicable when (a) the organization intends to reach a large target group and (b) the organizations needs a fairly good number of talented people – who are geographically spread out. The ad is designed by special team so that it attracts maximum number of candidates. This advertisement serves dual purpose, it creates a healthy databank of profiles and also it creates visibility in the market, which in turn creates brand image of the organization.

Referral:

Referral is one of the strongest channels of recruitment. The organization always promotes it and there is a strong policy in place for the same. Employees are encouraged to refer qualified individuals outside HCL for consideration for any existing job openings. This policy covers only those referred candidates who have two plus years of relevant experience. For any Recruitment Drive happening through Newspaper Advertisement, Job fairs or Walk-Ins, the reference scheme will not be applicable to the employees. The employee will be eligible for the reward, three months from the time of the referral joining the organization, provided both the employee and the referral is still on the rolls of the company. The reward amount varies as per band at which the referred candidate is selected. The amount earned at each referral level is as follows

Referral Procedure

Recruiter will select positions on which he/she decides to invite employee referral and post the same on The Insider Edge-Job Portal Employees can refer their friends only against the requirements uploaded on Insider Edge by following the process mentioned below:

Log on to www. myhcl. in

Go to Insider Edge and submit the CV against the open positions in the

Transform your buddy section specified in the Portal.

The recruiter on receiving the profile will:

Review and validate the resume against the requirement for which it has been referred.

Shortlist/ Reject the profile against the requirement.

If a referred candidate is shortlisted, notification will be mailed to the employee who had referred the candidate.

System generated e-mail will go to employee in case if the referred candidate is not found suitable

The referred candidate, if short listed will undergo the selection process. The employee who has referred the candidate will not participate in the selection process.

If the referred candidate is selected within three months of reference of a candidate, the referee is entitled for referring fee provided both the referee and the referred candidate are active on the rolls of the company at the time of referral payment.

E-mail notification to be sent to the employee if the referred candidate is selected.

The payment will be made to the employee after three months of the candidate’s joining the organization, provided that the employee and the candidate are still on the rolls of the company. The recruiter will check employment of both the employee and the referred candidate after 3 months and alert EHS to release payment.

The payments will be provided along with the salary.

Referral payment is a taxable income.

External Agencies/Consultant

For Just-in-time and niche skill hiring HCL involves recruitment agencies. The whole purpose of partnering with agencies is to hire candidates who can join earlier then the set SLA of 100 days. The agencies have a active data bank and are specialist in a recruitment and selection. They often specialize in recruitment for specific areas (e. g., ERP, JAVA, Testing etc). These agencies usually provide a shortlist of candidates from their databank or head hunt the candidate. HCL also take third party candidates from these agencies for their short term assignment.

Walk-ins

Companies generally receive unsolicited applications from job seekers at various points of time; the number of such applications depends on economic conditions, the image of the company and the job seeker’s perception of the types of jobs that might be available etc. Such applications are generally kept in a data bank and whenever a suitable vacancy arises, the company would intimate the candidates to apply through a formal channel

## Recruitment process outsourcing (RPO)

HCL is in the process of outsourcing entire process of recruitment. A contract is signed between the RPO and HCL and work order is given for fulfillment of specific number of position in specified timeline. The outsourcing firm helps the organization by the initial screening of the candidates according to the needs of the organization and creating a suitable pool of talent for the final selection by the organization. This practice helps the organization in reducing time and costs in recruitment

RPO is gaining momentum in HCL across the world. It is the recruitment model in Malaysia and the pilot project was executed successfully in India. RPO was used in a project called P400 and it was successfully executed.

Profile Screening

Once the TAG team gets CV/application for the open roles the recruitment executive screens the profile. The initial level of contact is established with the shortlisted profile and further screening is done to evaluate the candidate on his experience, salary, willingness to travel, and communication skill. If the executive shortlists the candidate, the candidate is scheduled for first round of technical discussion.

Technical Interview

There are two rounds of technical interviews which are being conducted by the technical panel. Once the candidate clears both the round of interviews, he is moved to the HR discussion. The 2nd round of discussion focuses on fitment and the panel is responsible for recommending designation to the candidate. In HCL the designation is decided by the delivery.

Technical panel: A certified list of technical panel is being created. This list is formed with the consultation between LOB (Line of Business) Head, HR Manager and Recruitment Manager. Only the certified consultants are responsible for taking interviews. This list involves employees above E3 (Project Manager) Level.

HR Discussion.

This round mainly focuses on salary discussion, cultural fitment, attitude etc. This is being done by the recruitment executive. The salary to be offered is decided by the salary grid which is updated every year by conducting survey in the market. This survey is being outsourced to HEWITT ASSOCIATES. The salary grid has four ranges and depending on the recommendation and experience the recruitment executive offers the salary.

Once the salary is accepted the offer is released. HCL shares on on-line offer letter. No hard copy is shared with the offered candidate.

## THE RESEARCH PROCESS

## It includes following steps-

## 1. Defining the research problem & research objective:

The definition of the research problem includes the study of the topic “ Recruitment and Selection in IT industry-A STUDY IN RELATION TO HCL Technologies Ltd.”

## 2. Developing the research plan:

Second stage for developing the research plan calls for gathering the Information.

It consists of –

## ô€‚™ Data sources:

The researcher can gather primary data, secondary data or both. Primary data are data freshly gathered for specific purpose or for a specific research project.

Secondary are data that were collected for another purpose and already exist somewhere.

## ô€€¹ Research Approaches:

## Primary data can be collected in five ways:

## 1) Through observation:

Fresh data can be gathered by